

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



FROM: Supervisor Jeff Stone **SUBMITTAL DATE:** July 24, 2014

SUBJECT: Safeguard County of Riverside Against Preventable Expenses (SCRAPE) II

RECOMMENDED MOTION: That the Board of Supervisors directs the County Executive Officer to analyze the following innovative and effective cost-saving suggestions and report back to the board on their feasibility and potential implementation. These suggestions have been recommended as further cost-saving measures in an effort ensuring the highest levels of public services our constituents expect and deserve.

BACKGROUND: As Chairman in 2009 I brought forth a list of several cost savings measures before the Board of Supervisors which were well accepted and implemented by our departments. I am making a second attempt to find more savings in our county. I was pleased to personally meet with virtually all of our county's department heads with the knowledge of our Chief Executive Officer, Jay Orr.

The purpose of these meetings was to allow me to meet and confer with our talented and capable department leaders. Additionally, it gave me an opportunity to hear any and all suggestions to innovatively, conventionally or unconventionally, traditionally or non-traditionally, examine ways to further cut or trim fixed and non-fixed expenses countywide. This entire exercise is an effort to ensuring the highest level of services is provided for our valued constituencies.

I have attached a list of the creative and innovative ideas that were brought forth as a result of these meetings.

The Chief Executive Officer, Jay Orr and I visited **Virginia Mason Institute** in Seattle Washington to learn about their "lean management" concepts adapted from their study of the **Toyota Motor Company** model. We have received an attractive proposal from Virginia Mason Institute to learn and implement the efficiency model that has saved their hospital millions of dollars. The model can then be adapted to general governmental operations saving tens of millions in government efficiencies.

Attachment:
SCRAPE II Proposals (six pages)



Jeff Stone, Chairman
Supervisor Third District

SCRAPE II Proposals

AUTOMATION:

Review of online credit and debit card processing options by the current working group should be accelerated to take advantage of the likely significant savings. Use of these cards decrease the time currently spent by staff to process the payments received in form of checks and cash, and reduce security issues associated with cash handling.

Develop online renewals and payment options for required licenses and registrations.

Implement an electronic plan check option, which will increase cost efficiencies and reduce foot traffic.

Self and/or photo certification on minor permits, to reduce permit costs, gas and travel expense.

Need for new deposit base tracking software, OASIS is not flexible enough for customers, i.e. acronyms used in building code.

More and more county services are provided online or through e-gov to our customers. We need to make sure our methods of delivery are simple and standardized as possible, example: we need to find a cheaper form of e-pay and quit charging a \$5 processing fee for a \$3 document.

Goal of becoming the most business-friendly county in California with the automated features offered to public.

Using Online resources versus buying books that need updating.

Electronic billing of tax bills, to be potentially incorporated in new property tax system currently in development.

Look into e-mail cloud expense with RCIT (\$100.) vs. the cloud with Google (\$5.00).

IN THE OFFICE

Eliminate individual workstation printers, utilizing centralized network printers. Saves in toner/ink cartridges cost and reduced maintenance costs with fewer Help Desk tickets. Ask staff to make an extra effort in determining if a paper copy is necessary, saving some trees!

More E-Fax machines, eliminates the need for fax machine, no maintenance cost and eliminates the need for a paper copy since it's sent electronically. Multiple offices can have one fax number instead of several. Designated employee who receives e-fax forwards it electronically to the appropriate staff.

Use County Printing Services Division to refill printer and copier ink/toner cartridges. Big box stores do this.

Allow inmates at detention centers (Jails) to video conference with their public defenders, saving time and travel expenses.

Employ telephone and video conferencing, webinars in lieu of face-to-face meetings with personnel (other options FaceTime, Skype, etc). Savings in travel time and cost. Paperless County seems to be the hallmark of cost savings requests.

Increase the ability of working from the field or remotely:

Telecommuting

- Expands the capacity within our existing facilities (shared space)
- Reduces the need for expanding or adding facilities
- Reduces emissions

Use of I Pads, Tablets for field work

- Creates greater efficiency for completing work remotely

BYOD (Bring Your Own Device to work) Allowing for sufficient IT security safeguards in place, staff may be able to use their personal devices to facilitate getting their work completed

- Increase staff efficiency
- Possible reduction in county spending and reduce duplication of resources

Document Imaging: Implement a county-wide document imaging system that will integrate and leverage various systems owned by the County of Riverside. Require departments that currently utilize offsite county storage to identify those documents that can transition to electronic storage.

Cost Savings:

- Improve decision making due to the accessibility of electronic documents.
- Improve cycle time and customer satisfaction.
- Reduce item handling costs.
- Reduce costs for storage and retrieval of documents.
- Reduce personnel costs associated with manually filing documents.
- Reduction in the occurrences of lost and misfiled records.
- Estimated cost savings \$2 million annually.

Example:

Departments utilizing more scanning of their records, files etc., reviewing their document management program and look for ways to save time, space and money with records. Using TAP employees to scan saved one department \$160,000 in scanning cost, verse the quotes received from outside companies.

COUNTY FACILITIES

Evaluate excess unused real estate holdings and prepare for sale/auction.

Eliminate/reduce county facilities lighting during evenings, weekends and holidays.

Change all lights and powered equipment to energy saving power strips and motion sensors.

Audit use of all land line telephone devices and eliminate lines not being utilized.

Have a centralized area for surplus furniture for reuse by other departments.

Set-up online (website) to auction surplus items not needed.

Evaluate county owned facilities to become more GREEN, roof solar panels. Evaluate cost options and long-term savings on energy.

Explore ways to use reclaim water at animal shelters and where feasible.

Funding may be available for water conservation projects

 Create master list of possible projects in the County

 Combine resources to apply for grants (i.e. drought tolerant plants, Irrigation and Hardscape improvements). Eliminate grass area at facilities and replace with walking paths and drought tolerant native plants.

Utilize more group purchasing power by combining projects for bidding i.e. cement needed countywide, food purchases for adult and juvenile detention centers.

Project Risk – Ensure that a comprehensive maintenance plan is included in every capital project.

Utilizing janitorial services *every other day* and asking staff to make an extra effort in keeping things tidy in between janitorial service days.

Encourage all departments to evaluate the cost and effectiveness of their current locations and where it makes sense to look at combining departments/offices to better serve the public. Example: Assessor-County Clerk & Recorder, along with Treasure Tax Collector vacated their offices in Palm Springs and combined offices in Palm Desert, where services are more centrally located.

Continue to advance cost reducing recycling initiatives within county office buildings.

Continue to pursue solar leases on closed landfills.

STAFF

Explore the use of volunteers when feasible.

Maximizing the use of inmates on fire crews throughout county.

Limit the need of attendance for department heads or senior managers attending board sessions. Especially if located at CAC. More effective and cost efficient way to group agenda items or encouraging remote viewing, allowing productive use of time. (At least 40 department heads and senior management staff, sitting 2-2 ½ hours at meeting on average).

Implementing a “Best Practices Portal” on a countywide level, CSAC can assist with this. We have 58 counties doing the same thing, sometimes 58 different ways. We should not be ashamed to borrow a process or procedure from another county, especially if they are doing it better.

Encourage participation in Wellness Program and Thrive Across America – Healthy living for our employees. Mitigates the risk of absenteeism and work related injuries.

Encourage managers to continue to work with voluntary furlough requests of employees.

SMALL WAYS:

Evaluate more cost effective recognition for longevity employee award gifts. Keeping function “in-house” than paying a third party vendor. Letter and a gift card (i.e. 15 years \$50; 20 years \$100; 25 years \$150; 30 years \$200; 35 years \$250).

Coordinate one Countywide IT Information blast that contain alerts, reducing costs paid by departments.

Utilize E-Newsletters for departments, reducing printing and distribution cost.

WARRANTS

Switch Manual Warrant Disbursement to Electronic Disbursement

Payroll Warrants– 19,000 employees are on some electronic means of disbursement, however over 1,000 employees are still on manual warrant disbursement due to contractual or MOU agreements.

Vendor Warrants – Other means of electronic disbursement (E-Payables and ACH) are in place, however ACO still processes over 200,000 manual warrants annually due to the electronic payment means is represented as an elective payment method as oppose to obligatory method.

Cost Savings:

- Reduces warrant costs from \$5.00 per warrant to \$0.60 per ACH transfer.

- Reduces the risk of fraudulent perpetrated by lost, stolen or replicated warrants.
- Reduce the costs associated with reissuing stale dated or lost warrants, and monitoring the staled-dated warrants.
- Estimated vendor warrants cost savings of \$1.1 million (230,000 manual warrants x \$5.0/per warrant = \$1, 150,000).
- Estimated payroll warrants cost savings of \$130,000 (26,000 payroll warrants x \$5.0/per warrant = \$130,000).

It was estimated that county could save 10-15 million a year contracting payroll services with private contractors.

TIMESHEETS

County-wide Automated Time-card system

The County's single largest expense line item is payroll with an expense of \$1.2 Billion. An incremental improvement of ½ percent for example, will save the taxpayer an estimated \$6 million annually.

Implement a county-wide "time and attendance" comprehensive system that will integrate with PeopleSoft, providing County departments the most efficient methods and resources for capturing attendance accurately.

Cost Savings:

- Reduces the cost of redundant efforts, hardware and support costs.
- Improves management utilization of personnel.
- Improves reporting accuracy, helping to reduce the cost associated payroll adjustments and corrections.
- Estimated cost savings \$6 million annually.

Process payroll monthly instead of every two weeks.

INTER-COUNTY SERVICES

Fully utilizing the Law Offices of the County Counsel verse going out of the county for legal professional services. Allowing our County Counsel's office the ability to review services need by departments. Board Policy A-18 needs more specific language on the use of outside counsel, the following amendment could be added to provide greater clarification:

"h. Notwithstanding the exception set for in section 4.c., retention of any legal counsel shall be subject the review and approval of County Counsel."

HOW WE DO BUSINESS

Reverse Auction for employee benefits and other services. Investigate the option of doing a reverse auction. Potential for significant savings for employees and county. Maricopa County saved 32-percent on employee life insurance contract and another 36 percent on pre-paid dental contract. Reverse auction from flour to inmate shoes to canned fruit. Key successful reverse auctions is to provide a strict and standardized set of requirements that the contractors/vendors have to meet to eliminate variable and ensure that any bids are apples to apples comparable.

Encouraging departments to use non-profit postage vs. first class, especially for mailing in bulk, i.e., \$175,000 savings for each countywide election. No change in delivery service or delays was experienced. Sending tax bills with this postage can definitely save cost.

Review in a timely manner all high dollar contracts to ensure best pricing is in place.

Evaluate TAP program to ensure cost effectiveness is comparable to using outside temporary agencies.

Eliminate fancy invitations to county events, and instead make it mandatory to send invitations by e-mail.

Advance partnership with Sheriff and Waste Management to accept kitchen food waste for composting.

Aggressively market recently received agency approval for liquid waste to attract additional tonnage, saving landfill space and increase gas production.

Waste Management can provide letters of destruction for companies needing documented destruction of outdated, out of spec. and not suitable for sale products to capture additional tonnage.