

MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



**18-3**

1:30 p.m. being the time set for a Workshop April 18, 2017 for the KPMG General Government Update.

KPMG:

KPMG Staff presented a PowerPoint Presentation.

Information Technology Priority Action Areas:

- Re-Establish IT Consolidation Expectations
- Create IT Service Management Strategy & Performance Measures
- Conduct IT Inventory & Develop Total Cost of Ownership Model
- Evaluate Potential HCM & ERP Platform Options

Human Resources Priority Action Areas:

- Perform Activity-Based Workload Analysis
- Establish & Baseline Performance & Service Level Measures
- Design & Initiate New HR Service Delivery Model

Purchasing & Fleet Priority Action Areas:

- Expand Use of Countywide Awarded Vendors at Discounted Pricing
- Consolidate Fragmented Vendor Base to Leverage Countywide Purchasing Power
- Evaluate Underutilized Vehicles in Departmental Fleets

Internal Support Observations – Human Resources (8) Recommendations

Internal Support Observations – Information Technology (11) Recommendations

Internal Support Observations – Facilities Management Maintenance and Custodial Department (25) Recommendations

Internal Support Observations – Purchasing and Fleet Services (7) Recommendations

Internal Support Observations – Planning (20) Recommendations

Internal Support Observations – Code Enforcement (11) Recommendations

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I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on April 18, 2017 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors

Dated: April 18, 2017

Kecia Harper-Ihem, Clerk of the Board of Supervisors, in  
and for the County of Riverside, State of California.

(seal)

By: 

Deputy  
AGENDA NO.

xc:

18-3

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



**ITEM  
3  
(ID # 4114)**

**MEETING DATE:**

Tuesday, April 18, 2017

**FROM :** EXECUTIVE OFFICE:

**SUBJECT:** EXECUTIVE OFFICE: KPMG General Government Update. [\$0]

**ACTION:**

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**MINUTES OF THE BOARD OF SUPERVISORS**



COUNTY OF RIVERSIDE  
CALIFORNIA

# Countywide Review Program

Progress Update on Procurement, IT, HR and HCM System Efforts

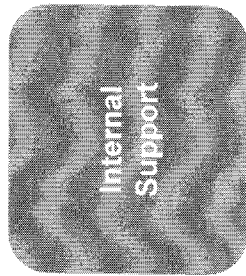
April 18, 2017

# Program Objectives & Scope

## Departments

## Recommendations

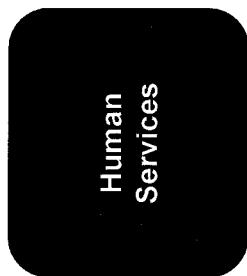
## Further Analysis



1. Human Resources	1. Complete – 8 Recs.	1. Finalizing – 3 Areas	★
2. Information Technology	2. Complete – 11 Recs.	2. Finalizing – 4 Areas	★
3. Facilities Management	3. Complete – 25 Recs.	3. None Identified	
4. Purchasing & Fleet	4. Complete – 7 Recs.	4. Identified – 3 Areas	★



5. Planning	5. Complete – 20 Recs.	5. Finalizing – 6 Areas	
6. Code Enforcement	6. Complete – 11 Recs.	6. None Identified	
7. Animal Services	7. Validating – 10+ Recs.	7. Pending Validation	



8. Inmate Health	8. Validating – 10+ Recs.	8. Pending Validation	
9. Social Services	9. Validating – 50+ Recs.	9. Pending Validation	

## **Priority Action Areas**

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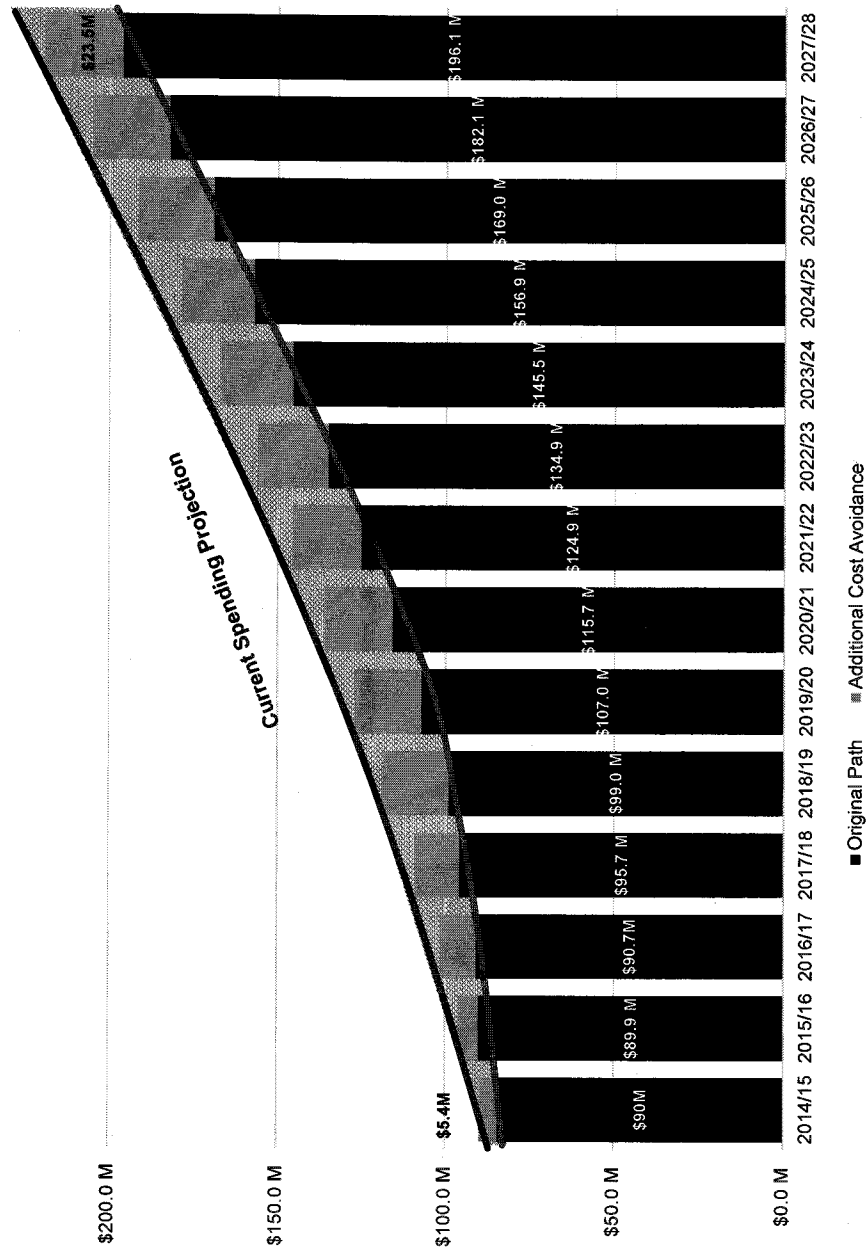
### **Information Technology**

*A total of 11 recommendations, including 4 priority action areas.*

- 1. Re-Establish IT Consolidation Expectations.**
- 2. Create IT Service Management Strategy & Performance Measures.**
- 3. Conduct IT Inventory & Develop Total Cost of Ownership Model.**
- 4. Evaluate Potential HCM & ERP Platform Options.**

# Consolidation Expectations

## Potential Cost Avoidance through FY 2027/28

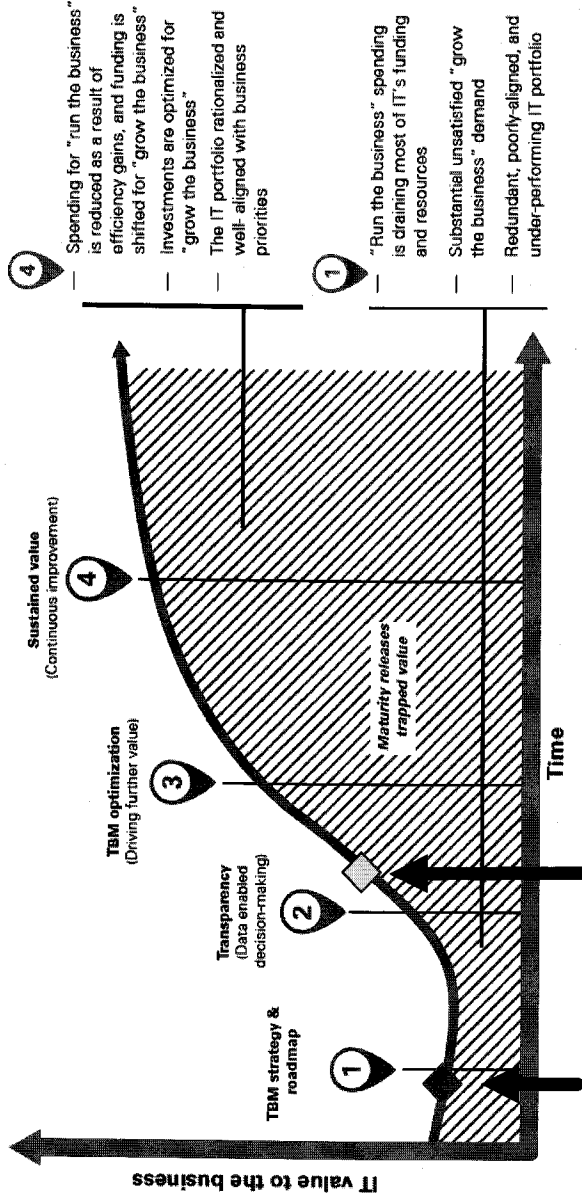


### What is contributing to the Cost Avoidance?

- Consolidation Success
- Enterprise Messaging Consolidation
- RC3 Datacenter
- Countywide Microsoft Licensing Agreement
- Defunding vacant positions
- Hardware and Software Rationalization
- Shared services operating model

# Future Opportunities

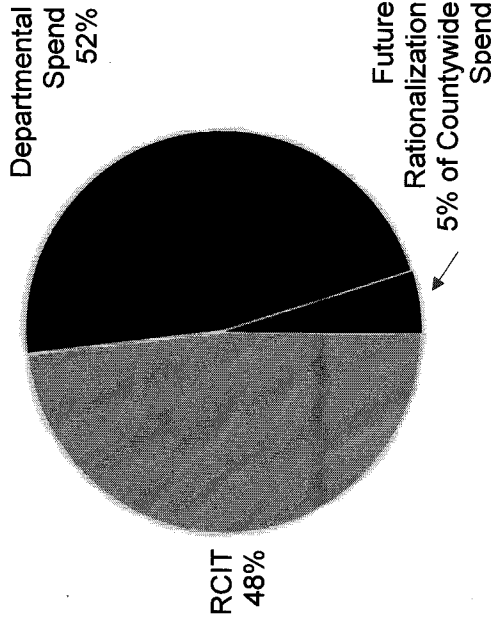
## Technology Business Management (TBM) Value Curve



Pre-Consolidation & New Leadership (2012-May 2015)

Current KPMG Assessment Jan 2017

## FY 16/17 Countywide IT Spend



- Financial Management
- Business Relationship Management
- Technology Portfolio Investment
- Service Management Metrics and SLAs

*County is moving up the Technology "value" curve through:*

# HCM Estimated - 10 Year Total Cost of Operations (TCO)

## What is included in the Total Cost of Operations?

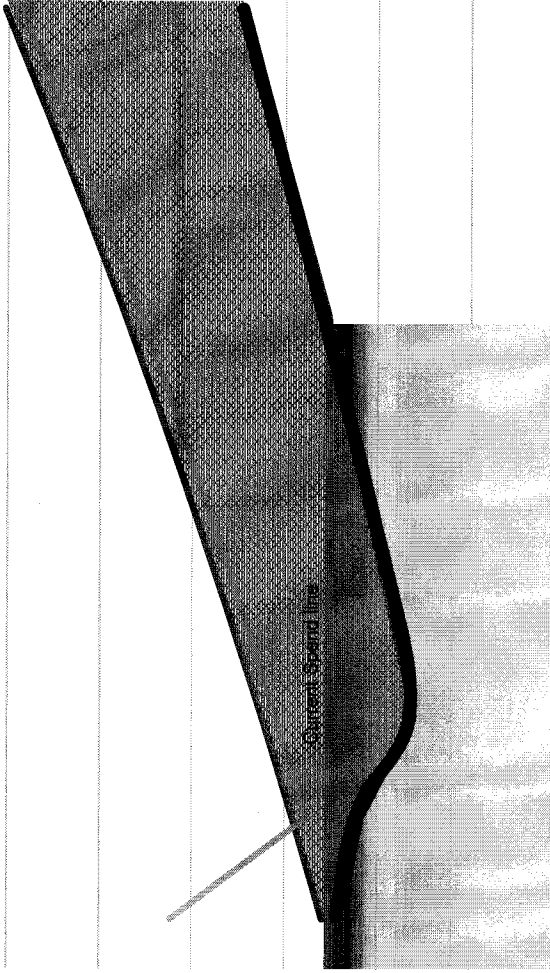
- IT Personnel Costs
- Peoplesoft Licensing Costs
- Hardware Costs
- HR & Payroll Personnel Costs (Central and Departmental)
- 3<sup>rd</sup> party services for HR

## Spend over 10 Years:

- Take no action: **\$510.8 MM**
- Upgrade existing system: **\$511.5 MM**
- Implement Modern System: **\$410 MM approx.**

**Net Saving of approx. \$70 MM after investment in HCM System**

\$65.0 M  
 \$60.0 M  
 \$55.0 M  
 \$50.0 M  
 \$45.0 M  
 \$40.0 M  
 \$35.0 M  
 \$30.0 M



	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Maintain Current PeopleSoft System	\$43.0 M	\$44.6 M	\$46.2 M	\$48.0 M	\$49.8 M	\$51.7 M	\$53.7 M	\$55.8 M	\$57.9 M	\$60.2 M
Upgrade Existing PeopleSoft System	\$51.2 M	\$43.8 M	\$45.5 M	\$47.2 M	\$49.0 M	\$50.9 M	\$52.8 M	\$54.9 M	\$57.0 M	\$59.3 M
Implement New HCM System	\$42.0 M	\$40.9 M	\$38.0 M	\$39.2 M	\$40.5 M	\$41.9 M	\$42.7 M	\$44.2 M	\$45.7 M	\$47.4 M



## **Priority Action Areas**

### **Human Resources**

*A total of 8 recommendations, including 3 priority action areas.*

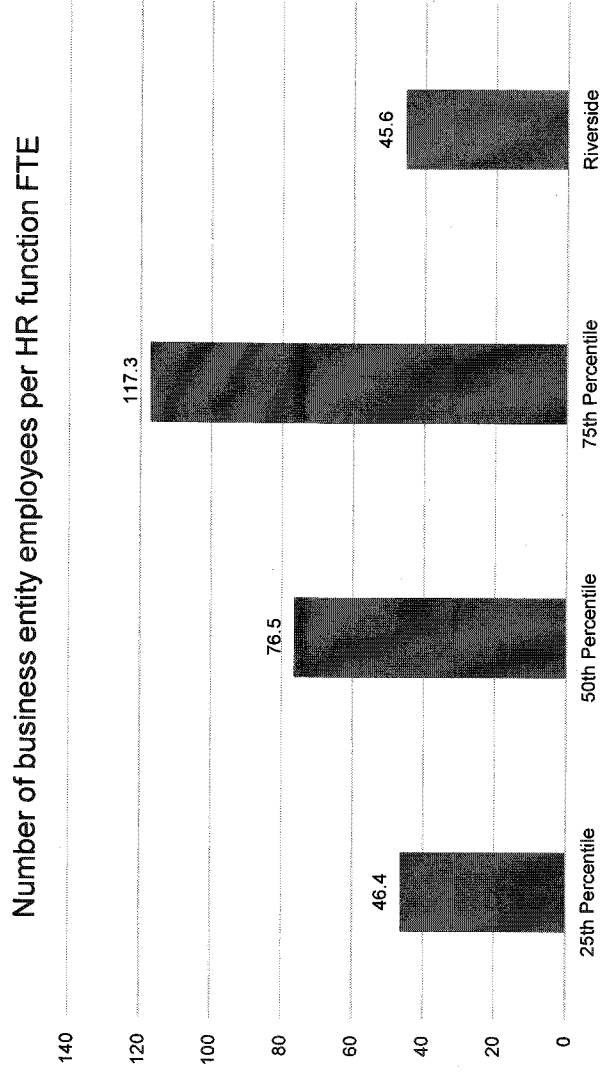
- 1. Perform Activity-Based Workload Analysis.*
- 2. Establish & Baseline Performance & Service Level Measures.*
- 3. Design & Initiate New HR Service Delivery Model.*

## **Activity based workload analysis**

- Over 180 FTE's (61%) of traditional HR activity is associated with largely transactional process areas, including:
  - 2.1 Talent Acquisition (21%)
  - 4.2 Employee and Labor Relations (15%)
  - 4.3 Transaction Processing (9%)
  - 4.4 Time and Attendance (3%)
  - 4.5 Leave Administration & Absence Management (5%)
  - 1.4, 2.5, 4.6 Administrative tasks (8%)
  
- This data does not include HR/timekeeping activities performed by department HR personnel
  
- Relatively little time spent on strategic activities
  
- Most processes are distributed across multiple organizations or departments

# Key HR Organization and Volume Metrics/Benchmarking

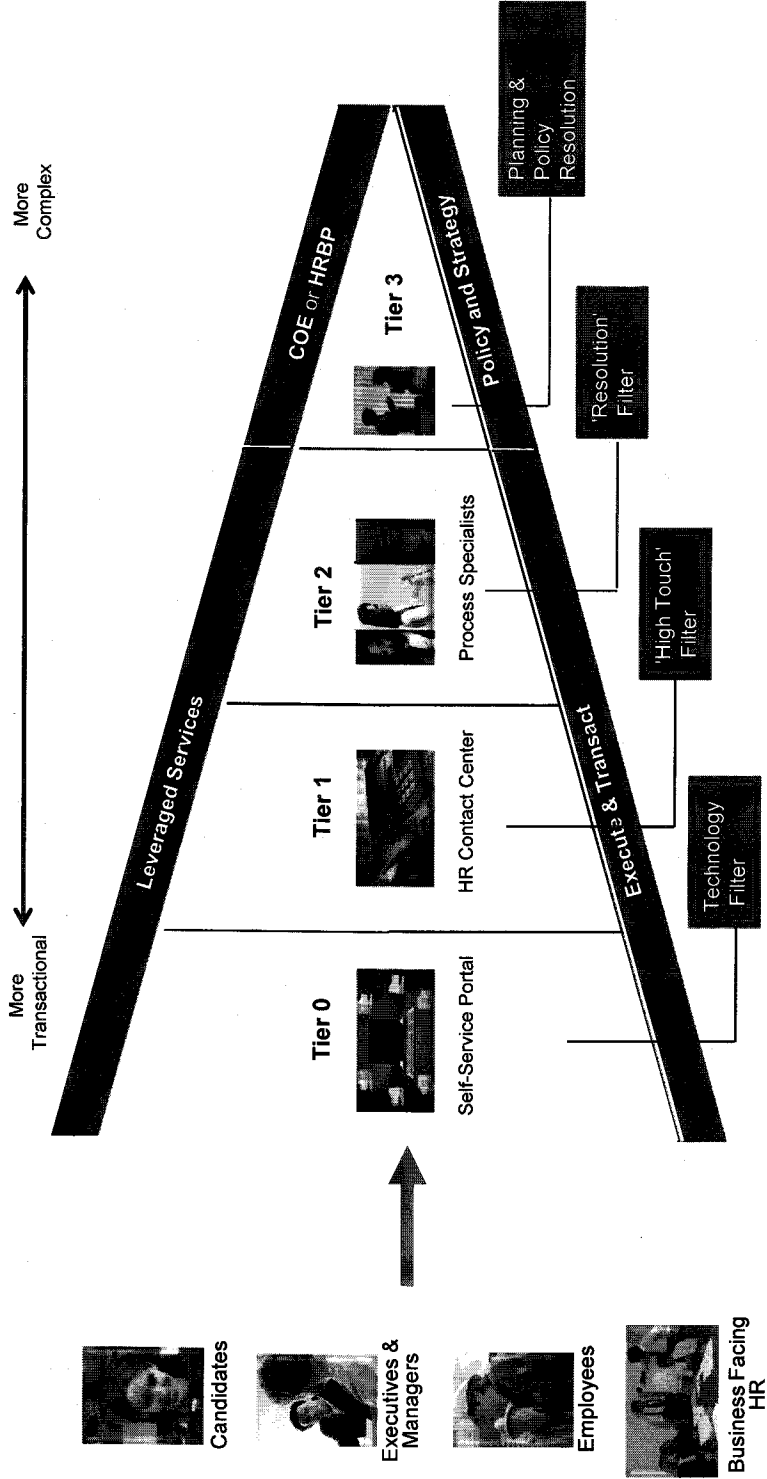
## HR Organization metrics



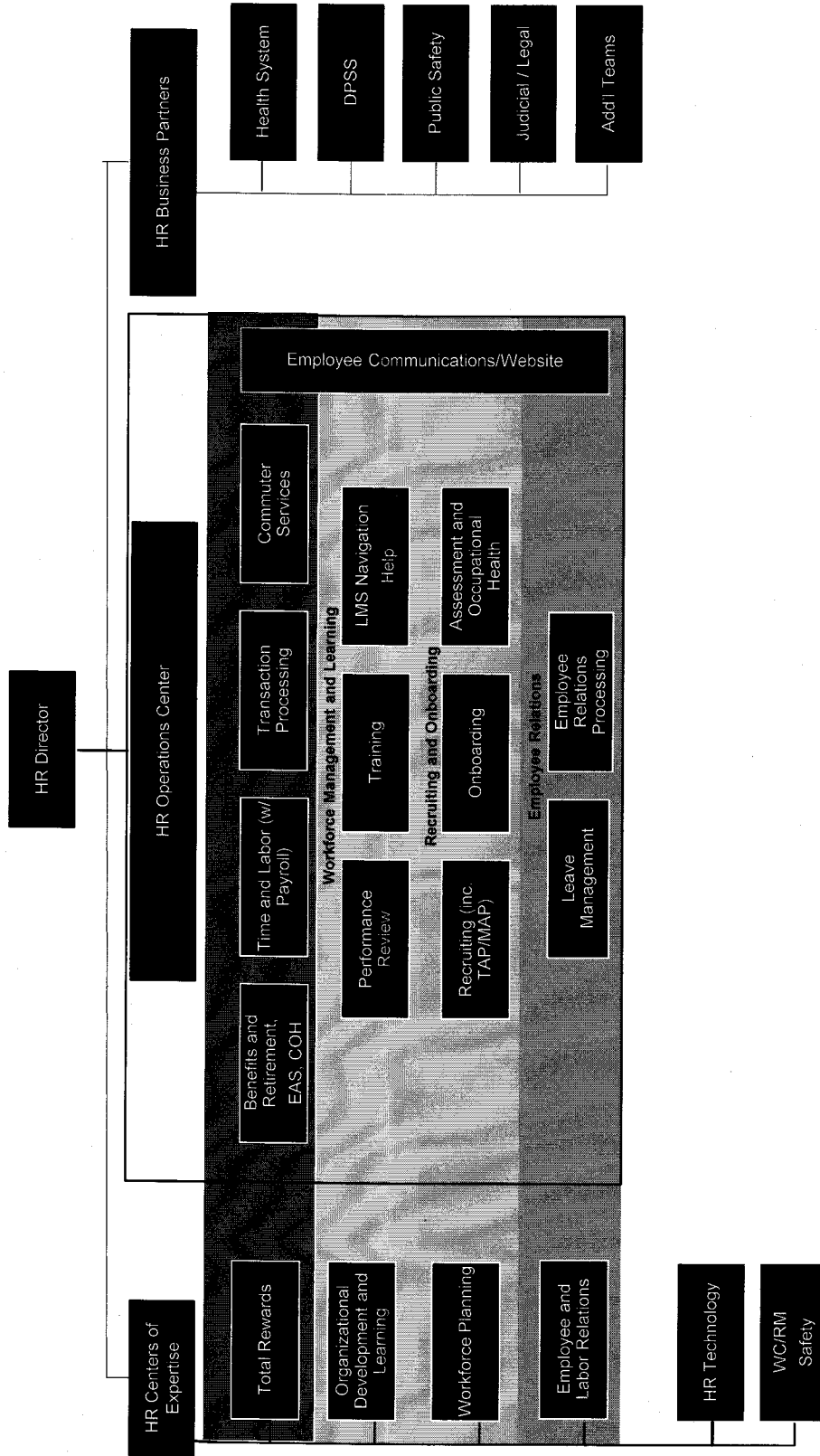
### Notes and Takeaways:

- For effective benchmark comparison, Riverside County data removes Non-HR time, and includes identified Departmental HR positions
- Riverside County performs lower than peers in regards to business entity employees per HR function FTE

# An updated HR service model, supported by enabling technology

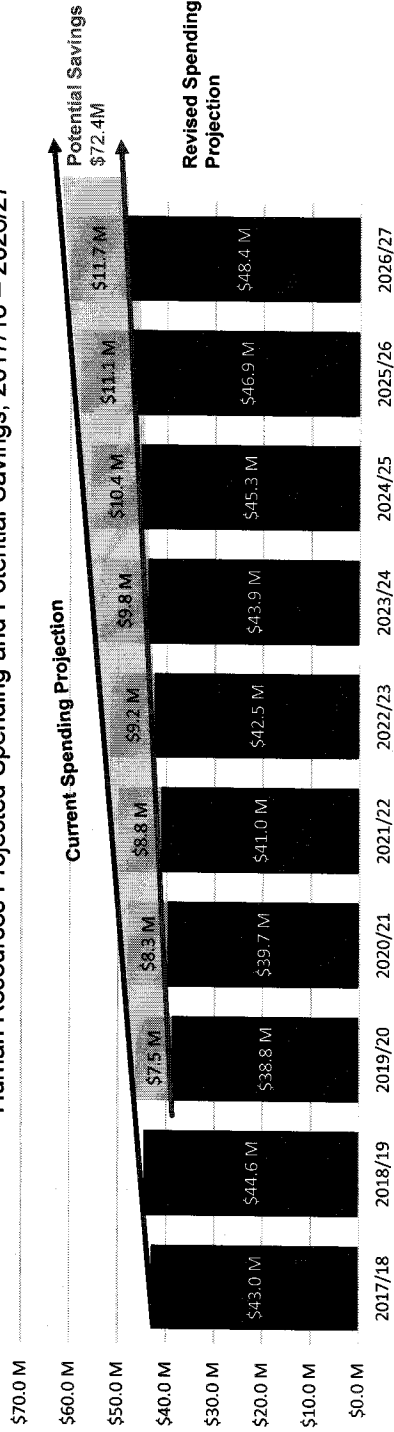


# Leads to a shared services target operating model – draft version

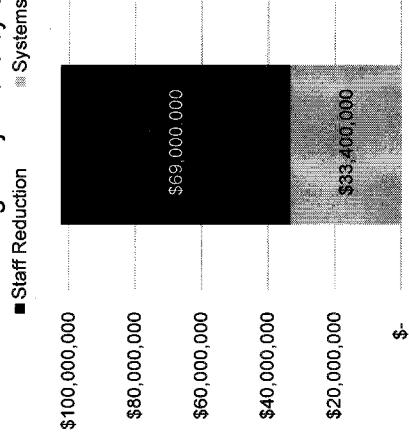


# Drives human resources efficiency and effectiveness

Human Resources Projected Spending and Potential Savings, 2017/18 – 2026/27



10 Year Savings Projections by Category



10 Year Savings Projection by Type

Type	Quantity
Eliminate PeopleSoft HCM IT	\$33,400,000
IT Salary & Benefits (30% FTE reduction)	\$13,600,000
HR Salary & Benefits (15% FTE reduction)	\$26,200,000
Departmental HR Salary & Benefits (30% FTE reduction)	\$26,200,000
Payroll Salary & Benefits (15% FTE reduction)	\$3,000,000
Vendor Affordable Care Act Processing	\$800,000
Subtotal	\$103,200,000
Investment required	\$(30,800,000)
Net Savings	\$72,400,000

## **Priority Action Areas**

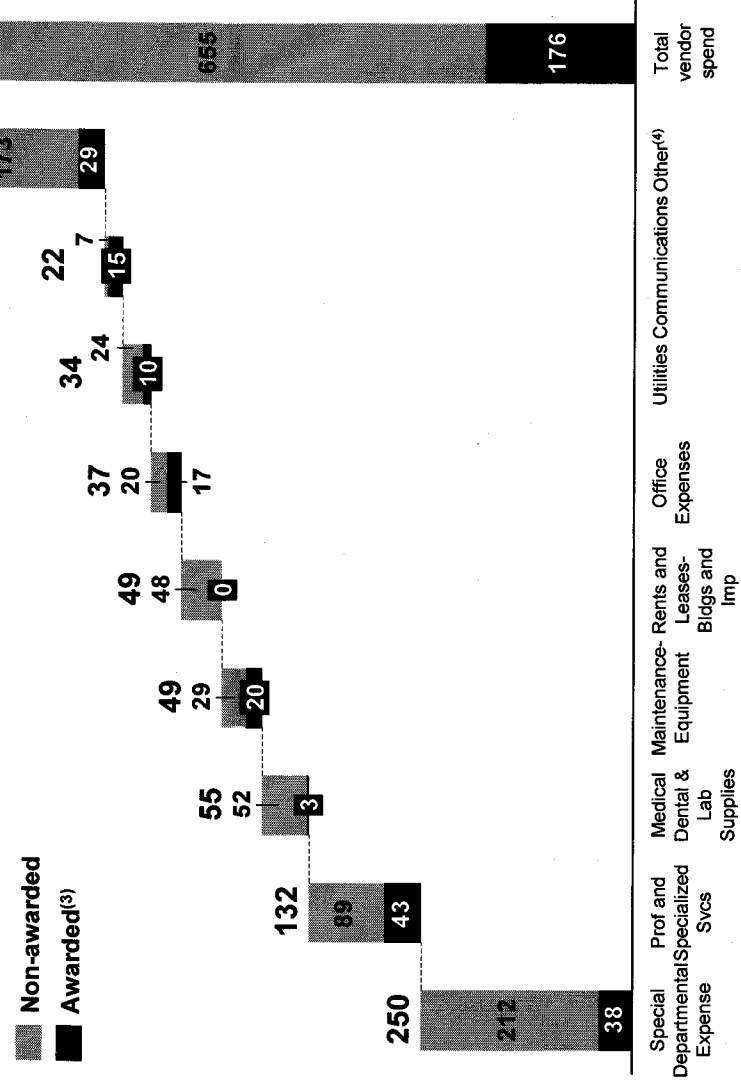
### **Purchasing & Fleet**

*A total of 7 recommendations, 3 priority action areas identified.*

- 1. Expand Use of Countywide Awarded Vendors at Discounted Pricing.**
- 2. Consolidate Fragmented Vendor Base to Leverage Countywide Purchasing Power.**
- 3. Evaluate Underutilized Vehicles in Departmental Fleets.**

## Procurement Vendor Base Analysis

Total in-scope spend by GL account mapping  
FY 2016 (\$m)

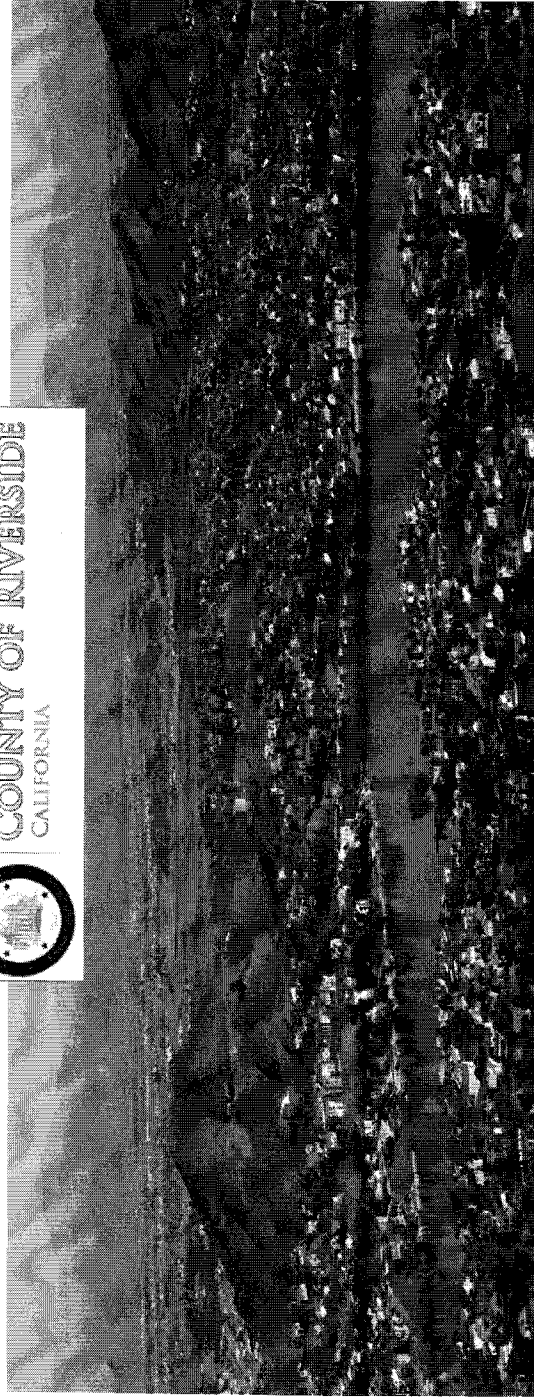
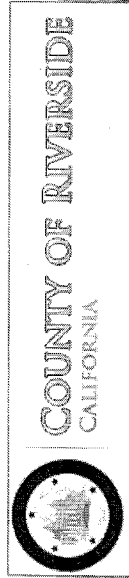


**Awarded vendor spend is 21% of the total cost base**

- Decentralized purchasing decisions
- Limited technology enablement
- Cost of transaction processing



# Questions & Discussion



## Internal Support Observations: Human Resources

The observations and recommendations below have been identified for the Riverside County Human Resources department for further analysis and implementation as part of the Countywide Strategic Review process. The impact of RCHR recommendations is amplified due to the Countywide scope of HR-related processes on which all County departments are reliant.

		Recommendations	Sav.	Effc.	Efft.
HR-1	Document RCHR departmental strategy and assess/design service delivery model	3	2	1	
HR-2	Establish and baseline RCHR performance and service level measures	3	1	1	
HR-3	Perform activity-based/demand-driven workload analysis for select RCHR divisions	2	1	1	
HR-4	Baseline desired HR processes and assess interim automation opportunities	1	1	1	
HR-5	Establish consistent approach to strategic labor relations management	1	1	1	
HR-6	Continue to enhance Countywide risk and liability management approach	1	1	1	
HR-7	Formalize Countywide standards for workforce architecture/organizational design	2	1	1	
HR-8	Formalize Countywide strategic and operational workforce planning processes	3	1	1	

## Internal Support Observations: Information Technology

The observations and recommendations below have been identified for the Riverside County Information Technology department for further analysis and implementation as part of the Countywide Strategic Review process. The impact of RCIT recommendations is amplified due to the Countywide scope of IT-related processes on which all County departments are reliant.

	Recommendations	Sav.	Effc.	Efft.
IT-1	Reset RCIT Consolidation expectations	3	2	1
IT-2	Create Service Management Strategy and Performance Measures	2	1	1
IT-3	Conduct IT inventory and develop Total Cost of Ownership model	2	1	1
IT-4	Define IT talent management plan (Hiring, Retention and Succession planning)	3	1	2
IT-5	Establish shared services model for service desk and business analysis	2	1	2
IT-6	Enhance Countywide IT spend governance	1	1	1
IT-7	Analyze workload and staffing model in alignment with the IT Operating model	1	1	1
IT-8	Create RCIT Portfolio, Program and Project Management (3PM) methodology	2	1	1
IT-9	Create RCIT Business Relationship Management methodology	2	1	1
IT-10	Define Countywide Enterprise Architecture	3	3	1
IT-11	Analyze current ERP strategy and align with Enterprise Architecture (EA)	1	1	1

## Internal Support Observations: Facility Management Maintenance and Custodial Department

The observations and recommendations below have been identified for the Riverside County Facility Management Maintenance and Custodial department for further analysis and implementation as part of the Countywide Strategic Review process. The impact of FMMC recommendations is amplified due to the Countywide scope of FMMC processes on which all County departments are reliant.

		Recommendations			
		Sav.	Effc.	Efft.	
Process Improvements	FM-1	Provide customers with detailed monthly billings	3	3	1
	FM-2	Establish Service Level Agreements (SLAs) with customers	1	1	1
	FM-3	Conduct quality control reviews with customers on a regular basis	3	1	1
	FM-4	Create a combined customer service center	1	1	1
	FM-5	Establish appropriate performance measures and report on regular basis	1	1	1
	FM-6	Follow-up with customers before maintenance work requests are closed	3	1	1
	FM-7	Consider limited outsourcing of services	1	1	1
	FM-8	Consider outsource grounds services	1	1	1
	FM-9	Streamline hiring practices	2	2	2
	FM-10	Maximize asset performance	2	1	1
	FM-11	Integrate the PeopleSoft and Dynamics systems	2	1	1
	FM-12	Eliminate manual time entries Into PeopleSoft	2	1	1
	FM-13	Implement a robust maintenance staff training program for the Dynamics maintenance management system	2	1	1
	FM-14	Deploy the Integration broker/enterprise service bus to facilitate integration of Dynamics	2	1	1
	FM-15	Develop Asset Hierarchy and Asset Definition	3	2	1
Technology					

## Internal Support Observations: Facility Management Maintenance and Custodial Department continued

The observations and recommendations below have been identified for the Riverside County Facility Management Maintenance and Custodial department for further analysis and implementation as part of the Countywide Strategic Review process. The impact of FMMC recommendations is amplified due to the Countywide scope of FMMC processes on which all County departments are reliant.

	Recommendations	Sav.	Effc.	Efft.
Staffing	FM-16	2	1	1
	FM-17	2	1	1
	FM-18	1	1	1
	FM-19	2	1	1
	FM-20	3	3	3
Finance	FM-21	3	3	3
	FM-22	2	1	1
	FM-23	3	3	3
	FM-24	3	2	2
	FM-25	1	1	1

## Internal Support Observations: Purchasing and Fleet Services Department

The observations and recommendations below have been identified for the Riverside County Purchasing and Fleet department for further analysis and implementation as part of the Countywide Strategic Review process. The impact of Purchasing and Fleet recommendations is amplified due to the Countywide scope of Purchasing and Fleet processes on which all County departments are reliant.

	Recommendations	Sav.	Effc.	Efft.
FP-1	Accept and implement the breakeven mileage into the Fleet operations	3	3	1
FP-2	Remove vehicles that do not meet the minimum breakeven mileage from the fleet	1	2	1
FP-3	Dispose of vehicles to generate one-time salvage revenue	3	2	1
FP-4	Establish policies and procedures that encourage Riverside County employees to utilize alternative forms of transportation	1	2	1
FP-5	Expand the usage of awarded vendor that provide advantageous contract terms and pricing to Riverside County	1	2	1
FP-6	Consolidate the number of vendor and actively manage the relationships	1	2	1
FP-7	Reduce the number of transactions processed by consolidating invoicing	2	2	1

## Community Development Observations: Planning

The observations and recommendations below have been identified for the Riverside County Planning department for further analysis and implementation as part of the Countywide Strategic Review process.

	Recommendations	Sav.	Effc.	Efft.
PL-1	Establish project tiering model to reduce costs and cycle time	2	1	1
PL-2	Define intake criteria and application process	3	2	2
PL-3	Document key process steps and decision making framework	2	1	1
PL-4	Strengthen focus on reducing case 'touches'	1	2	1
PL-5	Implement internal Development Steering Committee with participation from all departments that touch the planning process	2	1	1
PL-6	Decrease 9 <sup>th</sup> floor wait times through innovative approaches and the use of new technology	3	2	2
PL-7	Improve planner workload management (i.e. electronic trackers, PLUS)	3	1	1
PL-8	Utilize customer comment cards and enhanced feedback as a continuous learning and improvement tool	3	3	2
PL-9	Implement active project management on every case	2	1	1
PL-10	Ensure staff receive sufficient training and development on an ongoing basis	3	1	1
PL-11	Utilize case statistics with escalation parameters and milestone checkpoints throughout the case lifecycle	2	2	1
PL-12	Expand the Permit Assistance Team to provide proactive support	2	1	2

## Community Development Observations: Planning

The observations and recommendations below have been identified for the Riverside County Planning department for further analysis and implementation as part of the Countywide Strategic Review process.

Recommendations		Sav.	Effc.	Efft.
PL-13	Strengthen knowledge transfer and increase availability at Principal Planner level	3	2	2
PL-14	Encourage more independent decision making that weighs risk and benefits	3	2	2
PL-15	Revisit and assess deposit-based fees and other project activities	2	3	2
PL-16	Improve overall project finance transparency for customers and accountability for planners and other project stakeholders	2	3	2
PL-17	Create Countywide program management checklist to inform customer expectations	3	3	2
PL-18	Front counter one-stop shop and Planning floor remodel	2	2	2
PL-19	Accelerate clarification and modernization of zoning & subdivision ordinances	2	1	1
PL-20	Continue to utilize Process Improvement Committee, Builder's Roundtable and other private sector interactions as a continuous feedback mechanism	3	2	2



## Community Development Observations: Code Enforcement

The observations and recommendations below have been identified for the Riverside Code Enforcement department and the Transportation & Land Management Agency (TLMA) for further analysis and implementation as part of the Countywide Strategic Review process. The Code Enforcement department's operations and effectiveness was the focus of this review, other internal county stakeholders serve an important role in this process and in the delivery of related services to the residents and businesses of Riverside County.

	Recommendations	Sav.	Effc.	Efft.
CE-1	Collaboratively define the role and vision of Code Enforcement in Riverside County	3	1	1
CE-2	Provide focused training on process standards for case reporting, preferred resolution tools, and case prioritization	2	1	1
CE-3	Establish performance and quality expectations for all roles	1	1	2
CE-4	Improve staff utilization through enhanced time tracking and clear direction on priorities	1	1	2
CE-5	Implement strong case triage and workflow management	3	1	2
CE-6	Ensure efficient division of staff responsibilities and strengthen the relationship between administration and field staff	3	2	2
CE-7	Standardize cost recovery practices across districts including fee structures and time reporting for staff	1	3	2
CE-8	Continue freeze on hiring and promotions	1	2	3
CE-9	Increase acceptance of technology efficiencies throughout the department	3	2	2
CE-10	Open communication with increased transparency between staff and management	3	3	3
CE-11	Review process improvement initiatives to expedite case completions and increase departmental revenues	2	1	1