

960

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Executive Office

SUBMITTAL DATE:
November 17, 2009

SUBJECT: Update to SCRAPE Report and Other Efficiency Measures

RECOMMENDED MOTION: That the Board of Supervisors receive and file the attached report.

BACKGROUND: On November 3, 2009, as part of the FY 2009-10 First Quarter Budget Report, the Board directed the Executive Office to provide an update of the Safeguard County of Riverside Against Preventable Expenses (SCRAPE) program, including savings identified to date. As a result of the SCRAPE program, and recent budget cuts, county departments have been diligent in seeking and implementing cost effective ways to provide county services.

The attached table, last presented to the Board at the September 15, 2009 meeting, shows progress on issues raised as part of the SCRAPE effort. Progress includes an item on today's agenda addressing improvements in videoconferencing capability (#6 of the SCRAPE report) and a comprehensive report on overnight retention of county vehicles to be presented at the December 8, 2009 Board meeting.

(CONTINUED)

Departmental Concurrence


Dean Deines, Deputy County Executive Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	n/a
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	n/a	For Fiscal Year:	

SOURCE OF FUNDS: n/a	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: 
Jay E. Orr

County Executive Office Signature

Dept't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.6 of 9/15/09 | District: All | Agenda Number:

16.1a

In addition to the items listed in the attachment, two new committees have formed to explore greater efficiencies related to technology. The OASIS Governance Oversight Committee and the Information Technology Governance Committee, both chaired by the Assistant County Executive Officer, have been meeting to determine which county processes can be streamlined or automated further to reduce labor and material costs. These committees will examine current business processes, analyze in detail some of the ideas from the SCRAPE program, and further evaluate potential savings in ways that individual departments are not able. Some of the issues currently being pursued include consolidation of email, fax and printing systems; coordination of procurements; mobile phone contract pooling; centralized videoconferencing centers; and migration of "shadow systems" to OASIS to ensure full functionality.

Another short-term committee is reviewing internal service fees to identify areas where charges to user departments can be minimized. Where possible, reductions to some ISF rates will be recommended.

Furthermore, there has been Board discussion on reinstating the SEIU efficiency task force that was convened last summer. Those meetings allowed union members to present ideas for reducing costs, many of which were already in various stages of implementation. Limiting the task force to members of just one union may prevent some valuable ideas from surfacing, so an alternate mechanism is being recommended. This proposed format would bring managers and non-managers from the same or similar departments together to discuss cost-saving ideas specific to the operations they know best. With department-specific task forces in place, as well as the technology and rate-setting committees described above, the County will be well-positioned to ensure that personnel reductions remain an option of last resort for departments faced with shrinking revenues.

As the result of the SCRAPE program the estimated savings or cost avoidance identified to date by departments total over \$37 million.

In the spirit of SCRAPE, staff has been reviewing county programs through "Best Practices" to identify both budgetary savings and cost avoidance opportunities outside the SCRAPE list. Identifying savings and cost avoidances allows the County to reallocate its scarce resources to maintain essential county programs.

Cost avoidance, though more intangible than cost savings, is equally important during budgetary crises by reducing or eliminating new costs that would have otherwise occurred thus freeing up valuable resources. An example is the Southwest Administration Building which was to house the District Attorney, Treasurer and Public Defender. By deferring this project until budget constraints are eased the County avoided an annual cost in excess of \$5 million.

SCRAPE Update

Area of Savings	Recommendation(s)	Status	Estimated Savings
1 Utility Savings	EDA/Facilities Management to continue to improve efficiency and reduce costs	Revised Board Policy H-4 (Conservation of Energy) approved by BOS on 7/14/09 that addressed PC power management. Pilot testing of waterless urinals being conducted in several county facilities.	\$ 375,000
2 Vehicle Take-Home Policy	Executive Office (EO) to revise policy D-10 to incorporate revisions in the Vehicle Policy Review Report	Revised Board D-10 (Overnight Retention of County Vehicles) approved by BOS on 7/14/09. With the implementation of the revised D-10 Board Policy, authorization for the overnight retention of vehicles has been reduced.	A full report will be on the December 8, 2009 Board agenda.
	Review of automobile compensation package.	Purchasing and Human Resources are reviewing compensation package that satisfies IRS requirements.	Estimated savings will be determined when new program is implemented.
	Advise Department heads that assignment of vehicles should be limited to business necessity or otherwise discontinued	Revised Board D-10 (Overnight Retention of County Vehicles) approved by BOS on 7/14/09.	A full report will be on the December 8, 2009 Board agenda.
	Direct all county departments to file their Overnight Retention Request Forms by May 4	Revised Board D-10 (Overnight Retention of County Vehicles) approved by BOS on 7/14/09 which required departments to submit requests to EO.	A full report will be on the December 8, 2009 Board agenda.
	Place a moratorium on county vehicle purchases until July 1, 2009	Completed.	A full report will be on the December 8, 2009 Board agenda.
3 Cell Phone Policy	Riverside County Information Technology (RCIT) to make a written plan to address billing and	As a result of the current IRS audit, the Executive Office, RCIT and ACO have been working to resolve the IRS issues before proceeding to internal cell phone billing and control issues.	Savings can be measured once County policy on cell phones is completed.

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	control issues	RCIT secured from AT&T a countywide 40% reduction in PDA monthly costs and a 25% reduction in monthly costs to non-PDA devices. RCIT continues to work with the other providers to secure similar discounts as well.	RCIT expects an annual savings of \$24,000 due to these reductions.
4	Assigning Land Line	RCIT to continue to improve efficiency and reduce costs	\$10,000 - \$15,000 per year.
5	Group Purchasing Power	Purchasing to monitor procurement process for additional cost savings	Through negotiations, price reduction concessions, specification revision, and finding new sources, Purchasing has reduced costs for goods/services by \$4,419,811 over previous prices paid.
6	Video Conferencing	RCIT recommendations on the use of video conferencing	Potential of saving \$400K annually in mileage reimbursement. Additional savings in AQMD credits is also made possible, though that amount is not yet known.
7	Food & Beverage Policy	EO to revise Travel Policy D-1 to further delineate authorized food & beverage expenses	Savings will be realized at department level throughout the fiscal year.
8	Mandatory OASIS Participation	OASIS to develop a list of all non-Peoplesoft applications used by county departments, evaluate feasibility & cost of integrating those applications into Peoplesoft, and provide a plan to integrate	The full process will be complicated and will require two to three years. Actual savings will be known after each phase is complete. The initial analysis identified shadow systems in 16 departments around the county

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	<p>applications for cost savings</p>	<p>that will be complete within the next nine months include:</p> <ul style="list-style-type: none"> • Electronic Fund Transfer. Property tax disbursements are planned be made electronically in May. Next, vendor electronic payments should be available in the summer of 2010. • The new county budget system will go live in February 2010. • The 9.0 upgrade to the county's human resources system will go live in March 2010. This upgrade will include new functionality (like Talent Acquisition and Resume Mirror) that can replace existing shadow systems. • A new Web Vendor Portal is scheduled to go live in July 2010. 	<p>and estimated potential savings in excess of \$3 million per year.</p>
9	<p>Paperless Transactions</p> <p>OASIS and Auditor-Controller's Office (ACO) to continue implementation of an electronic fund transmissions module of PeopleSoft</p>	<p>Initiation of this will be staged, first to other public entities, then to private vendors. Property tax disbursements are planned be made electronically in May. Next, vendor electronic payments should be available in the summer of 2010. Electric Fund Transfer is more secure that the use of paper checks.</p> <p>There are a number of logistical hurdles to overcome before vendor payments can go live. The Auditor-Controller and Executive Office are discussing the merits of recommending the release of an RFP to select a vendor to facilitate the initiation (mostly updating and verifying bank and other information of thousands of vendors) and the disbursement process.</p>	<p>Estimated savings are \$200,000 per year. Savings will also be realized in reduced staff time and improved efficiency.</p>
	<p>EO and RCIT to study other information technology applications to make government more accessible to the public</p>	<p>An IT Governance Committee, chaired by the Executive Office and staffed by Department Heads, was formed to identify IT best practices and to assess IT "utility" services to determine what services can be consolidated to reduce corporate expenses. Another committee is being proposed to investigate corporate business processes that can be automated to improve efficiency. The automation of portions of the Assessment Appeals application process is in progress.</p>	<p>Savings to be realized once efficiencies have been identified and implemented.</p>

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10 Rate Charges for Use of Board Chambers	EO and Clerk to review Board Policy H-23 and make recommendations	Revised Board Policy H-20 (Non County Use of County Facilities for Special Events and Other Interim Uses) and H-23 (County Board Room and Main Lobby Of the CAC Annex Use Policy) approved by BOS on 7/21/09.	The Clerk of the Board is the process of creating an implementation plan to begin charging the numerous entities – from county departments to non-county public and private organizations.
11 Travel Policy	EO and ACO to revise Travel Policy D-1	Revised Board Policy D-1 (Reimbursement for General Travel and Other Actual and Necessary Expenses) and C-18 (New Employee Relocation Policy and Guidelines) approved by BOS on 7/21/09.	Savings will be realized at department level throughout the fiscal year.
	Purchasing to develop an educational program to assist departments to control travel costs	Purchasing has established a new travel agency contract which allows users to choose a variety of methods to make travel plans, with various amounts of help from the contractor. Online reservations for rental vehicles at State contract pricing are in place with links and details on the Purchasing Intranet site. Training has been given to the end users.	New contract for the travel agency was expected to save \$30,500 annually base on last year's travel. New car rental rates are about 15% less, saving approximately \$13,230 annually. Since travel in general has been reduced, this amount will most likely be reduced proportionally.
12 Recycling Countywide	EO to form a task force to examine and implement a program to make county government more environmentally friendly	The Executive Office has formed a task force to examine and implement a program to make county government more environmentally friendly. The initial focus is on recycling at county facilities. Members of the task force include: EDA/FM, Purchasing, and Waste Management. The task force is in the process of identifying existing programs and evaluating operational efficiencies. Additional stakeholders will be invited to join the task force once an initial plan is developed. It is anticipated that the task force will need 90 days to develop their initial analysis of countywide operations.	Potential savings will be identified once task force completes initial analysis.
13 County Vehicle Purchasing	Defer to Auditor-Controller Audit	ACO audit presented to BOS and revised Board D-10 (Overnight Retention of County Vehicles) approved by BOS on 7/14/09.	Originally requested to buy 530 vehicles valued at \$12,547,250 this fiscal year. Revised to purchase 60 vehicles valued at \$1,618,750, for a savings of \$10,928,500

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14 County Volunteers	EO and Human Resources (HR) to survey departments on their use and need of volunteers	Survey completed in August 2009. HR is identifying costs associated with developing an internet-based volunteer registration process.	Estimated savings of \$800,000 based on number of volunteer hours worked and salaries savings equivalent to full time staff.
15 Employee Cost Containment Measures	Institute a hiring freeze for all county departments, agencies and districts effective immediately	Hiring freeze was relaxed on September, 29, 2009 for those departments that met their FY 2008-09 budgets.	Estimated Cost Savings not available at this time. Some departments will leave positions open although the hiring freeze has been relaxed. Some department will fill the positions that were frozen. Until position requests have been processed and filled, actual cost savings cannot be calculated.
16 TAP Employees	EO and HR to review TAP, institute a monitoring system, and develop guidelines to make TAP more cost effective	TAP instituted stronger monitoring and limitations for TAP usage in 2008 through additional reports and stricter guidelines on extending TAP service. Due to the current economic conditions, TAP usage (but not Per Diem) has been significantly reduced this fiscal year.	Approximately \$615,000 in savings due to reduction in TAP overtime compensation.
17 Voluntary Furloughs	HR to develop an educational brochure on voluntary furloughs and make it available to employees	Voluntary furlough still available for those not covered by mandatory furloughs. Mandatory furloughs instituted for unrepresented employees on 8-13-09. Furloughs included in SEIU contract approved on 9-1-09. HR created a "brochure" on its website and also included a payroll staffer to all employees on the voluntary furloughs on January 28, 2009. When the mandatory furloughs were authorized, HR developed a mandatory furlough Q & A which included a section on how voluntary furloughs will be applied, and also the option of additional voluntary furlough time. This document was sent to departments who were asked to make it available to their employees, and was also placed on HR's website, as of August 24, 2009. See http://www.workforceexchange.net/ for documents.	Estimated Cost Savings not available at this time. In most cases, voluntary furlough time will be used to offset mandatory furlough impacts. The cost savings associated with voluntary furloughs not offset by mandatory furloughs will be minimal. Information will not be available until the end of the fiscal year.

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18	Annual Performance Review	HR to work with departments not using the automated performance review tool	As of September 2, 2009, 35% of County departments have implemented the Employee Performance Management System developed by Human Resources. Another 33% have expressed interest, and HR is working with them to develop the required customizations. The system is under review at another 8% of departments, and nine departments (24%) have stated that they are not interested. HR will continue to work with those departments to demonstrate the superior value of the new tool.	Improves efficiency of processing annual performance reviews. Cost savings associated with implementation will be realized at department level as time savings for staff.
19	PERS Credit Program	Pension Advisory Review Committee (PARC) to review pension reform options and report back when appropriate	PARC continues to evaluate pension reform issues and will provide and interim report to the Board within 90 days.	Savings will be reported once pension reform issues have been evaluated and recommended to Board.
20	Non-Performing Assets	EDA/Facilities Management to identify surplus property and provide recommendations for the best use EDA/Facilities Management to identify vacancies in county-owned facilities and GF supported departments that can be relocated to those facilities	EDA/FM has identified several opportunities and is in the process of RFP's that will pursue development of these parcels and will generate incremental Revenue. Property that can be considered surplus is also being assessed for potential future county use or disposition/sale as a non-performing asset. EDA/FM has identified vacancies in county-owned facilities and is pursuing department relocations and consolidation into these facilities. EDA/FM is also pursuing the lease of county-owned facilities by other public and private entities to generate revenue and minimize vacancy rates in these facilities.	Approximate \$5.8 million in Savings and Revenues. Approximate \$3.8 million in Savings and Revenues.
21	Project Risk	EDA/Facilities Management to use county staff for smaller projects	EDA/FM currently uses in house painters, carpenters, HVAC techs, electricians and plumbers to perform small projects for departments.	\$ 21,000

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22 Janitorial Reduction Costs	EDA/Facilities Management to continue to improve efficiency and reduce costs	Custodial has met with several departments to discuss and implement reduction in services. All reductions must ensure health and safety of building occupants. Reductions have been implemented for several areas and this effort will continue. We are always looking at new technology that will reduce costs. We recently found a new wax system that combines the wax and sealer together. This system significantly cuts down on waste, time, and labor. This new product lasts longer and is easier to maintain. It cut labor costs by 50% and is complaint with our green efforts.	\$932,000
23 Frequency of Landscape Maintenance	EDA/Facilities Management to continue to improve efficiency and reduce costs	EDA/FM has recently installed moisture sensing sprinkler systems to reduce irrigation costs and continues to look for ways to improve efficiency and reduce costs. Our current frequency of Maintenance is once per week. This may be able to be reduced during winter months.	\$ 2,900
24 Use of Existing Furniture & Equipment	EDA/Facilities Management to coordinate with Purchasing on the use of surplus furniture and equipment for new construction	EDA/FM has worked with purchasing on a RFP to purchase used furniture to be used in conjunction with existing furniture. We continue to re-use existing furniture from all departments when possible.	The original budgeted number for the DA building furniture was \$6 million. By re-utilizing existing furniture and buying used, it is estimated we saved about \$5 million. Buying used furniture for other projects saved an additional \$350,000 for a total of \$5,350,000

Estimated Savings/Cost Avoidance to date: \$37 million