



NIAGARA REGIONAL POLICE SERVICE

Police Service Board Report

PUBLIC AGENDA

Subject: Shared Services between the Niagara Police Service Board and Niagara Region – Service Level Agreements

Report To: Chair and Members, Niagara Police Service Board

Report Date: 2024-12-12

Recommendation(s)

That the Niagara Police Service Board (Board):

1. Direct the Chief of Police to prepare Service Level Agreements (SLAs) with the Niagara Region for shared resources charged to the Board through indirect allocations.
2. Direct the Chief of Police to submit the SLAs for Board approval.

Key Facts

- The purpose of this report is to recommend that the Board and Regional Municipality of Niagara (Region) prepare SLAs for the shared services charged back to the Service and that these agreements address any inherent risks associated with contracting out services; and further to consider other potential shared services where common needs are identified.
- The Board has had a shared services relationship with the Region for most of its existence.
- No formal SLAs exist between the Board and the Region.
- The Board should consider balancing the benefits of economies of scale received from shared services to the risks inherent with a contracting out service model such as loss of control over service delivery, security, quality control and dependency on the capacity of the external partner to provide the service.

Financial Considerations

There are no financial considerations related to the recommendations contained in this report.

Analysis

The Board has had a shared services relationship with the Region for most of its existence. Although no formal agreement has ever been put in place, the determination to share certain services was based on the notion of the need for common services and economies of scale arguably resulting in a mutual economic benefit. Thereby the Board electing to purchase these services from the Region rather than managing these functions in-house. The Board needs to carefully consider the benefits and drawbacks of contracting out functions versus managing in-house. Consideration to balancing the benefits of economies of scale received from shared services to the risks inherent with a contracting out service model such as loss of control over service delivery, security, quality control and dependency on the capacity of the external partner to provide the service. Further, the Board has little to no oversight on the services provided and billed back yet are wholly responsible for those critical functions.

The purpose of this report is to recommend that the Service and Region prepare SLAs for the joint shared services noted below that would address any inherent risks associated with contracting out services as well as establish the responsibilities and requirements of both organizations; and further to consider other potential shared services where common need are identified.

As per the 2025 Operating budget, the Board currently purchases \$8,109,315.00 of Regional Services. The following services are purchased from the Region and billed back:

- Back Office services for Accounts Payable, Accounts Receivable, Payroll, Procurement, and Human Resources
- Use of Region Enterprise Resource Planning Systems and Supports specifically Peoplesoft Human Resources and Financial System
- Legal Services
- Information Technology Services
- Property Management including Facilities Maintenance
- Asset Management Corporate Office

These agreements will be mutually beneficial to both parties as it will clearly outline the service delivery expectations and quantify the formula for charge back. Further with an agreement in place, the Service can determine gaps in service delivery where investing in-house staff would result in better outcomes.

Upon approval of this recommendation, Service staff will commence discussions with Region staff to draft the SLAs and present each individual SLA to the Board for approval once complete.

Alternatives Reviewed

To not recommend the creation of Service Level Agreements with the Region regarding joint services.

Relationship to Police Service/Board Strategic Priorities

The Board has a fiduciary responsibility to ensure the Service adheres to all regulatory requirements and that sustainable management practices are in place to act in the best interests of the Service; including those services that are outsourced.

Relevant Policy Considerations

By-Law 412-2024 - Financial Reporting, Control and Procurement of Goods and Services

Other Pertinent Reports

Not applicable.

This report was prepared by Laura Rullo, Director, Finance and Asset Management, and recommended by Luigi Greco, Deputy Chief, Support Services.



Submitted by:

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Chief of Police

Appendices

Not applicable.