

Alternative Service Delivery In the Ontario Public Sector

August 1999

ASD

What Is ASD?

ASD In The OPS

The Approach

Ontario Public Service
Restructuring Secretariat

 Ontario

Agencies

Franchising/Licensing

Devolution

Direct Delivery

Partnership

External Purchase

Privatization

What this Resource Kit Does:

The Alternative Service Delivery (ASD) Resource Kit is intended as a tool to:

- help the reader understand what ASD is;
- promote how ASD can be used within government; and
- provide timely, relevant examples and resource materials as reference points for ministries.

This kit is divided into five chapters. Users can refer to particular tabbed sections of interest depending on individual needs. The following is a brief outline of the contents.

Chapter 1:***The ASD Approach***

- provides an overview of ASD and how it is **defined** within both the public and private sectors.
- provides the user with a general understanding of the ASD **concept** and its **applications**.
- outlines the ASD **framework** used within the OPS as established by Management Board Secretariat.

Chapter 2:***ASD In Other Jurisdictions***

- provides a sampling of how ASD has been **used** in other levels of government, other countries, the broader public sector and the private sector.

Chapter 3:***ASD Resources***

- list of **reference materials** and **contact names** to utilize as ministries consider and work through an ASD project.

Chapter 4:***How to Do A Case Study***

- suggests **format to develop a case study** of a ministry specific ASD initiative that could be shared within the OPS adding to the catalogue of real life case studies of how ASD is being used within the Ontario government.

Alternative Service Delivery in the Ontario Public Sector

Who Should Use This Resource Kit:

The audience for the Resource Kit will vary depending on individual needs and where ministries are at in the process of considering an ASD initiative.

Specifically, this is intended to be used as a valuable reference point for OPS executives and project managers that are considering an ASD initiative and wish to obtain information to better understand ASD and how it is being used. Generally, they can be used by any OPS employee that is interested in ASD.

A secondary audience for the Kit is external to the Ontario government. As this material provides an illustration of how ASD has been used within the OPS, it communicates the experience the Ontario government has had in ASD to other levels of government, the broader public sector and the private sector.

The Kits should be used as a reference point and learning tool. The material is not the only authority on ASD and is not intended to be comprehensive. It provides a learning tool that works in conjunction with all the other available resources.

Future ASD Resource Kits

As we learn more about ASD, its application and results, the Resource Kit could be updated to provide users with timely information.

Chapter 5 which provides a catalogue of OPS experiences could be updated as more ministries undertake and implement ASD initiatives. Resources lists could be updated as new reference materials and literature is published and additional case studies could be added to as new experiences are highlighted to assist in the learning process.

How You Can Contribute

As you go through the experience of an ASD initiative keep in mind the lessons learned and the approach that you employed. If you run across relevant materials or resources or if you wish to prepare and submit a future case study, sharing your experiences, as this would be of interest to your colleagues, please contact us at:

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How You Can Get A Copy

The web site address for this document is <http://intra.gov.on.ca/CFL/extra/asdindex.htm>

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The ASD Approach

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1.1 How Does Alternative Service Delivery Fit in the Current Environment?

Among the goals that the Ontario government has set for itself are to provide quality service to the public, focus on core business, decrease spending, balance the budget, eliminate barriers to business, and create a prosperous economy. To achieve these goals, the Ontario Public Service has begun to make fundamental changes in the way it works. The services and structures of all government programs have been (and continue to be) reviewed with these goals in mind. Core businesses of government are being looked at to determine if the public sector needs to continue to deliver these services directly or if there are other ways to deliver them.

Globally, almost every sector — public, not-for-profit, and private — is facing similar challenges. Demands for better-quality services, cost reduction, flexibility, and competitiveness are faced by every government, agency, and business organization. While addressing these demands we are also experiencing unprecedented advances in technology, a changing

population and workforce, new skills requirements, and enhanced capabilities for partnerships and new lines of communication.

As a result, business and government organizations are experiencing a fundamental restructuring. Some sectors have already begun implementing new approaches to doing business. Important lessons can be learned from their experiences. Alternative Service Delivery is one way in which the government can achieve its goals of business renewal and providing effective and efficient services.

Alternative Service Delivery is changing the way government works. It opens up a vast array of new solutions to service delivery issues. By using ASD, the government is beginning to realize the benefits of focusing its business on the things it does best while allowing other sectors to deliver other activities and functions -- doing what they do best.

1.2 What is “Alternative Service Delivery?”

A Definition:

Defining ASD is a challenge. There is no “dictionary” definition or traditionally accepted meaning.

The Institute of Public Administration of Canada in its 1997 study “Alternative Service Delivery: Sharing Governance in Canada” gave much consideration to defining ASD for the government context. A

workable definition was offered after much debate by practitioners, academics, and public administrators.

“Alternative Service Delivery is a creative and dynamic process of public sector restructuring that improves the delivery of services to clients ...”

In the Ontario Public Service, Alternative Service Delivery refers to

“ rethinking the role of government in direct service delivery and looking at other options for better and cheaper ways of delivering programs and services. This encompasses a wide range of activities, arrangements and funding options involving the broader public sector, the private sector and not-for-profit organizations.” (Topical Supplement, Issue Number 3, September 1997)

The primary goal of ASD is to **improve services to clients**. When we implement an alternative method of delivery, it is because we have determined that the alternative will have pay-offs in terms of service and client/customer satisfaction. In addition to improving service ASD can also provide organizations with other benefits such as cost savings, improved access to specialized expertise and capital, etc.

Although ASD may often appear at face value to be fuelled by fiscal constraint, ASD's principles of **sharing responsibilities and service delivery functions** with other sectors bring many benefits, **creating synergies** by drawing on a diversity of expertise.

ASD is Not New:

Although they may not be referred to as “ASD”, the operating principles of ASD are already being used by a number of organizations to provide goods and services. Many private sector and not-for-profit organizations have realized the need to focus on core business. Other business activities and functions that are not core to the business are now delivered through alternative methods. Some core businesses

also lend themselves to an ASD type of arrangement. Some examples:

- corporations that contract out the management and provision of food services in the cafeteria of a large office building;
- commercial property developers that leave the day-to-day management of a corporate office complex to a property management firm;
- an automobile manufacturer that uses an outside supplier to design and assemble car components such as seats or steering wheels;
- a small textile business that has its payroll services administered by a large payroll processing company that specializes in such services;
- a group of community child care centres that pool their funds to hire an external bookkeeper to do all their accounting on a standardized system;

These types of organizations have used alternative delivery methods for a number of years. For these businesses, ASD means making the best use of resources and getting the required services through the most effective and cost-efficient means.

ASD is Not Just the Latest Management Tool for Cost Reductions:

Many organizations have gone through a number of methodologies to improve services, cut costs, and streamline processes. Most of us are familiar with such management terms as TQM (total quality management), bench marking, activity-based costing, downsizing, delayering, business process re-engineering.... to name a few. In varying degrees, these methodologies have all helped organizations cope with change.

In contrast, ASD is not simply a management tool or methodology for making service delivery more efficient. It moves well beyond management techniques of bench marking, activity-based costing, or business process re-engineering.

ASD starts with a **process**: a rigorous analysis of the business delivery function. This analysis helps the program manager to focus on selecting the best delivery model for a specific service. This selection is achieved by taking into consideration a range of options and assessing the risks, opportunities, implications, and benefits of applying those options.

Those who use ASD should undertake a fundamental analysis of what the business is, what services are provided, why those services should be provided, if at all, and who is in the best position to deliver them.

ASD Within a Government Context:

Within the context of government, the rigour of applying an ASD process is relatively new. Government has traditionally directly delivered a range of services to its citizens and has often created large organizations responsible for planning, designing, implementing, and administering the services.

Today we recognize that government can no longer efficiently and effectively support such an extensive array of services by itself.

Governments in many different jurisdictions are rethinking the way they do business. In doing so, governments are seeking creativity and innovation, flexibility and responsiveness to increasing numbers of complex pressures and demands.

In response to this change and rethinking, governments have used ASD as a mechanism to identify and assess creative solu-

tions. Since the mid-1980s many government departments have undertaken a wide variety of ASD initiatives with positive results. Some examples:

- Transport Canada's devolution of services to the Vancouver International Airport;
- the merging and coordination of social services in Alberta;
- the use of Executive Agencies in Britain;
- land registry services through Teranet, a public/private partnership in Ontario;
- business partnerships and investments to construct and administer Highway 407 in Ontario;
- government, community, and entertainment industry partnership of the Barrie Molson Centre;
- devolution of the Ontario Home Warranty Program;
- devolution of the Ontario Crop Insurance Commission to Agricorp, an independent agency;
- one-stop kiosk transactional information services, ServiceOntario;
- and numerous external contracts in areas of information technology support, maintenance services, fleet management, box office administration, snow plowing, waste management, shredding services, accounts payable/receivable, and call centres.

In the future ASD will continue to be a useful tool as the government rethinks how it does business. There are many experiences in ASD that the OPS can draw on and learn from.

The next component of this section looks at the ASD definition and its framework as it is used within the OPS. Here we identify some of the key considerations of the ASD process and the challenges to fundamental principles of governance and accountability as the ASD concept is actually applied.

1.3 Getting Started : The ASD Approach

When beginning the ASD process in your ministry, there are a number of considerations and key questions that need to be analysed in addition to establishing a sound project management framework.

The ASD Framework Within the OPS

The following is a brief description of the Ontario Public Service approach to Alternative Service Delivery. For in-depth descriptions and guidelines, users should refer to Ontario Management Board Secretariat's "Alternative Service Delivery Framework," (see pg 24).

The goal of the Framework is to help ministries choose the most appropriate method of service delivery for their programs and services. It outlines the guiding principles, range of service delivery options, and selection criteria for choosing the most appropriate delivery option. The options present a continuum of delivery methods that range from complete government involvement to minimal government involvement.

Service Delivery Options

Each service delivery option has different characteristics and a different relationship to the government. The Framework provides definitions, characteristics, selection criteria, and accountability considerations for each of these options. The user should keep in mind that a wide range of alternatives is available -- including variations within broad categories and hybrids of various models -- depending on the nature

of the business and program and key considerations including public interest, risk, liability, accountability, and costs.

Direct Delivery

Government delivers the service directly through its ministries, through business planning, focusing on results, cost recovery, getting the best value for the tax dollar, and customer service.

- Government is directly accountable for the service.
- Government has complete control over governance.
- Government assumes all risks, liabilities, benefits, and rewards.

In assessing whether a service area should remain under direct government delivery, ministries should be aware of considerations related to issues of public interest, decision-making authority, or capability of external providers. The service area may in fact be unique to government and be more effectively delivered internally.

When deciding whether a service should remain within direct government delivery, ministries should take the opportunity to be innovative and creative in the delivery of the service. They should ensure that it is operating at optimal levels of performance and efficiency by undertaking a business process review and re-engineering exercise.

Agencies

The government delegates service delivery to a scheduled agency operating at arm's length from the ongoing operations of the government but maintains control over the agency.

- Government ensures the agency performs its duties according to its constituting authority (i.e. legislation, policy, memorandum of understanding, administrative agreement).
- On a day-to-day basis the agency head is responsible for operational decisions.

The government generally gives an agency independence to

- provide objective advice to assist in policy development
- make a wide range of decisions to regulate and assess the conduct of businesses
- deliver goods and services to the public where operational flexibility is required to do it more efficiently and effectively.

Devolution

Government transfers the responsibility for delivering the service to a) other levels of government; b) profit and non-profit organizations that receive transfer payments to deliver the service

- Government negotiates responsibility for service delivery, service standards, and results
- Government still controls the policy
- Day-to-day service delivery is the direct responsibility of the service provider.
- Services are provided by organizations that are external to government, in the private sector or community-based, many with expertise in specialized sectors (e.g. health and social services).

External Purchase



Government purchases services under contract from a private firm but retains accountability for the service. This includes contracting out and outsourcing of services.

Here, the government (or any organization) has carefully considered and identified its core business and has determined that a **component** of its service delivery, although necessary, is not something that the organization needs to do itself.

- Services are provided through a service contract by organizations that are external to government.
- Service standards are set and monitored as part of the service contract.

As ministries examine their core businesses and the cost of doing business, a number of external purchase-of-service opportunities may be identified. A cost-benefit analysis can determine whether it is economical to outsource the service activity.

Partnership



Government enters into a formal agreement to provide services in partnership with another parties where each contributes resources and shares the risks and rewards.

Partnerships mean a true sharing of powers and authority that can lead to significant change and renewal for the public sector while stimulating the private sector. Partnerships may result in better use of limited resources, and takes full advantage of entrepreneurial opportunity.

The government and the partner/s share in the risks and rewards.

Mutual benefit accrues to each side of the partnership to further the objectives of the service or program.

All parties contribute resources and work toward a common goal.

Partnerships, however, require careful management and controls. Roles must be clearly defined, risks understood and fairly allocated, and activities monitored. All parties have accountabilities for their share of the service.

Franchising/Licensing



For franchising, the government confers to a private firm the right or privilege to sell a product or service in accordance with pre-scribed terms and conditions.

For licensing, the government grants a licence to a private firm to sell a product or service that would otherwise not be allowed.

- Government safeguards the public interest through the terms and conditions of the franchise or licence.
- Services are typically operational and do not require close policy direction.
- Government receives value through fees, royalties, and other franchise payments.
- Services are typically oriented toward a “retail” business context.

The government’s accountability is minimal in this area. Accountability is determined largely by consumer interaction with service providers, as consumers can usually voice their preference to buy or not to buy.

Privatization

Government sells its assets or its controlling interest in a service to a private sector company, but may protect public interest through legislation and regulation.

Under this ASD option the government has made a conscious decision to get out of the business entirely and leave market forces to make the decision as to what type of services should be delivered.

- Government ensures the integrity of the process by establishing strict criteria for the selection of assets, rigid guidelines for protecting the public interest, enforcement of conflict of interest policy and ensuring processes are open to scrutiny by legislation and the public.
- The private sector company has autonomy over service delivery.

Guiding Principles and Objectives

The ASD initiative will be guided by a number of factors, including the government’s policy direction, client needs, and service mandate, and where the initiative fits within the Ministry’s overall Business Plan.

Take the time to investigate how your ASD initiative is potentially affected or guided by these factors.

The ASD Framework also provides a number of guiding principles that reflect when to undertake an ASD initiative.

- The choice of delivery method will be based on a sound business case and ensure customer service and best value for the tax dollar.
- The choice of delivery method will ensure that the public interest is protected. The government will remain accountable to the public for outcomes but will determine the extent to which responsibility for day-to-day operations can be transferred.
- The government will remain in direct delivery where only it can best serve the public interest. Government will adopt a “businesslike” approach in delivering these services.
- Where there is no compelling reason for direct delivery, the government will pursue alternative models, including greater involvement of the private sector.
- As long as public policy objectives are met, the private sector will be allowed to make profits through the provision of public services. In competitive situations, profit margins will be determined by market forces; in monopoly situations, profit margins will be addressed on a case-by-case basis.

Ministries’ proposals for ASD must be based on a sound business case that maintains or improves customer service and best value for the tax dollar. Business cases and implementation strategies for ASD must be consistent with ministry business plans and must be approved by Management Board of Cabinet.

Management Board Secretariat’s “Guide to Preparing a Business Case” for ASD (Section 4 - ASD Resources) provides a systematic approach to comparing the costs and benefits of current and alternative methods of delivery to help decision-makers choose the most cost-effective delivery method. In addition, the Management Board vendor of record list can help ministries hire private sector consultants to assist in the development of a business case or Request for Proposal document.

Service Delivery Selection Criteria:

In determining the best delivery method for the program or service, the ASD framework provides a set of selection criteria for ministries to assess and analyse. These criteria, outlined in the following paragraphs, actually pose the difficult questions that require in-depth pro-and-con analysis.

A) *Public Interest:*

The concept of public interest cannot be easily defined and can vary with the philosophy and priorities of the government. It can include public health and safety, protection of civil rights, access to fundamental services, environmental protection, economic development, or the rights and privileges bestowed upon each citizen under the Charter of Human Rights and Freedoms.

When considering an ASD option we are asked to consider the public interest and

the extent to which the public interest needs to be protected in this case. If the public interest must be protected, who is in the best position to protect it, and what mechanisms will ensure that protection? What is an acceptable amount of error or risk? Does the existence of a public interest mean it's a matter of life or death, or that it's important there be no disgruntled customer at the service window?

The issue of public interest is an important one in the context of alternative service delivery and thus the way in which public interest is defined and the necessary degree of protection is unique to each service area.

B) *Decision-Making Autonomy:*

Different ASD options are viable depending on the level of decision-making autonomy for the government and for the service provider. The amount of government involvement in decision-making needs to be examined. Look at the types of decisions that need to be made. Are they of a policy nature, operational, transactional? Do the decisions need to ensure confidentiality, objectivity, or independence? What level of knowledge or skill is required?

C) *Financial Autonomy:*

To what extent does the function or service rely on government funding? Does it have access to other sources of funding? Can it generate its own revenue? Can it become financially self-sufficient?

ASD options can provide for the opportunity to rethink a government service that has typically been a net cost to government. An opportunity may even present itself to generate revenues for the first time or to enter into partnerships that may bring an infusion of capital or new investment opportunity.

D) *Management and Administrative Flexibility:*

In order to succeed, the new arrangement may require very different structures for management and administration. Given the size of government and the need for control, flexibility in the areas of management and administration are generally limited. In order to make change and to ensure efficiency, an ASD option could provide for the necessary flexibility.

E) *Applicability of Market Forces:*

This is a typical question of supply and demand. When examining ASD options, analyse whether there is a true customer demand. Are people willing to pay for this service? If the service disappears, will demand diminish? Is there someone out in the market who already provides this service, or is government the only provider? If the government is the only provider, would the market be interested in picking up the service if we let it go?

F) *Cost-Benefit Analysis:*

Ministries need to conduct a thorough cost-benefit analysis to assess the financial implications of the ASD option. Will it cost the government (and thus the taxpayer) more or less in the long run? Who benefits from taking the risks, and what are the financial liabilities to the crown or to the service provider? Is it a good deal?

These selection criteria will be of different importance to different service areas. Each ministry must assess its ASD options against its own service requirements and use these criteria as a guide for discussion and analysis.

1.4 Implementing ASD

In Management Board Secretariat's "Guide to Implementing a Change in Service Delivery," a number of fact sheets have been developed concerning relevant policy issues to be taken into consideration when implementing an ASD initiative. Users should refer to the guide for full details.

Factors To Be Considered In Implementing ASD:

A) *Accountability:*

Citizens have an inherent trust that when a government provides a service it is directly accountable for that service. When customers disagree or have complaints, they are generally familiar with their available recourses and feel that as taxpayers they have the right to air their concerns and demand resolution. As governments move to alternative methods of delivering services and have lost direct control over day to day operations, mechanisms must be put into place to maintain accountability.

In the OPS we have defined accountability as " the obligation to answer for results and the manner in which responsibilities are discharged. Management Board Secretariat has developed a Directive on Accountability, September 1997 (Chapter 3 --Resources). It provides a framework for managing the relationships with service providers. It defines the main elements of the accountability cycle as:

- defining expectations
- reporting on and monitoring performance
- taking actions based on results

Managers have the responsibility to ensure that appropriate accountability mechanisms are in place for ASD initiatives. These include accountability mechanisms, to manage each relationship, which meet the needs of the particular situation and incorporate elements and principles of the accountability framework. Managers are also responsible to ensure that external service providers are consulted during the design of the mechanism.

B) *Governance:*

Governance is the process by which an entity steers itself, providing direction and authority to exercise influence or control over matters.

The governance of the new service delivery method under the ASD option must be considered and linked to the selection criteria and accountability.

For instance, a service that was traditionally delivered by government may have been "governed" by the program's Director, the Assistant Deputy Minister and the Deputy Minister, with ultimate governance resting with the Minister/Cabinet by virtue of it being a government program. These issues need to be examined in light of the alternative service delivery. For example, where a service is devolved to a not-for-profit corporation, what is the current governance model of the service provider? Does this meet government standards and expectations? In this example there may be an independent board of directors in place. What is the mandate of the board, how rigorous is its monitoring of agency performance, and what are the accountability practices between board and staff?

C) Human Resources:

To proceed with an ASD option, a number of human-resources considerations must be factored into the assessment and decision-making. The use of an alternative service delivery method will likely affect employees. Ministries must research and assess all implications for employment and labour relations, ensuring fairness and adherence to applicable laws, collective agreements, and negotiations protocols.

Management Board Secretariat has developed relevant resource materials to deal with the human-resources implications associated with ASD. The impact on human resources differs depending on the type of ASD option to be implemented.

Ministries should work closely with Management Board Secretariat. They will assist ministries and ensure that all labour relations implications have been adequately dealt with and the provisions in the collective agreements including “reasonable efforts” have been adhered to. Draft Guidelines on the Transfer of Employees with Their Jobs or Functions and Employee Bidding should be referred to and are available through the ministry human resources branches.

D) Labour Relations:

An ASD may affect employees. Ministries must consider the ramifications of ASD options and the related impact of relevant legislation. Ministries should consult their Human Resources Branch (or Corporate Labour Relations/Negotiations Secretariat) with respect to statutory obligations, notice provisions, collective agreement provisions, reasonable efforts obligations, etc.

Pension Policy:

The implementation of an ASD option may affect employees’ pension entitlement rights. Detailed information can be provided by the Compensation Services Branch at MBS.

Severance Entitlements:

In determining severance entitlements, a number of factors are involved when work the OPS once did is taken on by the private sector or another part of the public sector and as a result an OPS employee is released, resigns, or stops being an employee under the Public Service Act. Entitlements vary for each of the bargaining groups and are affected by whether the employee received, accepted, or declined a job offer. Detailed information is available by consulting with the Compensation Services Branch and the Negotiations Secretariat at MBS.

E) Unfair Advantage and Conflict of Interest:

One of the guiding principles of alternative service delivery is that the processes for choosing the best option, selecting a vendor, or allowing employees to bid must be open, fair, and transparent, avoiding unfair advantage gained through employment or conflict of interest. Alternative Service Delivery decisions must be made using an objective process that is free of self-interest and protects the best interests of the province. Refer to *Conflict of Interest and Post-Service Directive*, October 28, 1998 and Regulation 435/97, *Rules of Conduct for Public Servants*, under the Public Service Act gazetted December 1997 for more information. It’s also available on the Internet site: intra.gov.on.ca/CPB.

F) *Managing Intellectual Property:*

The Management Board Directive “Managing Intellectual Property” applies to the use of intellectual property in all the alternative service delivery options. It is necessary to distinguish whether the ASD is done by government directly or by an external party. For example, if an external party is reproducing intellectual property of the government, for the external party’s own purposes, a licence is required.

Arrangements for external parties to use government intellectual property must be formalized.

Detailed information is available from the Public Access Services Branch at MBS.

G) *Freedom of Information and Protection of Privacy (FOIPPA):*

As ASD options are assessed, consideration must be given to the control over information, custody of records, and legal authority to collect, use, and disclose information. Further details are available through the *Freedom of Information and Protection of Privacy Act* and your ministry FOIPPA Co-ordinator.

H) *Environmental Bill of Rights:*

Some ministries are subject to provisions of the *Environmental Bill of Rights (EBR)*. For all alternative service delivery options, EBR ministries must determine whether delivery of a service through an alternative agent will have a significant impact on the environment. Detailed information is available from the *Environmental Bill of Rights Office*.

When deciding whether an ASD will have an impact on a ministry’s EBR obligations,

one must first consider if the Ministry and Acts are prescribed. Then, in keeping with the Ministries Statement of Environment Values, the best interests of the environment should be considered in maintaining EBR obligations or not. EBR principles are based on the concept of political accountability, whenever a ministry activity is contracted out or privatized, the minister must consider a delegation of the EBR obligations or be accountable for the decision not to. In the case of the administration of the Fuel Safety Act to the Technical Safety and Standards Association (TSSA), the minister delegated the EBR obligations to the private sector organization. Although the TSSA will make all decisions, the minister will still be accountable for them under EBR.

I) *French Language Services (FLS):*

The *French Language Services Act* gives every person and corporate entity the right to communicate with and receive all available services from every head office of every government ministry, agency, board, and commission of the government, and their offices in the province’s 23 designated areas, in English and French.

Depending on the type of ASD option chosen, the act will have different implications. For example, if the ministry is contracting out a service, the government remains accountable and the external provider must comply with the act. On the other hand, if a government service is privatized and the government is no longer involved in or accountable for the service, the act may not apply to the private sector organization. Further information can be provided in the *French Language Services Act* and by your ministry’s French Language Services Co-ordinator.

J) Visual Identity:

The Management Board Directive “Ontario Visual Identity” applies to all ministries and Schedule I agencies. For information on interpreting the visual identity directive and any implications related to implementing an ASD option, contact your ministry’s visual identity co-ordinator.

K) Procurement:

The OPS has a detailed policy with respect to procurement practices. Ministries must ensure adherence to these policies in the purchase of external services, franchising, or any partnership arrangements.

Specific rules also apply to common purpose procurement and employee bidding.

Ministries are encouraged to work closely with their Purchasing Services Branch.

L) Real Property, Accommodation and Movable Assets:

Changes to government program delivery may have a great impact on accommodation, provincial real estate, and movable assets. Ministries must consider how the ASD option will affect the program’s assets and whether they are still required or should be sold, reassigned, etc.

Consideration must be given within an ASD business case for determining the best

option for optimizing revenues and/or savings.

See Chapter 3, *ASD Resources*, page 21.

M) Service Management:

ASD approaches to the provision of services expose government to a range of risks and responsibilities that are not faced when services are managed within a government organization. The fact that ASD results in programs or services being delivered through some type of arrangement with third parties means that OPS managers need to give careful consideration to the issues of risk management, contingency planning, dispute resolution, etc. The Management Board Secretariat has developed a *Guide to Service Management* (1999) that should be referred to whenever consideration is given to the delivery of programs or services via ASD.

N) Legal Services:

The use of ASD initiatives to provide services requires the establishment of a series of new relationships between the government and third parties. Careful consideration must be given to ensuring that appropriate legal advice has been obtained at all points in the ASD process.

Ministry legal branches can provide invaluable advice and guidance, and should be consulted as early as possible in the ASD process. Addition support and advice from MBS Legal Services, in particular with respect to labour relations issues.

1.5 Implementation and Project Management

Ministries need to establish a comprehensive project plan, establish a project team, and initiate a project management process to effectively see through the various phases of initiating an ASD review and implementation initiative. A diversity of skills, knowledge, and expertise is required

to analyse, assess, design, communicate, and implement the ASD option.

The Centre for Leadership's "ASD Programs for Senior Managers" outlines five essential phases of an ASD with a number of key process components. The following table summarizes the key components.

PROJECT MANAGEMENT	
PHASE	KEY COMPONENTS
<i>Development</i>	<ul style="list-style-type: none"> • ministry business planning • creative visioning • detailed analysis • development of the business case • Reviewing and assessing Collective Agreement obligations and Labour Relations and Employment Law Legislation
<i>Making the Deal</i>	<ul style="list-style-type: none"> • assessing private/other sector interest and capability • assessing the economies of the sector • selecting a preferred proponent or partner • negotiating the service delivery arrangement with that partner • establishing terms and conditions
<i>Implementation</i>	<ul style="list-style-type: none"> • people and culture: assessing the impact of ASD on the skills, training requirements, and behaviours of the organization • assessing the structure and supports that will be used • assessing the systems and technology and identifying new requirements • identifying process changes, new policies, or procedures to facilitate the implementation
<i>Monitoring</i>	<ul style="list-style-type: none"> • reviewing implementation results • evaluating performance measures • monitoring performance • communicating results
<i>Transition Management</i>	<p>(actually occurs throughout the other phases on an ongoing basis)</p> <ul style="list-style-type: none"> • planning and undertaking communications with internal and external stakeholders • assessing and addressing resistance to change • ongoing management of information, advice, decision-making

ASD²

ASD In Other Jurisdictions



2.1 Canada

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2.2 United States

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2.3 Internationally

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Introduction

Government reform initiatives and the implementation of alternative service delivery models is not unique to Canada. Rethinking what the public wants and needs from government, coming to grips with scarce resources, and incorporating

new business practices and technologies has prompted governments worldwide to look at new ways of doing business.

The following provides an overview and some examples that will assist us to learn from others.

2.1 Across Canada

In Canada, various governments have introduced Special Operating Agencies, deregulation initiatives, and private sector partnerships.

Alberta

Over the last 10 years Alberta has done some significant restructuring with ASD as a primary means, including privatization, outsourcing, deregulation, industry self-management, and the use of Delegated Administrative Organizations (DAOs), etc. Between 1992/93 and 1995/96, the budget for Alberta's Department of Labour was reduced by 32%. Rather than contracting out or privatizing, Alberta Labour chose to establish DAOs. Three were established to regulate workplace safety: Petroleum Tank Management Association of Alberta (regulating petroleum storage and safety), The Alberta Boilers Safety Association (regulating production and use of boilers and pressure vessels), and the Alberta Elevating Devices and Amusement Rides Association (regulating amusement rides, elevators, escalators, dumbwaiters, lifts, their installation and use). In addition, a range of government services have been privatized or provided through outsourcing contracts

including liquor sales, registry services, correctional services and property assessment. Safety standards and other regulatory functions have come under the management of the private sector.

Manitoba

As with other provinces, the impetus for change began with fiscal pressures and a need to look at fundamental change. Fifteen Special Operating Agencies (SOAs) were created as an alternative program delivery option. SOAs operate under *The Special Operating Agencies Financing Act* and have a voluntary advisory board chaired by the deputy minister, with representatives from stakeholders. SOAs have public policy direction (from a line department), operate in a more business-like fashion, and are driven to improve performance and accountability. Some examples of SOAs include a fleet vehicle agency, materials distribution agency, organization and staff development, vital statistics agency, civil legal services, Manitoba education research and learning networks, land management services, and Pineland forest nursery.

Manitoba has also restructured other services through outsourcing, deregulation, and industry self-management.

New Brunswick

Reform in New Brunswick began in the 1980s. In 1988, two Cabinet committees were created: Policy and Priorities and the Budget Committee. As a result, public interest was redefined as “less government, privatization, and efficiency” and reviewing government programs became an ongoing process in re-engineering process. The government strove towards a self-sufficiency theme in such documents as “Toward 2000,” “Toward Self-Sufficiency,” “Investing in People,” and “Fiscal Responsibility,” to name a few. As a result, public commissions in the areas of health care, education, and land use were established as vehicles of change. In 1992, an initiative called “Service New Brunswick” was introduced, which provided one-stop shopping to the public for more than 50 different government services. Privatization Review Teams are interdepartmental teams that review the privatization of public corporation. Services such as language training for public servants, various liquor outlets, and the Government Data Centre at the Department of supply services are now delivered by the private sector. As of late 1995, there were 35 such projects completed or under way.

Literacy programs came under review when the 1986 Census indicated a 24% illiteracy rate in New Brunswick. The government responded by establishing a partnership with communities, volunteers, and the private sector called “Literacy New Brunswick,” a non-profit organization. Literacy New Brunswick created a program called Community Academic Service Program (CASP), which delivered local programs throughout New Brunswick.

Newfoundland

Newfoundland is undertaking a number of restructuring initiatives that have included deregulation of services, outsourcing a number of services to the private sector, and privatizing a number of commercial organizations (e.g. Broiler Chicken Processing Plant and Newfoundland Hardwood). Further, Newfoundland has partnered with Newfoundland Chamber of Commerce and three ministries -- Industry, Trade and Technology, Treasury Board, Work Services and Transportation -- to look at alternative ways to deliver a range of other government services. Examples of changes include merging services such as permits, inspections, and licensing functions into integrated service delivery offices.

Federal Government

In 1989 the Federal government introduced the PS 2000, an initiative with a new management philosophy which focused on results, flexibility, innovation, judgement (versus rules), accountability, and viewing the public servant as an asset. Part of this initiative involved the establishment of Special Operating Agencies (SOAs) that would provide service to the public and at times to other parts of government. By 1997, approximately 3% of public servants were employed in the SOAs.

In June 1993, the government announced a “restructuring initiative” to streamline and reorganize departments and agencies. The Public Works and Government Services Canada (PWGSC) is a common services agency which provides contracting and procurement services in the area of materials, real property, maintenance of government infrastructure, and finance.

In 1989, the Canadian air navigation system was facing a variety of pressures. These pressures ranged from an inability to meet the expanding client needs, to increased air traffic due to deregulation of the airlines, to budgetary/fiscal pressures. What followed in 1993 was the commercialization of the air navigation system. A non-profit corporation named NAV Canada purchased the

system for \$1.5 billion, and eight employee unions signed the agreement, which transferred 6,400 staff from Transport Canada to the new organization. NAV is a hybrid of different ASDs: it is a non-share corporation with no equity participation; it operates with a board made up of stakeholders, unions, and government. Although NAV is a self-regulating entity, government retains the responsibility to regulate safety.

2.2 In the United States

In the United States, governments have implemented various privatization projects and deregulation and streamlining initiatives.

New Jersey

The overall goal of government restructuring in New Jersey was to buoy up a sluggish economy. This led to the establishment of the Commission on Privatization whose mandate was to review trends in other jurisdictions, evaluate the advantages and disadvantages of privatization, identify possible functions, and develop implementation plans. As a result, many government services such as state-owned day care, adult activity centres for the mentally challenged, welfare job placement centres, corrections, health care, and food services are now delivered by the private or voluntary sector. Other restructuring initiatives included merging services to provide one-counter service (e.g. the Department of Senior Citizens and Health and various environmental permit and inspection units).

Wisconsin

Internally many services were merged to create stronger services to the public (e.g. the merging of all tourism-related activities in the Department of Tourism, and the merging of social assistance with the Department of Labour to create the department of Workforce Development). The state continues to build on outsourcing of government services such as cleaning and maintenance of government-owned buildings, health care, and laundry services in government institutions, to name just a few.

Federal Government

In early 1990 a number of national restructuring initiatives were undertaken, including the National Performance Review and the National Commission on State and Local Public Service. These led to a range of restructuring projects including consolidated/integrated service delivery, devolution to other levels of government, commercialization, privatization, the creation of Performance Based Organizations (PBOs), and regulatory partnerships.

2.3 Around the World

Internationally, New Zealand, the United Kingdom and Australia provide key examples of ASD implementation over the last 10 to 15 years. These jurisdictions have implemented new operating agencies, extended arms of government delivery, executive agencies, commercialization initiatives, and new government business enterprises.

Australia

Australia has undertaken a range of public sector reforms both at a federal and provincial level (in the state of Victoria). These measures have included commercialization, deregulation, and establishing semi-autonomous agencies.

The key focus of these measures was to review the role of government with an increased focus on improving the quality of service delivery. Examples include such initiatives such as the devolution of some operational functions of the Public Service Board; corporatisation of the Snowy Mountains Scheme, Victoria's gas industry, and some state-owned enterprises such as CityWest Water Ltd and EconEnergy; and choosing to contract out maintenance services for government leased or owned buildings.

Also, prior to the 1990s, the commonwealth government deregulated the airline industry and introduced competition in the telecommunications carrier service area. In 1995, the Trade Practices and Prices Surveillance Act was introduced to further deregulate industries.

As of 1995, commonwealth agencies were also required to undergo program evaluations and to report performance according to measures set out in annual reports.

Malaysia

In 1993, the government of the day developed a "Privatization Master Plan," which promoted transferring certain public sector activities, for example, the sale or leasing of assets and private sector contracting out. In contracting out, government employed two methods in acquiring the most competitive vendor: 1) the government would identify candidates and bids would be solicited or 2) the private sector was encouraged to produce proposals.

New Zealand

Government reform began in the late 1980s with the election of the Labour government. As with other government reform initiatives, the drivers of reform were to strengthen a weak economy (due to debt and deficit). It began with decentralization of decision-making, separating policy from service delivery, corporatization of crown agencies, deregulation, and the commercialization of many government functions. In 1985, the government phased out various subsidies and incentives, and brought in the *State-Owned Enterprise Act*. This transferred a number of government-delivered services and functions to semi-autonomous State Owned Enterprises (SOEs). Starting in 1989 some SOEs were privatized (e.g. Petrocorp).

Sweden

The structure of the Swedish system has for many years been based on government's core roles of policy development and standards setting with ministries of fewer than 100 staff. Services are delivered through a number of agencies operating autonomously from government. Agencies decide how they will deliver services within parameters set by government policies. Some agencies report

to more than one minister, depending on their scope of responsibility. Recently the government has centralized all internal administrative and support services (previously in each ministry) into one agency within government.

Trinidad & Tobago

Some services such as maintenance services for new police stations, security services at the Inland Revenue Division, the VAT Administrative office, the District Revenue Office, the security office at post offices, and mail delivery between the general post office and the airport have now been contracted out. The government is also looking at establishing private sector partnerships for the purpose of providing service to the public in other areas.

United Kingdom

British government reform began in 1976 with the impact of an economic crisis. Four election victories for the conservatives resulted in major reform, resulting in two major initiatives: Next Steps Agencies 1988 and the Citizens Charter.

Next Steps Agencies separated the functions of purchaser (government) and

provider (agency). Each agency would have contracts with the parent government department in terms of performance targets, resources available, etc. Agencies are required to contract work to the private sector whenever possible, thus encouraging a competitive environment. By 1994 there were 100 semi-independent executive agencies linked to government departments.

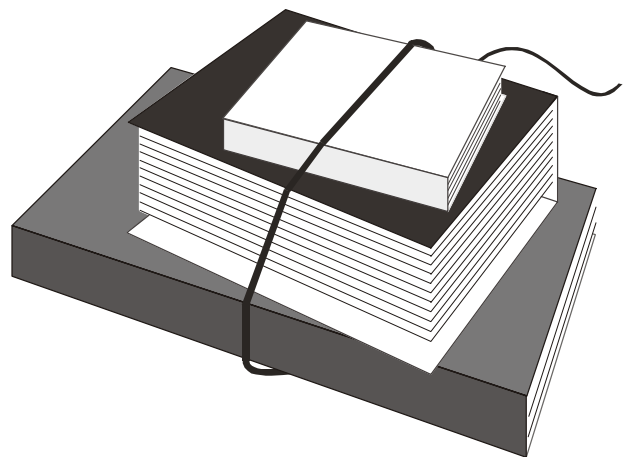
Other examples of alternative service delivery include contracting out cleaning, security, laundry, and catering at the national health services. Government departments are also expected to consider relocation to local sites. This allows for easier labour markets and increased operational efficiencies.

Zimbabwe

Services in health, education, and some social services are being decentralized to Zimbabwe's local governments. Partnerships with government and non-government organizations include the emergency relief programs established for Mozambican refugees, where planning was carried out jointly by a committee consisting of government and non-government members where non-government services and skills could be utilized.

ASD3

ASD Resources



Where Can I Get More Information

ONTARIO

1. Ontario Public Service

■ Management Board Secretariat

Contact: Brinda Murti, Senior Policy Advisor, Management Practices, Policy Branch, Program Management & Estimates Division
 Phone: 326-5696
 Fax: 325-0438
 E-mail: MURTIB@mbs.gov.on.ca

Publications:

- Alternative Service Delivery Framework 1996
- Guide to Preparing a Business Case for ASD 1996
- Guide to Service Management
- A Guide to Implementing Change in Service Delivery

Websites:

Intranet: <http://www.intra.gov.on.ca/CPB/>
 Internet: <http://www.ppp.beyondgov.ca>

Management Board Secretariat contact list for implementing a change in service delivery:

- Freedom of Information and Protection of Privacy, Public Access Services Branch (327-2187)
- Intellectual Property/Public Access Services Branch (326-5153)
- Labour Relations, Corporate Labour Relations and Negotiations Secretariat (325-1475)
- Business Assets & Operations (327-2477)
- Pension Policy, Compensation Services Branch (327-8396)
- Procurement:
 MB Directives, Corporate Policy (327-3536)
 Practices and Trade Agreements, Purchasing (327-3536)
 Common Purpose Procurement, Purchasing(327-3580)
- Severance Entitlements Rights, Compensation Services (327-8398)
- Visual Identity, Corporate Policy Branch (327-3808)
 (See also list of Ministry Visual Identity Co-ordinators at www.intranet.gov.on.ca/CPB/visual ID.HTM)

■ **Centre for Leadership: Learning Programs for Senior Managers and Project Leaders**

Contact: Rita Greenidge, Program Development Consultant, Program Development & Delivery Branch
 Phone: 325-1640
 Fax: 325-4996
 E-mail: greenidr@gov.on.ca
 Fax on Demand: (416) 325-4789

Website:

Intranet: <http://intra.gov.on.ca/CFL>
 Internet: <http://www.ppp.beyondgov.ca>

Publications: Alternative Service Delivery Framework (ASD) Tool Kit, November 1997

2. Institutes, Associations, Learning Centres

■ **Institute of Public Administration of Canada**

Phone: 924-8787
 Fax: 924-4992
 E-mail: ntl@ipaciapc.ca

Publications:

- New Public Management and Public Administration, edited by Mohamed Charih, Art Daniels, IPAC
- Alternative Service Delivery: Sharing Governance in Canada, edited by Robin Ford and David Zussman
- The ASD newsletter, IPAC
- Paul Thomas report on ASD

Website: www.ipaciapc.ca

■ **Canadian Council for Public Private Partnerships**

Phone: (416) 601-8333
 Fax: (416) 868-0673
 E-mail: partners@pppcouncil.ca

Website: <http://www.pppcouncil.ca/~partners>

■ **Treasury Board Secretariat's "Framework Alternative Program Delivery"** a link under the **Public Private Partnering** website.

Website: <http://www.ppp.beyondgov.ca>

Other Jurisdictions

There are several search engines currently on the internet which offer numerous websites on international examples of alternative service delivery initiatives. To search for a site simply type, (including the quotes) the country name followed by "restructuring"; for example "Sweden restructuring". Some good search engines to try: *InfoSeek* and *Yahoo*.

External Consultants

Management Board Secretariat maintains a vendor of record list to help ministries hire consultants to develop business cases or Request for Proposal documents.

Case Studies

- ***Alternative Service Delivery: Sharing Governance in Canada,***
Taking Strategic Alliances to the World: Ontario's Teranet

Published by: Institute of Public Administration of Canada and KPMG

- ***Case Studies in Public-Private Partnerships***

- Building a Public-Private Sector Relationship, The Alberta Highway Maintenance Contracts
- Building an "Enhanced" Partnership Ontario Ministry of Agriculture, Food and Rural Affairs and The University of Guelph

Prepared by: The Canadian Council for Public Private Partnerships and the Centre for Leadership, Government of Ontario

- Human Resource Implications, Two Models: Technical Standards & Safety Authority, Teranet Land Information Services, Inc.

Prepared by: The Canadian Council for Public Private Partnerships and the OPS Restructuring Secretariat, 1998

- ***The Triple Handshake: Ontario's Industry Self Management Paradigm***

Prepared by: The Ministry of Consumer and Commercial Relations

ASD4

How to do a Case Study

Introduction

To start, briefly set the stage for the reader by providing a short overview of the ASD initiative that you will be describing in the case study. Include the time period in which the ASD initiative took place; the part of your ministry or organization it pertains to; and the end result or current status of the ASD initiative.

Factual Background

In this section of the case study tell the reader about the business or organization as it was **before** the ASD initiative. Take this opportunity to outline what the organization looked like before ASD, including its structure, organizational design, mandate, delivery model, and any pressing issues.

Some things you might include:

- What was the business mandate?
- What was the method of delivery?
- What were the service indicators?
- Who were the clients?
- What was the general structure of the organization?
- What was the staff complement?
- What were the yearly expenditures?
- What were the yearly revenues? How was revenue generated?
- How was the organization functioning?

A Case for Change

Every organization has its own unique set of circumstances that determine its mandate, its customers, the people it deals with, the objectives by which it is guided, and the processes by which it conducts business.

Therefore, there are many different reasons for undertaking an ASD initiative. Different factors will motivate each organization differently. This is an opportunity to describe the key factors that led your organization to consider an ASD initiative.

Think back to the impetus behind the ASD initiative and what compelled you and the decision-makers to consider ASD as an initiative worth researching and analysing.

What were the drivers for undertaking this change to the organization?

Some things you might include:

- service levels and service delivery issues including customer response, cost-efficiency, program effectiveness
- government agenda, government commitments, throne speech, budget speech announcements
- demographics, socio-economic trends, market trends
- stakeholder concerns
- policy issues, legal issues
- governance issues
- accountability issues
- best use of limited resources
- utilization of expertise
- need for autonomy or independent decision-making
- need for flexibility
- industry standards
- funding arrangements.

The Process

This is the most extensive part of the case study because it will be where you outline the start-to-finish process that you went through in researching, analysing, planning, and implementing the ASD initiative.

As you think about this section, you will probably find that a number of the steps you went through were well planned and structured. But you'll likely find an equal (if not greater) number of steps and parts of the process that were unforeseen or underestimated. In some cases you'll find that an unstructured set of steps or sequence of events became "the process" at the end of the day.

This part of the case study is not a competition to see who can come up with the best "process" on paper. It's an opportunity to share what you and your organization went through (good and bad) during the ASD initiative. So please describe what **actually** took place, not what should have taken place.

Some things you might include:

a) Objective Setting:

- What goals and objectives were established for the ASD initiative?
- Were you looking for process improvements, timeliness, customer response improvements, cost-efficiencies, program effectiveness improvements, expanded markets, better communications, increased revenues, or something else?
- What process did you go through to establish these objectives?

b) Options Analysis:

- Given the nature of the business and the type of change you were seeking, were there two or more alternative service

delivery methods you considered, or was there only one that was worth investigating?

- What process did you use to consider the options? Who was involved? Who wasn't involved?
- What type of data did you need to collect to assess the options accurately and objectively?

c) Data Gathering:

- What type of data and information did you collect (for example, demographics, socio-economic trends, market trends, financial statistics, industry standards, supply and demand data, statistical information, service standards, performance benchmarks)?
- Did you collect information from clients, customers, stakeholders? If so, how did you collect it (for example, from focus group discussions, opinion polls, customer surveys, compliance forms, complaint forms, incident reports, etc.)?
- Did you collect information from other jurisdictions within the province, elsewhere within Canada, in the United States or abroad?

d) Resources:

- What human resources were assigned to the initiative?
- Did you establish a dedicated project team?
- Did you use external consultants? What types of skills or expertise were required?
- What financial resources were assigned to the project?

e) Decision-Making Processes:

- What decision-making processes were put in place?
- Did you assemble a steering committee?
- Did you use advisory groups or task forces to advise on the decision-making process?
- What was the role of your organization's and ministry's senior management team, the deputy minister (or equivalent), the minister?
- What was the role of the bargaining agents (OPSEU, AMAPCEO Freeze Committee, MERC, etc.)?
- Did you consult with Corporate Labour Relations/Negotiations Secretariat for Collective Agreement related to ASD initiatives?
- What were the sign-off processes? Who had sign-off responsibilities?
- Were there legislative or regulatory approvals?

f) Issue Identification/Resolution Process:

- What mechanisms were put in place to help identify and resolve issues?
- Whose role was it to identify and resolve issues?

g) Communications:

- Did you have a communications plan or strategy?
- Who was involved in the communications?
- What was it that you needed to communicate, and when and to whom?
- What types of communication methods did you use (for example, newsletters, public announcements, internal information sessions, etc.)?

h) Consultations:

- Did the project involve external consultations?
- What was the intent of the consultations (advice, data gathering, communication, information sharing, education, etc.)?
- Who did you consult with?
- When in the process did consultations take place?

Assessing the Process

Given what you now know after having gone through the experience of your ASD initiative, how would you assess the process and the steps that you undertook to research, analyse, and implement the ASD approach?

This is one of the most important parts of the case study. This is your opportunity to share with the reader what you learned, any cautions you would bring to the reader's attention, and the positive experiences you would like to highlight.

(Note: Depending on the complexity and scope of the ASD initiative and the extent of the process employed, you may wish to address this question after each process component that you have described in Section 4 above.)

Some things you might include:

- Did the process work? Why? Why not?
- How would you improve on the process if you were to do this again?
- Was a key step missed, which would have made things easier, faster, more accurate, more timely, more efficient?
- What would have been more useful to ensure a better decision-making process?
- Did you involve the right people?

- Did you have the right resources?
- What worked well?
- What would you build on in the future?
- What changed throughout the process, and why? What implications (positive or negative) did these changes have on the results?
- What dilemmas or puzzles did you face, and where did you seek advice or support to resolve them?

ASD Issues

An ASD analysis is a good way to assess the best delivery model either for an entire organization or discrete business functions within an organization. At the end of the analysis an alternative delivery model may be selected. However, the whole area of alternative service delivery involves several issues that are key to the nature of government and the type of service or business we are in. Throughout the analysis and the decision-making process, many of these issues must be assessed and taken into consideration.

Within this section of the case study, discuss the strategic, operational, and public interest issues that played a part in assessing the ASD initiative and how these issues were dealt with during the project process.

Some things you might include:

- stakeholder concerns
- policy issues
- legal issues
- governance issues
- accountability issues
- labour-management issues
- human resources/workforce issues
- funding issues (investment, capitalization, allocations, revenues)
- liabilities, risks
- powers and authorities
- independence and autonomy
- public interest, public safety.

Results

To conclude your case study, provide a summary of the end results of the ASD initiative. Some results may be positive and some negative. In some cases, it may still be too early to tell.

The purpose of this section is to provide the reader with an overall perspective of what your efforts have led to. Did you meet your objectives? What benefits were derived from implementing the initiative? What was the return on investment?

If the ASD initiative is not yet completed or has not yet yielded results, give a current status report, outlining what results are anticipated and how you plan on measuring or evaluating the results, products, or effect of the ASD initiative.

Some things you might include:

- evaluation criteria
- results expected
- results achieved
- reason for variance between what was expected and what was achieved
- problems that have resulted
- how problems will be dealt with
- cost benefits
- service benefits
- customer benefits
- lessons learned
- new relationships/partnerships
- new roles and responsibilities
- new accountabilities.

ASD4

ASD Examples in the OPS

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5.1 Direct Delivery

Ministry	<i>Attorney General</i>
Service	<i>Family Responsibility Office</i>

Description

As a centralized enforcement agency, FRO's alternate service delivery initiatives include:

- The purchase of legal services (litigation) from panel lawyers to support aggressive enforcement activity, throughout the province.
- Contracts to utilize the expertise of private sector collection agencies, to support FRO's aggressive enforcement measures, through trace, locate and collection services – tracking down parents who have failed to make child support payments in over three years, so that the program can take aggressive enforcement action.
- Partnerships with the banking sector for the provision of various electronic commerce initiatives, including tele-banking, direct deposit of cheques to recipients bank accounts, electronic transfer of payments and pre-authorized payment remittance options for support payor or income source.

Before ASD

Prior to initiating these ASD initiatives, the program was unable to meet service demands and the mandate of the program. Clients encountered delays in processing payments, difficulty in accessing the program, and there was insufficient enforcement of cases with arrears.

Reasons for Implementing ASD

In 1996, the government made public commitments to improve customer service, get more money to families faster and deal with an outstanding arrears problem. This necessitated a shift from an outdated, paper-driven enforcement system to a modernized organization, supported by advanced technology, with a greater emphasis on customer service and strong enforcement.

The ASD initiatives that are in place are invaluable as they allow front-line enforcement and financial staff to eliminate many of the administrative tasks and manual processes that they previously encountered on a daily basis, so that their attention can now be focused on the program's objective which is, to get more money, to more families, faster.

Method of Implementing ASD

In order to implement the ASD initiatives, the program:

- Re-designed and re-focussed core business
- Enhanced enforcement powers through legislative changes
- Restructured and re-engineered operations
- Introduced new/advanced technology including an automated call centre.
- Tendered private sector contracts for a banking partner and for the Collection Agency Pilot Project.
- Renewed the panel lawyer roster.

5.1 Direct Delivery



Ministry	<i>Ministry of Citizenship, Culture & Recreation</i>
Service	<i>Gateway to Diversity</i>

Description

The Equal Opportunity Website and associated fax-back service named “Gateway to Diversity” provides information on resources, services, professional development activities, examples of employer equal opportunity initiatives and links to other relevant sites. With an interactive component, the site hosts live conferences, runs two on-line discussion groups, and allows users to provide feedback and comments through on-line surveys and direct inquiries. In its first year of operation, Gateway to Diversity received more than one million visitors.

Before ASD

Information and referrals in the area of workplace equal opportunity were largely provided by information officers at several ministries and agencies where staff handled phone calls, referring callers to other sources. Callers would queue up and wait for the next available operator and then wait for mail delivery of information without the facility to interact with experts or other parties.

Reasons for Implementing ASD

- Effective customer services
- Technology can provide access to information quickly and efficiently

Method of Implementing ASD

The website and associated information/fax-back service was a partnership effort involving ministry staff and stakeholders (over 125 employers (eg. Motorola, General Electric), associations (Human Resources Professionals Association of Ontario) and organizations working with persons with disabilities (eg. Canadian Abilities Foundation).

Ministry	<i>Labour</i>
Service	<i>Purchasing</i>

Description

Restructuring of system for purchasing, expenses, travel payments, and other routine transactions. A government Purchasing Card is now used for minor purchases and the system of handling other transactions has been decentralized to field offices.

Before ASD

Most purchasing was provided by a central purchasing unit and Purchase Orders were required for items over \$250; some purchasing was done by field offices. Small invoices were handled by accounts payable.

Reasons for implementing ASD

- to reduce the volume of paperwork
- to reduce costs

Method of implementing ASD

A government Purchasing Card is issued to field officers, to be used for purchases up to \$1,000 each. Field offices may make purchases of up to \$10,000, not including Requests for Proposals. Cash advances for travel purposes are available through automatic teller machines and from American Express offices.

5.1 Direct Delivery

Ministry	<i>Labour</i>
Partner	<i>Ministry of Natural Resources</i>
Service	<i>Staff Development and Training</i>

Description
Partnership with the Ministry of Natural Resources for curriculum development and brokering with external training providers.

Before ASD
The Staff Development and Training Section developed curricula for operational and generic training, provided a brokering service for managers who wanted to use external training facilities, and managed employee training records.

Reason for implementing ASD
to reduce costs

Method of Implementing ASD
The Staff Development and Training Section was eliminated. A service agreement with Natural Resources was negotiated, covering career transition services and other training support for the Ministry. The agreement is for three years with annual reviews.

Ministry	<i>Labour</i>
Partner	<i>Ministry of Natural Resources</i>
Service	<i>Network Services and Desktop Support Strategy</i>

Description
Partnership with the Ministry of Natural Resources for office computer systems and e-mail, applications and application development, and management of wide-area telecommunications network.

Before ASD
Ministry staff managed a data centre and telecommunications network.

- Reasons for implementing ASD**
- to reduce costs
 - to get out of a non-core business
 - to gain access to a broader range of computer management skills

Method of implementing ASD
A service agreement was signed with Natural Resources.

5.1 Direct Delivery



Ministry	<i>Municipal Affairs and Housing</i>
Service	<i>One Window Plan Input, Review and Appeal Service</i>

Description

Consolidation of policy review and input for planning applications within provincial government

Before ASD

Policy review of planning applications formerly carried out by Ministries of:

- Agriculture, Food and Rural Affairs
- Citizenship, Culture and Recreation
- Environment
- Municipal Affairs and Housing
- Natural Resources
- Northern Development and Mines
- Transportation

Reason for implementing ASD

To streamline the planning approval process.

Method of implementing ASD

Data on provincial interests was transferred to the Ministry of Municipal Affairs and Housing and a protocol on implementation was signed by the Deputy Ministers in partner ministries. Municipalities consult the Ministry before submitting applications to ascertain the provincial position. The Ministry may appeal a planning decision to the Ontario Municipal Board, in which case, the Ministry coordinates the province's position on the planning matter in question. Accreditation will be established as an alternative to technical reviews.

Ministry	<i>Ministry of Municipal Affairs and Housing</i>
Partner	<i>Management Board Secretariat</i>
Service	<i>Labour Relations</i>

Description

Provision of collective agreement and labour relations negotiations for the Ontario Housing Corporation by Management Board Secretariat.

Before ASD

One member of the Ministry staff provided the service. The volume of work varied considerably from periods of little activity to periods when there was too much work for one person to handle.

Reason for implementing ASD

to draw on labour relations expertise as needed

Method of implementing ASD

The Ministry has signed a Memorandum of Understanding with Management Board Secretariat.

5.1 Direct Delivery

Ministry	<i>Northern Development and Mines</i>
Service	<i>GEO Enterprises Ontario</i>

Description

- GEO Enterprises Ontario is the business arm of the Mines and Minerals Division of the Ministry. It markets and provides products and services to the public and private sector, including:
 - information on mining legislation, and administration and mineral policy development;
 - geoscientific research services and laboratory research;
 - data management systems and multi-disciplinary thematic maps;
 - geological guidebooks, posters and postcards for the education and tourist markets.
 - GEO Enterprises Ontario allows the Division to support private-sector bids on international projects while recovering its costs and a profit for the province.

Before ASD
 The Mines and Minerals Division provided expertise and information products for free. Employees of the Division participated in international projects for free or during a leave of absence from the Ministry.

Reasons for implementing ASD

- to support the private sector
- to recover some of the taxpayer investment in public-sector intellectual property
- to offer new products and services on a cost-recovery basis

Method of implementing ASD
 GEO Enterprises Ontario operates with a budget allocation. It applies to Management Board Secretariat if an increase in the allocation is needed. Revenues from projects accrue to the Consolidated Revenue Fund.

Ministry	<i>Northern Development and Mines</i>
Service	<i>Regional Economic Development Activities in Northern Ontario</i>

Description
 Integration of regional economic development activities in Northern Ontario under the Ministry of Northern Development and Mines. Multidisciplinary teams in each of six service areas deliver economic development services related to mining, natural resources, tourism, agriculture, business and industry and Aboriginal economic development. "Every municipality, first Nation and Unincorporated Community in Northern Ontario has been assigned a team member as a first point of contact".

Before ASD
 Regional economic development activities in Northern Ontario were formerly provided by five ministries using independent field service staff and structures.

Reasons for implementing ASD

- to deliver services in a more efficient, customer-focused, and results-driven way
- to provide one-stop access to provincial economic development services
- to eliminate duplication of services and streamline approvals and coordinate funding decisions
- to involve local and regional economic development players in program design.

Method of implementing ASD
 Staff from five ministries were brought together under the Ministry of Northern Development and Mines. A Northern Economic Development Committee made up of Assistant Deputy Ministers from all the participating ministries discusses priorities and directions for the Province's Role in economic development in Northern Ontario".

5.2 Agencies

Ministry	<i>Agriculture, Food and Rural Affairs</i>
Name of agency	<i>AGRICORP</i>

Description

Creation of a Schedule III Crown agency to deliver Ontario's crop insurance, market revenue, and related agriculture and food programs. AgriCorp also provides an infrastructure for the delivery of other divested government programs.

Before ASD

The Crop Insurance and Stabilization Branch of the Ministry delivered two programs:

1. The federal-provincial crop insurance programs protected about 22,000 participating farmers from losses caused by natural hazards.
2. Market revenue programs reduced income losses to about 26,000 participating farmers from market risks. The program involved about 50,000 individual contracts.

Reasons for implementing ASD

- to streamline delivery of the programs
- to cut administrative costs
- to generate revenue
- to improve customer service levels

Method of implementing ASD

Several delivery options were considered. The Schedule III agency was selected because:

- allows more business flexibility to streamline operations and generate revenue;
- benefits will accrue to farm clients since they play an active part in the board of directors;
- direct client involvement can enhance customer service.

Ministry	<i>Finance</i>
Name of agency	<i>Ontario Securities Commission</i>

Description

Restructuring of the Ontario Securities Commission into a self-funded crown corporation.

Before ASD

The Ontario Securities Commission was a Schedule I regulatory agency of the Ministry of Finance, responsible for the administration of the *Securities Act* and the *Commodity Futures Act*. Its mandate was to protect investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in their integrity.

Reasons for implementing ASD

- to generate sufficient resources to allow the Commission to fulfil its role in supporting a strong capital market in Ontario
- to create a more flexible structure that will allow the Commission to direct resources towards its business priorities and respond quickly to regulatory priorities such as major investigations
- to enable the Commission to attract and keep staff with the necessary specialized skills
- to align with the securities commissions of Alberta, British Columbia and Quebec, which are self-funded

Method of implementing ASD

On November 1, 1997, the OSC became a Schedule 3, self-funding agency, financing its operations through the retention of fee revenues. The OSC is in the process of modifying its fee structure to achieve a balance between its revenues and regulatory expenditures.

5.3 Devolution

Ministry	<i>Agriculture, Food and Rural Affairs</i>
Service	<i>Raw Milk Quality Program</i>
Service transferred to	<i>Dairy Farmers of Ontario</i>

Description

Transfer the Raw Milk Quality (RMQ) program to a private organization, Dairy Farmers of Ontario, who will administer and enforce designated legislation under the Milk Act. Dairy Farmers of Ontario expanded their already existing field service component to deliver the RMQ program.

Before ASD

The Raw Milk Quality program was delivered directly to dairy farmers by ministry staff under regulations of the Milk Act.

Reasons for implementing ASD

- streamlined and more efficient field service
- program delivery by one organization
- increase industry self reliance
- savings to government in day-to-day delivery of program while continuing to monitor overall quality & inspections system.

Method of implementing ASD

Transfer responsibility for the delivery and implementation of the program to DFO, with required changes to the Act and regulations to allow for enforcement by this entity.

- negotiate agreement in principle between partners (OMAFRA & DFO)
- changes to Milk Act & regulations
- drafting of comprehensive administrative agreement
- regulation changes
- negotiation of transitional funding, transfer of Ministry staff to private organization & new roles & responsibilities defined for both organizations.

Ministry	<i>Agriculture, Food and Rural Affairs</i>
Service	<i>Education, research and laboratories programs</i>
Service transferred to	<i>University of Guelph</i>

Description

Transfer of responsibility for the development and delivery of agriculture and food research, education (diploma and certificate programs and the Veterinary Clinical Education Program) and laboratory services from the Government of Ontario to the University of Guelph.

Before ASD

Programs were directly delivered through Ministry-run colleges, laboratories and research institutes and stations. The ministry also had a partnership with the University of Guelph to deliver research and education, funded by a transfer payment.

Reasons for implementing ASD

To concentrate resources under a single management structure that will:

- increase the effectiveness of programs and thereby enhance the competitiveness and reputation of Ontario's agriculture and food industries;
- save costs and improve performance by centralizing administration and by aggressive marketing of services;
- respond quickly and effectively to the changing needs of stakeholders;
- further develop linkages between the Ministry, Agriculture and Agri-Food Canada, and the University of Guelph.

Method of implementing ASD

Joint Ministry/University task force created to oversee the transfer, which was put into effect through a Memorandum of Agreement. The facilities continue to be owned by the Government of Ontario.

5.3 Devolution

Ministry	<i>Ministry of Citizenship, Culture & Recreation</i>
Program	<i>Ontario Aboriginal Economic Development Program (OAEDP)</i>
Service transferred to	<i>Aboriginal Organization</i>

Description

- Shift administrative and decision-making responsibilities to the Aboriginal Community for the delivery across Ontario of the Ontario Aboriginal Economic Development Program (OAEDP).
- Administrative functions, including project monitoring, grant payment processing, and file closure done by an Aboriginal Organization.
- Decision-making on grant approvals by a committee of representatives from the Provincial/Territorial Organizations.

Before ASD

The OAEDP was delivered by the MCZCR with all administrative functions remaining with MCZCR. A joint committee comprised of MCZCR staff and representatives from the Aboriginal Provincial/Territorial Organizations recommended projects for approval. The minister was responsible for final decision-making on grants.

Reasons for implementing ASD

To advance government's Aboriginal Policy Framework with respect to providing "opportunities for the self-administration of programs by Aboriginal communities and organizations wherever this is feasible and cost effective".

Method of implementing ASD

Provision of a transfer payment grant to an Aboriginal Entity on an annual basis.

Ministry	<i>Ministry of Citizenship, Culture & Recreation</i>
Program	<i>Access Fund and Community Action Fund</i>
Service transferred to	<i>Ontario Trillium Foundation</i>

Description

In 1996, MCZCR entered into an agreement with its Schedule 3, operational agency, the Ontario Trillium Foundation, to deliver grant programs to community groups in support of two-key policy initiatives of the government (Equal Opportunity Plan and Initiative for Vulnerable Adults).

Before ASD

The Ministry administered 2 grant programs to achieve accessible community facilities and to support vulnerable adults. Both programs were redesigned in 1996.

Reasons for Implementing ASD

- Wanted to create a more cost effective way to deliver programs at the community level.
- The Ontario Trillium Foundation was selected because of its past experience and its reputation as a credible and capable funding body, and the fact that there would be no costs to the ministry for administration.

Method of Implementing ASD

The Ministry worked in consultation with Trillium to ensure joint understanding of program goals and expected results. A delivery agreement was negotiated and signed that articulated the expectations of the ministry in terms of accountability of Trillium in delivering the program and included the program frameworks as schedules to the agreement.

5.3 Devolution

Ministry	<i>Community and Social Services</i>
Service	<i>Community Support Team, Oxford Regional Centre</i>
Service transferred to	<i>Woodstock General Hospital</i>

Description

Transfer of responsibility for the Community Support Team, which provides clinical services to adults with developmental disabilities in the counties of Oxford, Middlesex, Elgin, Huron and Perth, and the Region of Haldimand-Norfolk, from the Oxford Regional Centre to Woodstock General Hospital.

Before ASD

The Team was directly operated by the Ministry and liaised with other organizations providing support to people with developmental disabilities.

Reasons for implementing ASD

The Ontario government's Expenditure Control Plan of April 1993 recommended closing the Oxford Regional Centre in March 1996, providing resources to continue community placements for people with developmental disabilities, and transferring the Community Support Team to a transfer payment agency.

Method of implementing ASD

A divestment planning committee was formed, composed of a parent and representatives from the London Area Advisory Committee for the Disabled, the Community Support Team, the Ministry of Health, the Oxford Regional Centre, OPSEU and the Ministry's London Area office. The committee was to manage the divestment of the Community Support Team and recommend an agency to manage the Team's services and resources. The committee held community consultations, developed and distributed a Request for Proposals, reviewed the three proposals submitted, and recommended transferring management of the Team to the Woodstock General Hospital.

Ministry	<i>Community and Social Services</i>
Service	<i>Familyhome Program, Oxford Regional Centre</i>
Service transferred to	<i>Victorian Order of Nurses, Middlesex-Elgin branch</i>

Description

Transfer of responsibility for the Familyhome Program, which provides community living opportunities to persons with developmental disabilities who need medical, emotional or physical support in the counties of Oxford, Middlesex, Elgin, Huron and Perth, and the Region of Haldimand-Norfolk, from the Oxford Regional Centre to the Victorian Order of Nurses.

Before ASD

The program was administered by Ministry staff.

Reasons for implementing ASD

To support the Ontario government's Expenditure Control Plan of April 1993 which recommended closing the Oxford Regional Centre in March 1996, providing resources to continue to community placements for people with developmental disabilities, and to transfer the Family Home Program to a transfer payment agency.

Method of implementing ASD

A divestment planning committee was formed, composed of a client advocate, a Familyhome provider, Familyhome staff and representatives from the London Area Advisory Committee for the disabled, the Oxford County Planning Group, the Oxford Regional Centre, OPSEU and the Ministry's London Area office. The committee was to recommend an agency to manage the Program's services and resources. The committee held community consultations, drew up and distributed a Request for Proposals, reviewed the seven proposals submitted, and recommended transferring management of the program to the Victorian Order of Nurses, Middlesex-Elgin branch.

5.3 Devolution

Ministry	<i>Community and Social Services</i>
Service	<i>Adolescent and Children's Services Program, St. Thomas Psychiatric Hospital</i>
Service transferred to	<i>Child and Family Counselling Centre of Elgin</i>

Description

Transfer of outpatient mental health and family intervention services to children and youth in Elgin County from a psychiatric hospital to a community-based transfer payment agency.

Before ASD

The program was funded by the Ministry under the auspices of the *Child and Family Services Act* and provided through the St. Thomas Psychiatric Hospital.

Reasons for implementing ASD

- to develop locally planned, integrated and accessible services for children
- to move away from institutionally-based directly delivered services
- to move mental health services for children and youth out of psychiatric hospitals

Method of implementing ASD

A Reinvestment Task Group was formed, composed of representatives from the Ministry of Community and Social Services, the Ministry of Health, Adolescent and Children's Services Program, Ontario Public Service Employees Union, consumers, and the community, to manage the devolution of the program to a transfer payment program. The task group developed and distributed an Invitation to Submit Proposals, adjudicated the three proposals, and recommended transferring sponsorship of the program to the Child and Family Counselling Centre of Elgin. This agency was formed by two employees of the original program, who incorporated the Centre as a non-profit corporation.

Ministry	<i>Consumer and Commercial Relations</i>
Service	<i>Industry regulation and public safety programs</i>
Service transferred to	<i>Ontario Motor Vehicle Industry Council ; Real Estate Council of Ontario; Travel Industry Council of Ontario; Technical Standards and Safety Authority; Electrical Safety Authority</i>

Description

Transfer of responsibility for delivery of certain industry regulation and public safety programs to not-for-profit, self-funded corporations. These include programs for:

- motor vehicle dealers: transferred to the Ontario Motor Vehicle Industry Council;
- real estate agents: transferred to the Real Estate Council of Ontario;
- travel agents: transferred to the Travel Industry Council of Ontario; and
- safety programs relating to fuel safety; elevating and amusement devices; boilers and pressure vessels; and upholstered and stuffed articles, transferred to the Technical Standards and Safety Authority.
- electrical safety inspections: transferred to the Electrical Safety Authority

Before ASD

The programs and services were delivered by the Ministry's, Business and Technical Standards Division. The electrical safety inspections were delivered by Ontario Hydro.

Reasons for Implementing ASD

- to reduce administrative costs while maintaining standards;
- to encourage greater business leadership and responsibility in the marketplace;
- to enhance consumer protection and public safety as professionalism is built in regulated industries; and
- to stimulate economic growth as participating organizations generate and use revenue to develop programs and invest in technology

Method of Implementing ASD

The *Safety and Consumer Statutes Administration Act* was proclaimed in July 1996. The act enables the government to delegate powers and duties under eleven acts administered by the Ministry to designated not-for-profit corporations ("administrative authorities").

5.3 Devolution

Ministry	<i>Education and Training</i>
Service	<i>Teacher licensing</i>
Service transferred to	<i>Ontario College of Teachers</i>

Description

Devolution of responsibility for licensing, governing and regulating the teaching profession to a self-regulating, professional body, the Ontario College of Teachers

Before ASD

Ministry of Education and Training was responsible for licensing teachers and regulating the teaching profession, including:

- establishing requirements for entry to teacher training programs;
- accrediting and monitoring teacher training programs;
- issuing teacher certificates and recording additional qualifications;
- evaluating out-of-province and out-of-country credentials;
- maintaining qualification records for all teachers in Ontario;
- conducting disciplinary procedures;
- accrediting and monitoring programs to qualify teachers as principals and supervisory officers.

Reasons for implementing ASD

- to increase public accountability in the teaching profession and public confidence in the quality of teacher education
- to treat the teaching profession like other self-regulating professions in Ontario

Method of implementing ASD

- The *Ontario College of Teachers Act* was passed in 1996. The government provided a loan for initial implementation costs; the College is now self-sufficient; revenue is generated through membership and service fees.

Ministry	<i>Environment</i>
Service	<i>Inspection, approval and enforcement of standards for septic tanks</i>
Service transferred to	<i>Municipalities</i>

Description

Transfer of responsibilities for inspections, approval and enforcement activities related to the subsurface disposal of sewage (septic tanks), known as the "Part VIII Program."

Before ASD

Under the *Environmental Protection Act* and Regulations, the Ministry delegated certain responsibilities connected with the Part VIII Program to various agencies through a voluntary agreements with health units, conservation authorities, county governments and private contractors.

Reasons for implementing ASD

The Who Does What Panel recommended transferring responsibility for the Part VIII Program to municipalities and Cabinet agreed.

Method of implementing ASD

The Services Improvement Act, which received Royal Assent on December 8, 1997, included provisions to transfer the bulk of the Part VIII program into the Building Code.

5.3 Devolution

Ministry	<i>Finance</i>
Service	<i>Property assessment</i>
Service transferred to	<i>Municipalities</i>

Description

Responsibility for property assessment was returned to municipalities effective 1 January 1998.

Before ASD

The province was responsible for property assessment in Ontario, which is used as the basis for setting local property taxes and distributing provincial grants. The service includes:

- assessing the value of land and buildings, including changes in use that occur during the taxation year;
- collecting information for lists of jurors and voters for municipal elections;
- preparing lists designating supporters of different school systems for distributing education taxes among public, separate and French-language schools.
- The province took over assessment from the municipalities in 1970 with the objective of returning assessment to the municipalities once a province-wide base for assessment had been established.

Reason for implementing ASD

- to ensure that the service is carried out by the primary beneficiary of this service, that is, the municipalities

Method of implementing ASD

The Who Does What Panel addressed the issue of transferring assessment back to the municipalities. Municipalities agreed to assume the service delivery responsibility. The province negotiated the final transfer of full operational responsibility to the Ontario Property Assessment Corporation (OPAC) effective December 31, 1998.

Ministry	<i>Finance - The Financial Services Commission</i>
Service	<i>Administration of examinations for licensing insurance agents</i>
Service transferred to	<i>Canadian Association of Insurance & Financial Advisors</i>

Description

As a Financial Services Commission of Ontario (FSCO) initiative, qualifying examinations for life insurance and accident and sickness insurance agents are now available through the Canadian Association of Insurance and Financial Advisors (CAIFA) and the examinations for general insurance agents are available through the Insurance Institute of Ontario (IIO).

Before ASD

The Financial Services Commission of Ontario, a regulatory Schedule 1 agency, licenses life insurance agents, who must pass a qualifying examination. The examinations were prepared by the Canadian Association of Insurance & Financial Advisors and conducted by the Commission twice a week at the North York centre and on specified days at other locations.

Reasons for implementing ASD

- to save costs
- to offer the examination at more locations than before
- to offer the examination more frequently
- to make use of the expertise of the Canadian Association of Insurance & Financial Advisors, which has been preparing study material and conducting Level 1 exams since 1994

Method of implementing ASD

Both CAIFA and IIO are insurance industry associations engaged in agent education and their willingness to conduct testing eliminated the need for FSCO to be in the business of administering examinations. This will better enable FSCO to focus on its core business.

5.3 Devolution

Ministry	<i>Finance - The Financial Services Commission</i>
Service	<i>Consumer complaint handling</i>
Service transferred to	<i>Insurance Companies</i>

Description

Transfer of responsibility for customer complaints about insurance companies to the companies themselves, under the guidance of the Office of the Ombudsman, which requires insurance companies to have in place an internal protocol and a designated company representative to deal with complaints.

Before ASD

Consumer complaints were handled by the Market Conduct Branch of the Financial Services Commission of Ontario or consumers were directed to the appropriate insurance industry trade association.

Reason for implementing ASD

- to decrease the number of complaints that must be handled by the Financial Services Commission of Ontario.

Method of implementing ASD

A joint industry/government subcommittee prepared the proposal for the Insurers' Complaint Handling Protocol, which was approved by the Commission.

Ministry	<i>Finance - The Financial Services Commission</i>
Service	<i>Market conduct audits</i>
Service transferred to	<i>Insurance Companies</i>

Description

Require companies to conduct internal audits as an alternative to detailed audits by the Financial Services Commission of Ontario (FSCO).

Before ASD

The Commission carried out market conduct audits on automobile insurers to determine whether insurers were properly delivering statutory no-fault accident benefits. These audits included examining insurers' underwriting files to ensure compliance with their filed underwriting rates and rules and their sales and marketing practices. Because of Commission staffing levels, only about 12 audits could be conducted each year, which meant that companies might be audited only once every 10 years.

Reasons for implementing ASD

- to allow for more frequent audits
- to focus the work of the Commission on reviewing insurers' own audits and conducting further investigations if necessary

Method of implementing ASD

Insurance companies now conduct internal market audits and FSCO is responsible for quality control reviews. This permits a greater number of reviews than would be possible if FSCO did complete audits with its own staff.

5.3 Devolution

Ministry	<i>Health</i>
Service	<i>Lakehead Psychiatric Hospital</i>
Service transferred to	<i>St. Joseph's Care Group, Thunder Bay</i>

Description

Lakehead Psychiatric Hospital is one of the nine Provincial Psychiatric Hospitals (PPHs) currently operated by the province.

Before ASD

Provincial Psychiatric Hospitals (PPHs) were all owned and operated by the Ministry of Health under the Mental Hospitals Act and funded through Mental Health Direct Operating Expenses.

Reasons for Implementing ASD

The ministry supports the Health Services Restructuring Commission's advice to transfer the governance and management to St. Joseph's Care Group to ensure a holistic approach in the health care for people with mental illness.

Method of Implementing ASD

A Ministry Implementation Team (MIT) has been established to further develop the human resources plan and negotiate the transfer agreement with St. Joseph's Care Group. The MIT meets weekly. A specific transfer date has not been identified.

Ministry	<i>Health</i>
Service	<i>Provincial Psychiatric Hospital - London and St. Thomas</i>
Service transferred to	<i>St. Joseph's Health Centre, London</i>

Description

London and St. Thomas Psychiatric Hospitals are two of the nine remaining Provincial Psychiatric Hospitals (PPHs) currently operated by the province.

Before ASD

Provincial Psychiatric Hospital (PPHs) owned and operated by the Ministry of Health under the Mental Hospitals Act and funded through Mental Health Direct Operating Expenses.

Reasons for Implementing ASD

The Ministry supports the Health Services Restructuring Commission's advice to transfer the governance and management to St. Joseph's Health Centre to ensure integration of Mental Health Services with other parts of the Health system.

Method of Implementing ASD

A Ministry Implementing Team (MIT) has been established to further develop the human resources plan and negotiate the transfer agreement with St. Joseph's Health Centre. The MIT meets twice weekly.

5.3 Devolution

Ministry	<i>Health</i>
Service	<i>Provincial Psychiatric Hospital Queen Street Mental Health Centre</i>
Service transferred to	<i>Addiction and Mental Health Services Corporation, a new Public Hospital</i>

Description

The Queen Street Mental Health Centre (QSMHC) was one of ten Provincial Psychiatric Hospitals (PPHs) operated by the province.

Before ASD

Provincial Psychiatric Hospital (PPHs) were all owned and operated by the Ministry of Health under the Mental Hospitals Act and funded through Mental Health Direct Operating Expenses.

Reasons for Implementing ASD

Divestment of QSMHC and its governance, management and resources to be consolidated with those of the Addiction Research Foundation, the Clarke Institute and the Donwood Institute as recommended by the Health Service Restructuring Commission (HSRC) recommended

- to improve coordination of service delivery and thereby maximize patient access to services;
- to build a better critical mass of services and specialized skills in mental health and addictions
- opportunity for streamlining management, administration and support costs for reinvestment into direct services.
- to increase coordination of services to people who have concurrent psychiatric and addiction problems.

Method of Implementing ASD

Management Board approved the transfer of the governance, management and resources of Queen Street Mental Health Centre to the Addiction and Mental Health Services Corporation on November 26, 1997. The actual transfer of services took place in March, 1998.

Ministry	<i>Labour</i>
Service	<i>Library</i>
Service transferred to	<i>Ryerson Polytechnical University</i>

Description

Transfer of the Ministry's library collection to Ryerson.

Before ASD

The Ministry maintained a reference collection related to occupational health and safety, labour relations, and employment rights and responsibilities.

Reasons for implementing ASD

- to reduce administrative costs
- to get out of a non-core business

Method of implementing ASD

A Request for Information was issued to help the Ministry select the recipient of its collection. The library has been fully divested.

5.3 Devolution

Ministry	<i>Labour</i>
Service	<i>Employment Standards Call Centre (Phase 1)</i>
Service Transferred to	<i>Ministry of Finance</i>

Description

The services of an established call centre at the Ministry of Finance were obtained. Phase I was the transfer of telephone inquiry services from the Central Region. Phase II will be the transfer of telephone inquiry services from the rest of the province.

Before ASD

One district office provided the bulk of telephone inquiry services for the greater Toronto area. It was unable to handle the volume of inquiries, resulting in delays in response times and busy signals. Clients outside the Toronto area were handled by their local district office.

Reasons for Implementing ASD

- Provide improved telephone inquiry services in response to client surveys which identified service gaps (timeliness, responsiveness)
- To increase productivity and consistency through centralization of telephone inquiry services

Method of Implementing ASD

A number of call centres were investigated to determine which would provide the best "fit" with employment standards inquiries. The services were transferred over in phases so that problems could be quickly identified and corrected to ensure minimal disruption to clients.

Ministry	<i>Labour</i>
Service	<i>Internal Audit Services</i>
Service transferred to	<i>Ministry of Finance</i>

Description

The Ministry of Labour entered into an agreement with the Ministry of Finance for the provision of Internal Audit Services. The Ministry of Labour acquires these services through a contractual arrangement.

Before ASD

The Ministry of Labour managed its own internal audit function.

Reason for Implementing ASD

- Access to more timely and current skill sets for systems audits
- Economies of scale in management and administrative overhead

Method of Implementing ASD

- Direct negotiations with Ministry of Finance

5.3 Devolution

Ministry	<i>Municipal Affairs and Housing</i>
Service	<i>Municipal Plan Review</i>
Service transferred to	<i>Municipalities</i>

Description

Devolution of responsibility for inputting, reviewing and appealing planning applications to identify and protect provincial interests from provincial ministries to 45 municipalities and planning boards.

Before ASD

Planning applications from all municipalities had to be reviewed by provincial ministries and commented on by the Minister of Municipal Affairs and Housing.

Reasons for implementing ASD

- to streamline and speed up the planning approval process
- to allow for more local autonomy in planning matters

Method of implementing ASD

A Memorandum of Understanding was drawn up and signed by the head of Council for each of the municipalities and by the Minister to establish roles and responsibilities. Data from the Ministry was transferred to the municipalities, planning boards and the municipal officials who assumed the new roles were given training in their responsibilities.

Ministry	<i>Northern Development and Mines</i>
Service	<i>Mines and Minerals Geoscience Symposia</i>
Service transferred to	<i>Northwestern Ontario Prospectors Association Porcupine Prospectors and Developers Association</i>

Description

Transfer of responsibility for organizing and delivering annual geoscience symposia from the Ontario Geological Survey to the Northwestern Ontario Prospectors Association in Thunder Bay and the Porcupine Prospectors and Developers Association in Timmins.

Before ASD

Staff of the Ontario Geological Survey's Resident Geologist Program organized and presented symposia free of charge as a way to keep clients informed about recent projects by the Ontario Geological Survey and the Mines and Minerals Division. In recent years, client participation in the symposia has increased, and clients have donated posters and sponsored talks on private-sector mineral exploration and development.

Reasons for implementing ASD

- to reduce administrative costs
- to get out of a non-core business

Method of implementing ASD

Private-sector organizations volunteered to deliver the symposia. Ministry staff worked with them in 1996 to ensure a transfer of knowledge and skills related to the symposia. In 1997, the associations organized the symposia with minimal assistance by Ministry staff.

5.3 Devolution

Ministry	<i>Natural Resources</i>
Service	<i>Aggregate Resources and Petroleum Resources</i>
Service transferred to	<i>Aggregate Resources Trust and Oil, Gas and Salt Resources Trust</i>

Description

Transfer of services provided under Aggregate Resources Program and Petroleum Resources Program to two separate trusts administered by industry members.

Before ASD

The Ministry directly delivered a variety of services under the two programs.

1. Aggregate Resources Program: abandoned pit and quarry rehabilitation; rehabilitation security (management of industry funds for rehabilitation); licence fee collection and disbursement.
2. Petroleum Resources Program: operation of the Petroleum Resources Laboratory in London, Ontario; research associated with the geology and hydrocarbon potential of Ontario; various publications, including annual summaries of activities in the oil and gas sector.

Reason for implementing ASD

- to meet downsizing targets in the Ministry

Method of implementing ASD

A legislative framework for the delivery of the programs by industry members was created by Bill 52, *The Aggregate and Petroleum Resources Statute Law Amendment Act*. The Act allowed the Minister of Natural Resources to establish two separate trusts—The Aggregate Resources Trust and the Oil, Gas and Salt Resources Trust—to carry out programs formerly delivered by the Ministry.

5.4 External Purchase



Ministry *Attorney General*

Service *Property Sales - Outsourced*

Description

Real Estate Sales. Royal LePage provides realty services as the exclusive selling agent of the Office of the Provincial Guardian and Trustee (OPGT).

Before ASD

One staff person co-ordinated sale of properties by dealing with local real estate boards. The Provincial Auditor's 1992 Report was critical of the Office's handling of client's real estate. It recommended a professional real estate sales firm handle all sales.

Reasons for Implementing ASD

In response to the Provincial Auditor's Report a decision was made to tender clients' real property sales to one outside source. The goal was to enhance efficiency, consistency of practice and reduce administrative burden on OPGT.

Method of Implementing ASD

Public Tender issued: May 1993; another tender was issued in July, 1997
 A comprehensive manual of policies, procedures and standards was developed for property management. Training sessions were conducted for OPGT staff.

Ministry *Attorney General*

Service *Property Management*

Description

Real Property Management. 9 regional contractors provide comprehensive property management services, including inspection, co-ordination of quotes and repairs, grass cutting and snow shovelling.

Before ASD

1 person from the Office of the Provincial Guardian and Trustee co-ordinated all property management, dealing directly with repair people and other services.

Reasons for implementing ASD

In response to the Provincial Auditor's report, a decision was made to tender clients' real property management to an outside source. Internal and external repairs, maintenance, grass cutting, rent collection, winterization, etc. could all be done by professional property managers whose fees and expenses could be charged back to the individual estates or trust assets directly.

Method of Implementing ASD

Requests for applications were sought through an advertising campaign in local newspapers. Applications were rated and interviews of prospective candidates were conducted by an internal panel. Contracts were entered into with each service provider. Each regional office of OPGT deals directly with its own property managers. A comprehensive manual of policies, procedures and standards was developed. Training sessions were conducted for staff of OPGT and the Property Managers.

5.4 External Purchase



<i>Ministry</i>	<i>Attorney General</i>
<i>Service</i>	<i>Facilities Management Branch</i>

Description

Restructuring of the Corporate Services Division to focus on core business, resulting in the purchase of design services from outside service providers.

Before ASD

Six designers on staff working in two locations, Toronto and Orillia.

Reasons for Implementing ASD

As a result of streamlining the administration services of the Corporate Services Division, efficiencies were gained by outsourcing design services and making the clients more accountable for expenditures relating to the design portion of projects.

Method of Implementing ASD

- Redesigned and refocused core business
- Introduced new software program to capture existing drawings and related data
- Re-engineered internal procedures to produce a more effective delivery mechanism

<i>Ministry</i>	<i>Citizenship, Culture and Recreation</i>
<i>Service</i>	<i>Information Service for Vulnerable Adults</i>

Description

Fee for service contract for \$1.2 million for 2 years with the Advocacy Resource Centre for the handicapped (ARCH) in partnership with Adaptive Technology Resource Centre and Ontario Network for the Prevention of Elder Abuse to provide a telephone information and a referral service and a resource clearinghouse (delivered via Website) on issues related to support for vulnerable adults.

Before ASD

The former Ontario Advocacy Commission provided referral information, and advice to vulnerable adults and their advocates until it closed in March 1996. Subsequently, the Ministry had operated an interim information and referral line on vulnerable adults issues until the new service became operational.

Reasons for Implementing ASD

- To support the government's community-based approach to supporting the dignity and interests of vulnerable adults by providing information and referral through a "one-stop" service delivered by the community.
- To draw on resources and skills not available within the Ministry.

Method of Implementing ASD

- A survey was conducted of 65 key organizations who work with or on behalf of vulnerable adults, to clearly define service parameters in order to develop the Terms of Reference for the RFP.
- A Request for Proposals was issued, which encouraged applicants to form consortia to ensure a range of knowledge and skills, including knowledge of seniors' and disability issues and skills in information services, and Call Centres technology.
- A service contract was put in place between the ministry and ARCH.

5.4 External Purchase



Ministry *Education*

Service *Publication Distribution*

Description

Outsourcing of distribution services for Ministry publications and documents, including inventory and mailing list management and printing on demand.

Before ASD

The Ministry operated a distribution warehouse.

Reasons for implementing ASD

- to get the Ministry out of a non-core business
- to make better use of resources for an operation with an uneven volume of work
- to gain access to up-to-date equipment and technology not available in the Ministry
- to reformat data on inventory and mailing lists in a more useable way

Method of implementing ASD

A Request for Proposals was issued through the Open Bidding Service. An evaluation team assessed the proposals, drew up a short list, visited the vendors on the short list and checked references, and awarded a three-year contract to the successful vendor, Dymment Distribution Services.

Ministry *Finance*

Service *Information Technology Support Services*

Description

Outsourcing of support services for desktop computers, servers, and Local Area Networks in regional offices.

Before ASD

Support was provided by staff from Information Technology Branch in Oshawa (weather permitting), or by local vendors. One major hardware vendor provided repair and replacement services, although some repair work was carried out in Oshawa.

Reasons for implementing ASD

- to support a move to common technologies in all regional offices
- to meet increased demand for quality service
- to compensate for the loss of in-house ability to repair equipment
- to avoid hiring extra in-house staff and making additional investment in vehicles and diagnostic tools

Method of implementing ASD

The Ministry issued a request for proposals, and selected SHL to carry out support services, as well as install hardware and set up Local Area Networks.

5.4 External Purchase



Ministry	<i>Finance</i>
Service	<i>Municipal Enumeration</i>

Description

Outsourcing of municipal enumeration functions.

Before ASD

Under Section 15(1) of the *Assessment Act*, the Minister of Finance has an obligation to enumerate all Ontario inhabitants every three years. Enumeration is conducted between April and July of municipal election years.

Reason for implementing ASD

Prior to the devolution of property assessment to municipalities effective January 1, 1998 this initiative was undertaken to allow Division staff to concentrate on core business functions, in particular the province-wide reassessment project in 1998.

Method of implementing ASD

Prior to the transfer of responsibility for delivery of property assessment services to Ontario Property Assessment Corporation (OPAC), the Divisional Management Committee of the Property Assessment Division approved a proposal to investigate outsourcing of the 1997 enumeration. The Division prepared a feasibility study and business case for outsourcing and submitted it to Management Board. Management Board approved the business case. Finance issued a tender, evaluated submissions, and selected a consortium to do the work. OPAC, as a devolved organization will have the opportunity to consider outsourcing the enumeration function again in 2000.

The ministry is continuing to explore opportunities for sharing electoral information between federal, provincial and municipal elections administrators to enhance voter list quality and to reduce burdens on electors and election processes.

Ministry	<i>Finance, Financial Services Commission</i>
Service	<i>Arbitration and Dispute Resolution</i>

Description

The Insurance Act, as amended by Bill 59, the Automobile Rate Stability Act, 1996, (the Act) allows claimants and insurers access to the services of private sector arbitrators to adjudicate their disputes and introduced a new resolution service, Neutral Evaluation. This service may be carried out by private sector dispute resolution providers or the Financial Services Commission of Ontario (FSCO).

Before ASD

Disputes between claimants and insurers who could not agree on statutory accident benefits were resolved through court action or arbitration conducted by the Commission. There was no provision for neutral evaluation.

Reason for implementing ASD

- to provide new and expanded services to parties involved in dispute resolution

Method of implementing ASD

The Act made it possible for parties involved in dispute resolution to use private sector arbitration services provided that FSCO mediation had been tried and failed to resolve the impasse. Claimants may still choose arbitration through FSCO, if desired.

The Act also introduced Neutral Evaluation, a process in which an experienced evaluator may assess the parties' case and suggest a resolution, or, if the parties still cannot agree, a possible range of outcomes if the matter is adjudicated. The Act allows the parties to select a private sector evaluator for this service.

5.4 External Purchase



Ministry	<i>Health</i>
Service	<i>Seniors Co-payment Application Processing</i>

Description

The Ministry of Health funds the cost of most prescription drug products under the Ontario drug Benefit (ODB) program. The Drug Programs Branch has an external agreement for drug application processing for seniors, which ended May 15, 1998. A new Administrative Services Agreement was tendered.

Before ASD

The co-payment application process for drugs for seniors did not exist before July 15, 1996. Since its implementation on July 15, 1996, the Ministry entered into a service agreement with the private sector for program administration.

Reasons for implementing ASD

To meet the government's goal of focusing on core business and providing quality customer service effectively and efficiently to the public.

Method of Implementing ASD

The tendering process resulted in the successful bidder entering into an Administrative Services Agreement with the Ministry of Health in August 1998.

Ministry	<i>Labour</i>
Service	<i>Privatization of Employment Standards Collection</i>

Description

Collection services for the enforcement of unpaid Orders under the Employment Standards Act (ESA) are now provided by three private collection agencies (PCA). Statutory collection powers have been delegated to the PCA's by the Director of Employment Standards.

Before ASD

District Offices/Employment Standards program staff were responsible for collections work on their own files.

Reason for Implementing ASD

- Reduce field officer workload and enable staff to focus on pro-active enforcement.
- Implementation of collection of unpaid orders as required by 1996 amendments to the ESA

Method of Implementing ASD

Agencies were selected by RFP tendering process and contracts were entered into between MOL and three successful bidders.

5.4 External Purchase



<i>Ministry</i>	<i>Labour</i>
<i>Service</i>	<i>Trust Account Re-engineering for Employment Standards</i>

Description

Re-engineer the process of administering trust funds for the Employment Standards Program by choosing a financial institution which assumes the responsibility for maintaining control over the funds while improving and streamlining operations.

Before ASD

The Finance Branch of the Ministry maintained an in-house system to monitor and control funds collected under the Employment Standards Program, in conjunction with the Province of Ontario Savings Office (POSO) which provided trust account services.

Reasons for Implementing ASD

- Streamline and improve in-trust banking functions
- Provide more efficient and time-sensitive service to clients
- Reduce internal administrative costs in Finance Branch

Method of Implementing ASD

Proposals were solicited from a group of financial institutions by the Ontario Financing Authority on behalf of the Ministry of Labour.

<i>Ministry</i>	<i>Management Board Secretariat</i>
<i>Service</i>	<i>Publications Ontario Warehouse</i>

Description

Total outsourcing of the Publications Ontario warehouse operations and closure of the facility.

Before ASD

Publications Ontario Warehouse was a 45,500 square foot warehouse and distribution centre located in Scarborough, Ontario. It provided the distribution support to the general public for approximately 10,000 titles.

The warehouse service was run by a Supervisor and 10 staff at a cost of approximately \$750,000 per annum. The service to the public improved, in that turnaround time from phone requests to home delivery was 3-4 days. However, the warehousing was highly labour intensive and manual operations impeded streamlining efforts. In addition, the space was not efficiently used as the stacking ability was hindered by ceiling height.

Reasons for implementing ASD

A business case study showed that efficiencies could be achieved through automated warehousing and improved inventory management techniques as well as technological solutions for maintaining a high degree of inventory management control and accuracy. There was a case to be made that private sector suppliers could supply this service more efficiently and at substantially reduced costs.

Method of implementing ASD

Management Board approved both the business case and the recommendation to outsource based on a cost avoidance and service improvement presentation. A Request for Proposal was prepared and a number of interested private sector companies submitted a bid. After careful review and analysis, a local private sector company was chosen (DDS Dymment Distribution Services), and contract negotiations began once the mandatory requirements of the bid had been documented (e.g. Proof of Insurance, etc.).

5.4 External Purchase



Ministry	<i>Management Board Secretariat</i>
Service	<i>Debt Collection</i>

Description

Outsourcing of collection services for outstanding government accounts receivable, coordinated by a Collections Management Unit.

Before ASD

Central Collections Services provided collections services to 50 government programs for outstanding accounts receivable (other than taxes). About a third of the work was done by internal collection officers and two-thirds by private-sector services.

Reasons for implementing ASD

- to increase collection of outstanding debt owed to government by using private-sector firms with more effective methods and an ability to respond to changing business requirements
- to reduce expenditures—private-sector agents work on commission and are paid when they collect an outstanding account, but government-employed collection agents are salaried, and are paid whether or not they are successful

Method of implementing ASD

A Request for Proposals was issued on the MERX system for qualified collection services providers. Five private sector collection agencies were selected

Ministry	<i>Management Board Secretariat</i>
Service	<i>Shared Services Bureau - Translation</i>

Description

Outsourcing of most provincial translation services.

Before ASD

- Government Translation Services (GTS) of Management Board Secretariat employed in-house translators and maintained a list of vendors who would do translations.
- Some ministries employed up to six translators; others sent translations to GTS, or outsourced translations to vendors on their own lists.

Reasons for implementing ASD

- to reduce the cost of translation
- to ensure more consistent quality in translation
- to eliminate administrative duplication
- to provide more rigorous contract management

Method of implementing ASD

A cross-ministry steering committee was appointed to develop a business case for outsourcing translations. The ten ministries that employed translators were kept up to date on progress. A corporate Request for Proposals was posted on the Open Bidding Service and an information system was developed to allow ministries to track translations. Translation Centres were established in each ministry and some agencies to manage the processing of small translation jobs to be assigned to the approved suppliers. A core team of 11 people at GTS was formed to centrally procure all translation suppliers, manage the contracts, service manage the entire translation process, project manage large translation jobs and provide terminology services. Ten in-house translators were kept on staff by ministries to do urgent and sensitive translations.

5.4 External Purchase



Ministry	<i>Municipal Affairs and Housing</i>
Service	<i>Standardizing Desktop information Technology Equipment</i>

Description

Outsourcing of a one-time project of standardizing desktop equipment as a preliminary to outsourcing help desk and local area network management

Before ASD

Branch staff provided information technology services to the Ministry.

Reasons for implementing ASD

- to upgrade obsolete desktop computer equipment that cannot run software required for the Ministry's future needs
- to draw on additional resources and skills not available within the Ministry

Method of implementing ASD

An information technology planning group identified a preferred reseller of computer equipment that best fit the Ministry needs. The Ministry received Management Board approval to acquire new equipment from this vendor.

Ministry	<i>Municipal Affairs and Housing</i>
Service	<i>Investigation and Mediation of Discrimination Claims and Delivery of Harassment Prevention Program</i>

Description

Outsourcing of investigation and mediation for workplace discrimination and harassment prevention services.

Before ASD

One staff member provided the services for the Ministry and the Ontario Housing Corporation. However, the need for services was occasional—once or twice a year, and the Ministry could not justify full-time dedicated staff resources.

Reason for implementing ASD

To draw on outside resources that are not needed on a full-time basis in the Ministry

Method of implementing ASD

The Ministry ran a pilot project whereby an external vendor was available on call. In early 1997, a Request for Proposals was issued and in April of that year a vendor was chosen.

5.4 External Purchase



Ministry *Natural Resources*
Service *Forest Fire Equipment Maintenance*

Description ASD

Contracting out of the repair of mechanical forest fire suppression equipment at the Thunder Bay Service Centre. The work is to be carried out at a site other than the MNR facility.

Before ASD

Permanent staff and casual staff at the Thunder Bay Service Centre carried out most of the repairs to fire suppression and other service mechanical equipment at the service Centre. As well, a fair amount of mechanical equipment was issued to the private sector for repair, e.g reboring cylinders, repairing infrared equipment, repairing fuel trailers, etc.

Reason for implementing ASD

- workload issues at the Thunder Bay Service centre
- to build private sector capability to provide similar mechanical maintenance and repair services.

Method of Implementing ASD

A RFP was released for the repair of the fire suppression and support technical items. The successful contractor was awarded a 2-year contract in the spring of 1998. The contract may be renewed up to two additional two year terms if the level of work is found to be satisfactory.

Ministry *Natural Resources*
Service *Provincial Park Reservation Service and Operation*

Description

Contracting out of reservation services and operations for Ontario Parks.

Before ASD

This form of ASD is not new. Park services such as maintenance are routinely contracted out. In some cases, parks are operated through partnerships with municipalities or other groups.

Reasons for implementing ASD

- to save costs
- to increase the efficiency of park operations

Method of implementing ASD

The Ministry has applied two methods of ASD to increase efficiency of park operations:

1. Partnerships
2. Contracting

Partnership agreements are negotiated with interested parties and are not publicly tendered. For 1999/00 the Ministry implemented the following initiative:

- contracting out the park reservation service which in the past was managed by each park individually, to one centralized reservation service for 66 Ontario parks. Value of contract is in excess of \$2.0M per year.

For 1999-00, the Ministry continues to contract out maintenance and concession operations. For 1999/00 there are 78 concession agreements with gross sales of approx. \$10.6M, and 115 service contracts valued at approx. \$1.6 M. The following are some of the major contracts/partnerships with Ontario Parks:

- contracting out park enforcement in 3 parks
- contracting out entire park operations in 4 parks
- partnership arrangements with municipalities for 15 parks

Contracts were not awarded if the bids for services exceeded current Ontario Parks operating budgets for the same services.

5.4 External Purchase



Ministry *Northern Development and Mines*
Service *Geochronology*

Description

Outsourcing of geochronological services (age determination of rocks) to the Jack Satterly Laboratory of the Royal Ontario Museum.

Before ASD

The Precambrian Geoscience Section of the Ontario Geological Survey employed a full-time geochronologist and a part-time assistant to perform geochronological testing. The funds were provided by a grant from the Mines and Minerals Division.

Reason for implementing ASD

- Royal Ontario Museum staff not only have specialized knowledge of geochronological techniques, but also the long association with the Ontario Geological Survey gives them knowledge of comparable samples and related historic samples
- service provided more cost effectively

Method of implementing ASD

Creation of a contractual relationship with the geology department / Jack Satterly Laboratory at the Royal Ontario Museum.

Ministry *Correctional Services*
Branch *Strict Discipline Pilot Project for Young Offenders*

Description

Creation of a privately operated, three-year Strict Discipline Pilot Project for young offenders aged 16 and 17, designed to reduce the rate of recidivism for male, high-risk, repeat young offenders.

Phase 1

A 4-6 month residential secure custody phase with a highly structured 16 hour/day program accommodating 32 young offenders who have received a Youth Court disposition of secure custody.

Phase 2

An intensive support and supervision community phase lasting 3-12 months, accommodating 30-50 young offenders who have received a Youth Court disposition of open custody or probation following secure custody

Before ASD

The Ministry directly offered all programs or contracted with external agencies. This included the supervision of approximately 10,000 young offenders: 735 in secure detention and custody, 500 in open custody, and 8,800 on probation.

Reasons for implementing ASD

- to evaluate privately operated alternative service expertise
- to ensure a continuum of services
- to find more efficient and cost-effective ways to deliver Ministry programs
- to provide young offenders with a safer, more supportive environment while in custody
- to reintegrate male young offenders through an integrated custodial and aftercare program

Method of implementing ASD

A contractual agreement with the private sector for a three-year pilot program.

5.4 External Purchase



Ministry *Transportation*

Service *Maintenance and Operation of Provincial Highways*

Description

Outsourcing of maintenance and operations of provincial highways.

Before ASD

About 50 percent of highway maintenance was already outsourced. Contractors were directed by Ministry staff.

Reasons for implementing ASD

To reduce costs

Method of implementing ASD

Two approaches may be used:

1. Area maintenance contracts: all management and operations of road maintenance services in a geographic area are outsourced for a period of time; contracts are based on specified results.
2. Managed outsourcing: work is contracted out in a series of functional contracts under the management and coordination of the Ministry.

5.5 Partnership



Ministry	<i>Citizenship, Culture and Recreation</i>
Partner	<i>Canadian Abilities Foundation, Alliance of Manufacturers and Exporters Canada, Canadian Council on Rehabilitation, and Work Motorola Canada</i>
Service	<i>Training and Education on Equal Opportunity Including Disability Issues</i>

Description

Partnership of the Ministry with four organizations to deliver training and education for Ontario employers and employees on equal opportunity, including disability issues.

Before ASD

The former Employment Equity Commission, developed training programs and resources in-house.

Reasons for implementing ASD

- to reduce cost of providing training and education by sharing resources
- to find new and effective ways to communicate to a wide audience
- to support the ministry's strategy of promoting partnerships that encourage ownership of programs
- to make the programs credible by involving the intended audience and end produce users: employers, associations and people with disabilities.

Method of implementing ASD

The ministry has signed project deliverables and the division of responsibilities. In particular, partners are encouraged to take responsibility for promotion and information dissemination.

Ministry	<i>Consumer and Commercial Relations</i>
Partner	<i>Teranet Land Information Services Inc.</i>
Service	<i>Land Registration and Information Systems</i>

Description

Partnership - Licencing arrangement for "POLARIS", Ontario's land registration database with Teranet Land Information Inc. Teranet provides the following services:
automation of land registration records; conversion of registry records to land titles; digital mapping of properties; remote searching of title records; remote registration through Teraview software; and develop and market value-added products and services.

Before ASD

There are about 4 million land ownership records in two systems, Registry and Land Titles, recorded through 55 provincial land registry offices. The Province of Ontario Land Registration Information System (POLARIS) was formed as an umbrella for reform of the land registration system. Reforms so far include streamlining, new registration forms, and the development of a series of computer database.

Reasons for implementing ASD

- to reduce costs associated with the labour-intensive paper-based registration system
- automation of the system in the most cost-effective way
- to improve access by users to the land registration system
- to provide better land information services to municipalities
- to create an exportable product in Ontario's land registration information system
- to create jobs
- to develop additional information products and services, eg. Teraview remote access.

Method of implementing ASD

Teranet Land Information Services Inc. is the corporation formed by the partnership of the government and the private sector in 1991.

5.5 Partnership



Ministry	<i>Consumer and Commercial Relations</i>
Partner	<i>Private sector, other jurisdictions</i>
Service	<i>Ontario Business Connects (OBC)</i>

Description

The business-government relationship of OBC currently allows the provision of government registration and information services to the public through self-serve workstations. MCCR is the lead ministry to implement the Service Delivery Strategy to the business community that will eventually:

- simplify and streamline business clients' access to government
- reduce the cost of government red tape for businesses, giving the client choice as to the time, place and means of communication with government; and
- create a public-private sector partnership which would develop leading-edge solutions in a fast-changing, technology-intensive economy.

Before ASD

Business has complained that government processes were cumbersome, unco-ordinated and unresponsive. There was no facility for either multiple program registrations or consolidated client information which could be used by the various program areas; it required direct intervention by the business client with each individual program, and with no capability of the client to choose the time, place or method of intervention.

Reasons for implementing ASD

- reduce the cost of government to business;
- improve the speed, simplicity and accessibility of government services to the business community;
- encourage development of leading-edge technology in the private sector; and
- model a new public-private sector relationship in client-focused service delivery.

Method of Implementing ASD

- immediate improvements to existing registrations and information services using self-help workstations
- development of new technological solutions for medium-term upgrading and expansion of the system;
- evolving towards a partnership model with multiple service providers in the longer term; and
- continuous learning that allows experience in one phase to contribute to the next stage

Ministry	<i>Consumer and Commercial Relations</i>
Partner	<i>Licensing & Regulation of Funeral Industry</i>
Service	<i>Board of Funeral Services</i>

Description

Delegation of responsibility for licensing and regulation of the funeral industry to a non-profit, self-managed corporation. The Board licenses and regulates funeral establishments and funeral and transfer service operators; conducts inspections; and investigates consumer complaints.

Before ASD

Prior to 1914, the funeral industry was unregulated. Because no standards were associated with the sector, consumers and their families had no protection from unscrupulous service providers.

Reason for Implementing ASD

- reduce administrative costs while maintaining standards;
- encourage greater business leadership and responsibility in the marketplace; and
- enhance consumer protection and public safety with the funeral services industry.

Method of Implementing ASD

The Board of Funeral Services can be considered one of Ontario's first ASD initiatives. The Board was created through the proclamation of *Embalmers and Funeral Directors Act* in 1914 and was initially under the jurisdiction of the Ministry of Health. In 1962, the Board also became responsible for the *The Pre-arranged Funeral Services Act*, which protected consumers from unnecessary funeral expenses. The legislation governing the Board was revised in 1979 and renamed *The Funeral Services Act*. Responsibility for the Act was transferred to the Ministry of Consumer and Commercial Relations from the Ministry of Health in 1979. The Act was revised again in 1990 and renamed *The Funeral Directors and Establishment Act*.

5.5 Partnership



Ministry	<i>Consumer and Commercial Relations</i>
Partner	<i>Housing Urban Development Association of Canada</i>
Service	<i>Ontario New Home Warranty Program</i>

Description

Delegation of responsibility for the delivery of new home warranty program to a not-for-profit, self-funded corporation.

Before ASD

Prior to the 1976, the warranty of new homes by builders was voluntary and delivered through a program implemented by the Housing Urban Development Association of Canada (HUDAC).

Reasons for Implementing ASD

- reduce administrative costs while maintaining standards;
- encourage greater business leadership and responsibility in the marketplace; and
- enhance consumer protection and public safety within the home building industry.

Method of Implementing ASD

In 1976, the Ontario New Home Warranties Plan was proclaimed, making the warranty of new homes mandatory. The Act enables the government to delegate powers and duties regarding warranty protection for purchasers of new homes and condominiums to a designated not-for-profit corporation. HUDAC was initially designated to administer the plan, which was renamed the Ontario New Home Warranty Program in 1983.

Ministry	<i>Economic Development and Trade</i>
Partner	<i>Federal government</i>
Service	<i>Canada-Ontario Business Call Centre (COBCC)</i>

Description

Cost-sharing of a 1-800 telephone, faxback and Website service providing information on Ontario and federal government business programs and business regulations.

Before ASD

The Small Business Hotline, established in 1985, provided information on business start-ups only.

Reasons for implementing ASD

- to provide information on a wide range of government activities to businesses at all stages of the corporate life-cycle
- to carry out research on business issues

Method of implementing ASD

Federal staff approached the Ontario provincial government in 1993 with a suggestion for sharing information services to business. Negotiations ensued to establish service levels, cost sharing arrangements, management structure and rationalization of existing services. Agreement led to a pilot project and later to a formal launch of the service. The program involves 22 federal agencies and 7 provincial agencies.

5.5 Partnership



Ministry *Economic Development and Trade*

Partner *Municipalities*

Service *Small Business Consulting*

Description

Creation of business self-help offices, provided in partnership with municipalities.

Before ASD

This service did not exist before the creation of the partnership.

Reasons for implementing ASD

- to provide information and counselling to small business owners and operators
- to offer a new service that drew on more resources than were available in the Ministry alone

Method of implementing ASD

- municipal partners provide office space, overhead costs, staffing, and supervision
- Ministry provides a program model, resource materials, computers, furniture, program supervision, training, and a limited operational subsidy
- a local by-law is passed to ensure the involvement of the community
- agreements are signed by the head of the municipal council and the Ministry
- municipalities are encouraged to form further local partnership with public and private organizations to supplement the services offered by the self-help offices

Ministry *Environment*

Partner *Private sector management contractor*

Service *Vehicle Inspection and Maintenance*

Description

The Ministry of the Environment (MOE) is aggressively pursuing reductions in smog forming emissions as a business goal. MOE has set up a "Drive Clean" Program which requires all light duty vehicles (cars, vans, and small trucks) to maintain tail-pipe vehicle emissions to updated standards. This program became mandatory in the Greater Toronto and Hamilton-Wentworth areas April 1, 1999 and will expand in 2001 to include all major centres in Southern Ontario (Peterborough to Windsor). A Heavy Duty Vehicle (HDV) Program, including trucks and buses, will come into effect September 1999 for the whole of Ontario. MOE partners with MTO to tie emissions testing to existing vehicle registration and certification requirements, and has entered into a legal agreement with private sector businesses to deliver a new mandatory testing program for tailpipe emissions and to establish a certified test and repair infrastructure for the program area. MOE has set strict performance measures for emission reductions, public acceptance and business integrity, to be administered through the legal agreement with the private sector.

Before ASD

MOE has regulated in-use vehicle emissions (Ontario Regulation 353) since the late 1970's. Enforcement was provided by selected police forces in the GTA. In 1994, MOE and MTO initiated a pilot project to assess the need for and feasibility of enforcing emission standards through a vehicle inspection and maintenance (I&M) program. Such programs exist in 36 US states and in British Columbia.

Reasons for Implementing ASD

- the pilot program confirmed that an I&M program was a cost-effective direction for smog reduction.
- infrastructure was available in Ontario and the expertise required to deliver program services existed in the private sector.
- to ensure program results (eg. Emission reductions, customer service and protection) it was necessary for the government to maintain a strong role in setting programs standards and to maintain accountability for program integrity.

Method of Implementing ASD

In 1997, MOE and MTO obtained Cabinet approval to revise the necessary regulations to enable the program and to enter into a partnership with a private sector firm to deliver an Inspection and Maintenance program. A number of RFP's and service contracts were issued in November and December 1998. The program commenced in January 1999 and became mandatory April, 1999. The MOE and MTO government teams administer the contract and ensure the integration of I&M and existing MTO data bases and administrative linkages.

5.5 Partnership



Ministry	Northern Development and Mines (Ontario Geological Survey)
Partners	Geological Survey of Canada 5 Private Sector Mining Companies
Service	Bedrock Mapping Project

Description

Partnership between the Ontario Geological Survey, the Geological Survey of Canada, and five private-sector companies to map and research the geology, geochemistry, volcanology, and mineralization of the Abitibi Greenstone Belt near Timmins.

Before ASD

This investigation could not have been undertaken without a partnership arrangement.

Reasons for implementing ASD

- to use government sponsorship of a major project to leverage confidential geological information from the private sector, information that otherwise would not have been available to the public
- to investigate a priority area

Method of implementing ASD

A Letter of Agreement between the partners, outlining the schedule, deliverables, financial commitments, intellectual property rights, publication rights, and confidentiality arrangements. The project is guided by a steering committee.

The contributions of each partner were:

- the Ontario Geological Survey provides logistical support, staff time, and funding, and will publish the results; (\$90.K over 3 years)
- the Geological Survey of Canada provides administrative support and funding; (Approx. \$90.K over 3 years)
- each private-sector partner provides \$15.K each and \$15.K in-kind contributions every year for the five-year term of the project. (Total/Approx. \$450.K over 3 years)

Ministry	Northern Development and Mines (Ontario Geological Survey)
Partners	Private Sector Mining Company, University of Ottawa
Service	Geological Investigations, Kirkland Lake Area

Description

Partnership of private and public sectors in sponsoring two master's students at the University of Ottawa on a project that is of direct interest to the mining company and complementary to the programs of the Ontario Geological Survey.

Before ASD

This project would not have been carried out in the absence of a partnership arrangement.

Reasons for implementing ASD

- to give each partner access to necessary information for the project and share the costs of research;
- to improve Ontario Geological Survey maps by the addition of in-depth research information and confidential information from the mining company.

Method of implementing ASD

A Letter of Agreement between the parties, outlining schedules, deadlines, and responsibilities.

- the Ontario Geological Survey will contribute \$150.K (Cash and in-kind) over two years and provide direction to the students;
- the University of Ottawa will contribute \$50.K (Cash and in-kind) over two years and provide supervision of the students' theses;
- the Private Sector Company will contribute \$355.K cash and in-kind over two years.

5.5 Partnership



Ministry	<i>Transportation</i>
Partner	<i>IBM</i>
Service	<i>ServiceOntario Kiosks for Routine Government Transactions & Information Services</i>

Description

ServiceOntario Kiosks are self-service devices (similar to ATM devices) that allow the public to obtain routine government transactions and information services 7 days a week, with extended hours of service in busy shopping malls across Ontario. There are 58 Kiosks in shopping malls and 2 located in government offices.

Reason for Implementing ASD

The ServiceOntario Kiosks were implemented to provide substantially improved customer service, reduce operating costs, develop and deliver services with minimal resources and increase non-tax revenue because of the availability of more transactional products.

Method of Implementing ASD

A pilot to prove the value of self-service devices in self-service delivery was tendered and successfully developed/operated for 2 years, beginning in 1993. Building on the experiences of the pilot, a business case was approved by Management Board in 1995, to proceed with a tender process for ServiceOntario Kiosks. ServiceOntario Kiosk was conceived as a turn-key operation in which the vendor would develop and operate for a 6-year period, the network of self-service devices. The government maintains overall management.

The vendor developed and supplied the hardware and software, and implemented all components as part of the initial phase of the contract. The second phase of the contract calls for the maintenance of all the devices for 6 years including servicing, hot line support, operations, enhancements, etc. The government has overall management responsibilities, including new products and services, location decisions, marketing, etc.

Ministry	<i>Transportation</i>
Partner	<i>General Publishing Ltd.</i>
Service	<i>Distribution</i>

Description

Distribution of handbooks for drivers licensing.

Before ASD

Publication was funded from ministry allocation. Printing by the private sector. Distribution at no charge through Driver Examination Centres and Private issuing Offices.

Reason for Implementing ASD

enhanced distribution through commercial outlets
 elimination of waste
 improved product design and presentation

Method of Implementing ASD

Reasonable market pricing. Publishing costs funded from revenue. Distribution rights were tendered to the private sector and a contract was signed with General Publishing Ltd. for distribution rights. General Publishing sells to retailers. Retail outlets and General Publishing receive a share of the suggested retail price and the balance flows to the ministry.



No examples.

5.7 Licensing



Ministry	<i>Tourism</i>
Service	<i>Tourist information and hotel reservations</i>
License	<i>Bell Global Solutions</i>

Description

Transfer of Licensing of 1-800 Ontario tourism and hotel reservation service, which responds to general inquiries, sends packages of tourist information on request, provides information on attractions and events, and arranges hotel reservations.

Before ASD

Prior to the transfer of services, the Ontario telemarketing service handled 4,000 calls a day in peak season, provided tourist information and reservations for 100 Eastern Ontario hotels through the Central Reservation and Information Service office.

Reason for implementing ASD

- budget constraints prevented the growth of the system, despite increasing demands for the service

Method of implementing ASD

- Request for Qualifications issued, followed by Request for Proposals
- multi-year agreement negotiated with Bell Global Solutions

Ministry	<i>Natural Resources</i>
Service	<i>Sustainable Forest Licensing License Forest Companies</i>

Description

Transfer of responsibility and costs of forest management for 32 Crown Management Units to forest companies that harvest and renew Crown forests through Sustainable Forest Licences.

Before ASD

Under the old Crown Timber Act, there were three types of forest management units where both the Ministry and company held responsibility; Forest Management Agreements, Company Management Units, Crown Management Units. The first two categories of management units have been converted to Sustainable Forest Licences through administrative procedures under the new Crown Forestry Sustainability Act. There is little change of costs and responsibilities for the companies.

Reason for implementing ASD

- to streamline operations and reduce red tape
- to reduce duplication of services
- to create more efficient management systems
- to ensure the sustainability of communities and businesses that depend on the forest

Method of implementing ASD

The Crown Forest Sustainability Act (1995) divides responsibility for forests between the Ministry and the forest industry. Under the Act, the only long term licence is the Sustainable Forest Licence, which is similar to the former Forest Management Agreements. The Forest Management Business Plan requires Company Management Units and Crown Management Units to be converted to Sustainable Forest Licences. The Ministry is helping to develop alliances and cooperative business arrangements among the many forest companies on the Crown Management Units so that Sustainable Forest Licences can be issued to a single legal entity. The transfer of forest management responsibilities requires the industry to develop a business plan which is the basis of the Sustainable Forest Licence.

5.7 Licensing



Ministry	<i>Transportation</i>
Service	<i>Publishing</i>
License	<i>Publishing Technical Manuals and Consumer Publications</i>

Description

Licensing of publishing of professional and technical information products related to transportation infrastructure management.

Before ASD

Publication, printing, warehousing and distribution were managed by in-house service centres and individual management was carried out by the office that created the publication. The Ministry had no electronic publishing strategy.

Reasons for implementing ASD

- to withdraw from a non-core business
- to find a partner to develop an electronic publishing system and assume the technological risk

Method of implementing ASD

The Ministry solicited tenders for information product publishing and entered into an agreement with Ronen Publishing for world-wide publishing rights for Ministry publications on standards, methodologies, software systems, databases, etc. New assets can be added to the arrangement by mutual agreement. Prices are approved by the Ministry.

Ronen is not guaranteed any return. The Ministry is not committed to continuing and supporting the publication program. Ronen pays the Ministry a royalty and a share of the pre-tax profit.

Ministry	<i>Consumer and Commercial Relations</i>
Service	<i>Corporate Record Searches and Corporate Notice Filing</i>

Description

Licensing of electronic access and delivery rights with respect to the Companies Branch automated corporate record.

Before ASD

Corporate searches could only be carried out at the Toronto public office, or by a mailed-in request to the Ministry. Corporate notices were filed on paper at the Toronto office or through the mail.

Reasons for implementing ASD

- to improve client access to these services
- to reduce costs
- to provide private-sector business opportunities
- to improve turnaround time for searches and filings

Method of implementing ASD

The Ministry issued a Request for Proposal and selected two firms with which it signed contracts, giving them the rights under detailed conditions to electronically access the companies branch corporate record. These firms electronically transmit search requests, search reports and file information, bill clients and remit statutory fees to the ministry on clients' behalf.

5.8 Privatization

Ministry *Natural Resources*

Branch *Forest Management, Forest Health and Silviculture Section, Tree Nursery*

Description

Privatization of tree nurseries at St. Williams, Swastika and Dryden.

Before ASD

The Ministry operated tree nurseries in ten locations to provide seedlings for reforestation by the Ministry and by forest companies. Four nurseries were closed in 1992 and a further three closed in 1995. For the remaining three nurseries, revenue recovered from the Forest Renewal Trust Fund and Special Purpose Accounts covered 80 percent of operating costs. The remaining 20 percent came from the Consolidated Revenue Fund.

Reason for implementing ASD

Withdraw from a non-core business

Method of implementing ASD

The Ministry has worked closely with the Privatization Secretariat, Ontario Realty Corporation and Management Board Secretariat to investigate alternative service delivery options. Public input was encouraged through meetings held in the communities affected by the privatization. Expressions of interest were received from interested proponents and negotiations were carried out to finalize the privatization method.

The privatization process for the nurseries has been completed.

Ministry *Labour*

Branch *Occupational Health Laboratory*

Description

The Ministry of Labour sold the assets of the Occupational Health Laboratory. All air sampling and analytical samples generated by employers are now analysed by private sector laboratories and at the employer's expense.

Before ASD

The Ministry of Labour's Occupational Health Lab analysed air and clinical samples. The OHL also managed a quality assurance program in which many of the private sector labs participated..

Reason for Implementing ASD

- Laboratory work no longer a core business of the Ministry
- Making the client more self-reliant
- Reduce costs while ensuring quality of service

Method of Implementing ASD

- RFP issued for the purchase of the Lab's assets. Contract negotiated for a 2 year period during which the Ministry accesses lab services for air samples.

5.8 Privatization

Ministry: *Transportation*

Branch: *Strategic Projects*

Description:

Sale of the constructed section of Highway 407, with (a) the rights to operate the highway and collect tolls for 99 years, and (b) the obligation to build eastern and western extensions within a specified time period.

Before ASD:

The construction and operation of Highway 407 was carried out under the direction of the Ontario Transportation Capital Corporation, a Schedule 4 agency. Construction of the highway was undertaken using Crown financing.

Reasons for Implementing ASD:

To:

- Eliminate the Crown's financing costs;
- Ensure long term operation of the highway; and,
- Ensure early completion of the remaining eastern and western extensions;

through private sector financing with no additional costs to the taxpayers.

Method for Implementation of ASD:

Legislation was passed on December 18, 1998 permitting the sale of Highway 407. The Privatization Secretariat, with the help of the Ministry of Transportation and the Ontario Financing Authority, completed the two-phase competitive sale process resulting in the April 13, 1999 announcement of the sale of the highway to a multi-national consortium.