

# E&E Commission Report August 1991

Report done at Board's request as a result of ISD's FY 1991-92 Budget Submission that said insufficient client funding would lead to layoffs

<p><b>E&amp;E Recommendation</b></p> <p>We urge the Board of Supervisors and the CAO to retain the current policy of funding the Internal Services Department through payments of those using its services."</p>	<p><b>What It Led to</b></p> <p>ISD was a service provider of choice. As a result, many initiatives had to be undertaken to retain our business. See attachment for examples of these.</p> <ul style="list-style-type: none"> <li>◆ Auditor-Controller Group that established policy (October 11, 1996) on the takeover of services. ("Prop A" approach on avoidance costs)</li> <li>◆ Board Policy that says no service can be taken over without CAO approval and Auditor-controller cost/benefit analysis.</li> <li>◆ ISD now has a degree of stability – we have not had any material loss of services for years and in fact, have made some gains. Prior to the policy, takeover requests were frequent and handled in a rather informal manner.</li> </ul>
<p>Permit departments to produce work in house which competes with the Internal Services Department <u>only upon Board approval.</u>" E&amp;E's key finding was:</p> <p>"It is important to understand, however, that the County reduces its total County-wide costs only when the transfer of work triggers a corresponding reduction of resources in ISD"</p> <p>"Occasional exception may be justified. However, the costs of the individual departments are not necessarily reduced. The appearance of lower costs merely reflects the first year decisions of that department to absorb the management costs within its current organizational structure. Doing so does not mean the costs have vanished permanently."</p>	
<p><b>E&amp;E Recommendation</b></p> <p>We recommend that the Board of Supervisors direct the Chief Administrative Officer, the Auditor-Controller and the Director of Internal Services to design and present to the Board methods of pricing services and charging them which have been agreed to by client departments and districts.</p>	<p><b>What It Led to</b></p> <ul style="list-style-type: none"> <li>◆ Basically, ISD just used to bill for services on a time and materials basis.</li> <li>◆ Changes in billing practices led to Budget Stability and a greater ability to meet customer expectations. Billing methods now include:             <ul style="list-style-type: none"> <li>◆ Fixed Fee and bundling of small services</li> <li>◆ 1/12<sup>th</sup></li> <li>◆ Not to Exceed</li> <li>◆ Composite labor</li> </ul> </li> </ul>

# E & E Commission Analysis of CAO re-ORG Study July 1995

Extensive E&E comment and analysis on the CAO's 32 recommendations related to the break-up of ISD. The key findings and the E&E Commission's position follows:

CAO Study Recommendation	E&E Recommendation
Downsize Administrative/Overhead Functions by 20%(5 Recommendations)	<ul style="list-style-type: none"> <li>◆ E&amp;E Commission concurred saying CAO had the authority to order cuts. ISD complied, including the elimination of a layer of management. Today, ISD has an ongoing "overhead diagnostics program."</li> </ul>
Move Capital Projects to Public Works	<ul style="list-style-type: none"> <li>◆ E&amp;E Commission concurred and the transfers took place. This has worked well as PW is in a better position to support Capital Projects and ISD has been able to focus on other areas</li> </ul>
Move Information Technology to the Auditor-Controller	<ul style="list-style-type: none"> <li>◆ The E&amp;E Commission did not concur. It didn't happen.</li> </ul>
Establish the CIO in the Auditor-Controller	<ul style="list-style-type: none"> <li>◆ E&amp;E Commission did not concur. E&amp;E Commission said the CAO should have it. An independent CIO department was established in 1996.</li> </ul>
Move Purchasing and Contracts to the Auditor-controller	<ul style="list-style-type: none"> <li>◆ E&amp;E Commission did not concur. The move did not happen</li> </ul>
Review the Full Cost Recovery Policy and Consider Eliminating It	<ul style="list-style-type: none"> <li>The E&amp;E Commission supported full cost recovery.</li> </ul>

Other E&E Recommendations and Issues Raised	What It Led to
<p>Outsource when it makes sense</p> <p>Both the E&amp;E Commission and the CAO issue disagreed with ISD's stance that cost information was proprietary to ISD.</p>	<ul style="list-style-type: none"> <li>◆ Printing (Pitney-Bowes)</li> <li>◆ Custodial</li> <li>◆ Telecommunications</li> <li>◆ SBC Agreement on the EN</li> <li>◆ Shutdown of COMPASS (CAO and E&amp;E said it should be looked at for privatization)</li> <li>◆ Elimination of Business Machines</li> <li>◆ JOC Contracting</li> <li>◆ Master Agreements other departments can use like ITSSMA</li> </ul> <p>This is totally reversed with the Rate handbook being Internet accessible. It includes comprehensive information on all of our rates, including all overhead rates.</p>

## Initiatives Taken to Improve ISD and retain Business.

- ◆ Customer Survey (now an ongoing metric)
- ◆ Employee Survey & Employee Recognition
- ◆ Customer Service Training
- ◆ Management and Supervision Academies (Before the County started)
- ◆ Strategic Planning (Before the County started)
  - Mission Vision and Values
  - Customer Service
  - Leadership
  - Infrastructure
  - Workforce Excellence
  - Fiscal Responsibility
- Performance Measures (started more than 6 years ago)
- ◆ Overhead Diagnostics

## Overall Results

- ◆ ISD's customer service ratings have steadily climbed. Last year, ISD we received an overall rating of 4 (on a scale of 1 to 5) for the first time in the department's history.
- ◆ There have been no major losses of business. We've been successful in having DHS join the County Network and will now take over Power Plant Operations at MLK.
- ◆ New Data Center approved (seen as a solution versus outsourcing IT), integral to eCAPS.
- ◆ County CIO and ISD working well together. CIO has the clear leadership role.
- ◆ Purchasing & Contracting Leadership has expanded
  - We are the County trainers
  - Office of Small Business transferred to ISD.
  - Purchasing and Contracts Web site established