

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



ITEM
3.80
(ID # 7848)

MEETING DATE:

Tuesday, August 28, 2018

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Receive and File Update on the County Transformation Project; Authorize the Transition of specific KPMG Work Efforts to County Staff; and Direct the Auditor-Controller to Make the Budget Adjustments to Reduce the Executive Office Budget and Increase Contingency as Shown on Schedule A for FY 18/19; [All Districts]; [\$(3,551,518) - General Fund Contingency 100%]; 4/5th Vote.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the transition of the Public Safety segment of the KPMG contract to the Executive Office, which will result in an estimated \$1,900,000 in contract savings; and,
2. Authorize the transition of the Human Resources segment of the KPMG contract to the Executive Office, which will result in an estimated \$1,223,850 in contract savings; and,
3. Authorize the transition of the Facilities Management, Fleet & Procurement segments of the KPMG contract to the Executive Office, which will result in an estimated \$364,880 in contract savings; and,
4. Authorize the transition of the ServiceNow segment of the KPMG contract to the Executive Office, which will result in an estimated \$62,788 in contract savings; and,
5. Authorize and direct the Auditor-Controller's office to make the budget adjustments to reduce the Executive Office's Budget and increase Contingency by \$3,551,518 as shown on Schedule A; and,
6. Receive and file the update regarding the Transform RivCo Initiative.


ACTION: (4/5 Vote Required)


George A. Johnson, County Executive Officer 8/23/2018

MINUTES OF THE BOARD OF SUPERVISORS

3)
On motion of Supervisor Ashley, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended with option to reduce the amount recommended to go into contingency by \$500,000 to increase Public Safety from \$2 million to \$2.5 million.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: August 28, 2018
xc: EO, Auditor

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	(\$ 3,551,518)	\$ 0	(\$ 3,551,518)	\$ 0
NET COUNTY COST	(\$ 3,551,518)	\$ 0	(\$ 3,551,518)	\$ 0
SOURCE OF FUNDS: General Fund Contingency 100%			Budget Adjustment:	Yes
			For Fiscal Year:	18/19

C.E.O. RECOMMENDATION: APPROVED

SUMMARY OF RESULTS:

Reduced Spend

Over the past two fiscal years, the county has reduced projected spending by approximately \$100 million, against an approximate \$32 million-dollar investment, primarily in Public Safety workstreams. The Executive Office reorganization allows for early transition of several consultant workstreams, which reduces contract spend by \$3,551,518. These funds will transfer to county contingency per the recommended motion.

Should the county be able to leverage all recommendations to reduce costs, the Executive Office has estimated future projected annualized reductions of approximately \$11.5 million as reflected in the table below:

Workstream	Total Contract	Expenditures To Date	Remaining Balance of Contract	Contract Savings to Contingencies	Remaining Contract Spend	Reduced Projected Spend to Date	Projected Annualized Reduction in Spend
Public Safety	20,391,600	16,491,600	3,900,000	1,900,000	2,000,000	89,000,000	
Human Resources*	4,200,000	2,976,150	1,223,850	1,223,850	-	4,000,000	1,700,000
Facilities Management, Fleet & Procurement**	2,100,000	1,735,120	364,880	364,880	-	7,400,000	8,600,000
ServiceNow	300,000	237,212	62,788	62,788	-	-	-
Countywide Department Review***	4,898,700	4,898,700	-	-	-	512,400	1,200,000
Finance & Accounting	500,000	500,000	-	-	-		
County Performance Unit	3,200,000	1,662,054	1,537,946	-	1,537,946		
Cross-System Integration	5,900,000	3,184,843	2,715,157	-	2,715,157		
Totals	41,490,300	31,685,679	9,804,621	3,551,518	6,253,103	100,912,400	11,500,000

* Reduced Costs dependent on expected staffing changes across the county

**Reduced spend is dependent on renegotiated contract terms and expected staffing changes across the county

***Included: HR, IT, Planning, Code Enforcement, EDA – FM, Purchasing and Fleet, DPSS, Animal Services, Inmate Health

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Enhanced Revenue

Department efforts associated with the consultant recommendations provide for the following enhanced revenue opportunities:

Departments	Potential Revenue Enhancements
Sheriff City Contracts	17,000,000
Code Enforcement	2,000,000
Total	19,000,000

Contract Balance

The remaining contract balance of \$6,253,103 will continue to support implementation of the Cross-System Integration (CSI), County Performance Unit (CPU) and pilot program work in the Public Safety work streams. The CSI initiative is an important step toward improving outcomes within the identified populations by integrating the health systems, with criminal justice efforts, human services and Behavioral Health operations. The CPU initiative monitors the various transformation initiatives to ensure accountability and performance are consistently measured. CPU reviews strategic, operational and financial performance of departments and uses a central data-driven analysis and tracking hub within the Executive Office. The CPU initiative is in the process of transitioning from the consultant to the Executive Office.

BACKGROUND:

As budget challenges established themselves as the new norm, the environment required a change in thinking. In response, the county partnered with a recognized expert, experienced in consulting with large organizations (both public and private), that could provide in-depth data analysis, guidance and support while the county restructured to attain and sustain financial stability. That business decision yielded significant benefits over the last two and a half years, transforming county government in the process. Identifying and implementing more efficient, cost-effective ways to deliver services to constituents and departments.

Overall, the data analyzed by our consultants provided information needed to make difficult budget decisions, change spending patterns and reduce projected spending by tens of millions of dollars a year. The partnership has met expectations and expedited change management efforts.

Now we are ready for the next step: for county staff to fully integrate new strategies countywide and permanently embed processes to improve efficiencies, manage performance and enhance accountability.

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The county first hired KPMG on October 6, 2015, to assess the Criminal Justice System (CJS) organizational and operational performance and examine financial aspects of law enforcement's contract city rate. This evaluation was vital because the largest percentage of discretionary general fund budget is allocated to those departments. Expenses have followed an unsustainable path by continuing to exceed revenue growth. The assessment was also an opportunity to determine whether the county should be reimbursed for more of the sheriff's services provided under contracts, or if the cities were already paying more than their fair share. This review was meant to improve transparency for all contract partners.

On March 29, 2016, the Board approved Amendments No. 1 & 2 to the original contract. The purpose was to help implement recommendations identified in the initial assessment to improve and enhance the CJS. The county was also looking for greater efficiencies and savings in general government specifically including: Information Technology, Human Resources, Economic Development Agency, Facilities Management, Purchasing and Fleet Services, Public Social Services, Detention Health, Code Enforcement and Planning.

On December 13, 2016, the Board approved Amendment No. 3 to help implement initial recommendations from the general-government review.

On July 25, 2017, the Board approved Amendment No. 4 to help countywide initiatives that would accelerate operational improvements and cost containment identified earlier.

The Executive Office reorganized in August 2017, aided by information generated from the partnership. The change improved support for Board initiatives and for county departments. Under the new and more robust structure, Assistant County Executive Officers (ACEOs) coordinate strategy through department portfolios and countywide transformation initiatives. The structure gives departments direct and more frequent access to high-level staff in the Executive Office with an emphasis on improved collaboration, communication, coordination, performance and accountability, decision making, customer service and efficiency.

The portfolios consist of departments organized in the following categories: public safety, human (social) services, public works, economic and community development, internal services, human resources, health system and finance and general government. In response, the Executive Office and departments are modernizing operations, increasing efficiencies and basing more decisions on hard data. This include quickly implementing consultant recommendations to reduce overall spending where possible.

Under the new Executive Office structure, ACEOs are working on the Transformation initiatives listed below. Most initiatives have been operationalized, while others are in the process of being implemented.

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As such, the county is evaluating the remaining amount of the KPMG contract. Included within the attached report is a description of the initiatives, operational status and opportunities to reduce spending and create direct savings where appropriate.

IMPACT ON RESIDENTS AND BUSINESSES:

In addition to this work, many departments implemented their own initiatives, such as LEAN transformation for Probation and RUHS-Medical Center, eProcurement for Purchasing and online appointment setting for Veteran's Services and TLMA customers. Increased budget challenges require a focus toward combining resources, maximizing revenue, co-locating and maximizing customer services.

SUPPLEMENTAL:

Contract History and Price Reasonableness

Minute Order 3-53	10/6/15	\$ 761,600	Criminal Justice Assessment
Minute Order 16-3 Implementation	03/29/16	\$15,730,000	Criminal Justice Project
Minute Order 16-4	03/29/16	\$ 2,700,100	Countywide Department Review
Minute Order 3-7	12/13/16	\$ 1,998,600	Implementing Countywide Department Review (IT, HR, Planning)
Minute Order 18.3	07/25/17	\$20,300,000	Implementing Initial Recommendations from Countywide Department Review (CSI, HR Transformation, CPU, Procurement/Fleet/Facilities, TLMA, Public Safety Monitoring)

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SCHEDULE A

Decrease appropriations:		
10000-1100100000-524660 Consultants		\$3,551,518
Anticipated increase in unassigned fund balance:		
10000-1100100000-370100 Unassigned fund balance		\$3,551,518
Increase appropriations:		
10000-1109000000-581000 Appropriation for contingency		\$3,551,518
Anticipated use of unassigned fund balance:		
10000-1109000000-370100 Unassigned fund balance		\$3,551,518

REVISED SCHEDULE A

Decrease appropriations:		
10000-1100100000-524660 Consultants		\$3,051,518
Anticipated increase in unassigned fund balance:		
10000-1100100000-370100 Unassigned fund balance		\$3,051,518
Increase appropriations:		
10000-1109000000-581000 Appropriation for contingency		\$3,051,518
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MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3.80
(MT 7848)

(1)

On motion of Supervisor Perez, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from Executive Office regarding Receive and File Update on the County Transformation Project; Authorize the Transition of specific KPMG Work Efforts to County Staff; and Direct the Auditor-Controller to Make the Budget Adjustments to Reduce the Executive Office Budget and Increase Contingency as Shown on Schedule A for FY 18/19 is approved as recommended.

(2)

On Motion of Supervisor Ashley, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter be reconsidered.

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on August 28, 2018 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: August 28, 2018
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

(seal)

By: *Kecia Harper-Ihem* Deputy

AGENDA NO.
3-80

XC:

RIVERSIDE COUNTY
EXECUTIVE OFFICE REPORT

**COUNTY TRANSFORMATION
PROJECT UPDATES**



PRESENTED TO THE COUNTY BOARD OF SUPERVISORS
AUGUST 28, 2018

SUMMARY OF IMPACT:

Criminal Justice System

The Criminal Justice System (CJS) workstream provided a high-level assessment of the Sheriff's Department, Probation Department, Office of the District Attorney and Law Offices of the Public Defender. Three phases of this effort were planned to evaluate public safety expenditures and procedures, including budgets, administrative overhead, and regular and special program administration. Part of the project assessed specific methodology used to establish contract rates and the degree of actual cost recovery from city contracts, including liability costs.

The county contract amount in this area is \$20.3 million (of which \$16.5 million has been spent to date) for thousands of work hours spread across four departments and over almost three years.

Phase 1, at a cost of \$761,000, assessed the current state of the CJS and was completed in March 2016. More than 50 recommendations offered the potential to reduce costs and improve operations to create safer, healthier and more sustainable communities. Some of the recommendations addressed new topics, while many supported and strengthened efforts already in motion with departments.

Phase 2, which involved in-depth analysis, followed by the design, testing and operationalizing of various models to optimize performance, has resulted in pilot projects across all four departments. Many of the original recommendations have been implemented or are in the process of being tested, including:

Countywide:

- Develop a countywide criminal justice coordination and collaboration structure.
- Create a strategy and performance process within the criminal justice working group structure.
- Expand integration of the criminal justice department IT systems.
- Further analyze training offerings and the impact to risk management.
- Identify opportunities to enhance county employee recruitment and hiring process.
- Identify opportunities for automated Human Resources processes.
- Enhance annual budget process for public safety departments.
- Develop demand staffing models based on activities and caseloads.

Sheriff:

- Review and analyze patrol work demands in detail, and review and analyze patrol supply factors. This has resulted in two pilot projects in the unincorporated areas of Hemet and Lake Elsinore. Pilot projects in other stations are currently in planning and/or discussion phases.
- Upgrade Computer-Aided Dispatch (CAD) and Records-Management Systems (RMS) and the Jail Information Management System (JIMS) technologies.
- Further develop an activity-based jails staffing model approach. This effort culminated in a pilot program within Robert Presley Detention Center (RPDC) transportation unit, which will assist in making future staffing decisions.

- Expand jail utilization and strategic prioritization of inmate population. The jails' top 500 super-users were identified based on bed days, bookings and likelihood to recidivate. The analysis will be expanded into a program across departments to prevent the population from re-entering the jail system and improve offender outcomes.
- Review functional force mix for sworn, non-sworn and civilian resources.
- Propose a Board resolution to establish components for contract law-enforcement services to ensure that the county recovers its equitable cost of providing the service. This resolution is expected to be considered in Fall 2018.

Probation:

- Continue to enhance internal management reporting by developing a performance management framework to assess internal processes, program delivery and probation-officer activity.
- Further measure and evaluate supervision and programming efforts and develop an outcome-based framework for managing programs. That framework would develop/deploy a "balanced scorecard" to evaluate Probation-led programming for youth and adult offenders.
- Review overtime use in Institution Services to determine effective shift patterns, streamline juvenile hall operations and improve other processes.

District Attorney and Public Defender:

- Analyze workload and staffing for operational efficiencies and the appropriate workforce mix. Three pilots have examined various workloads among job classifications in both of the law offices (including attorneys, paralegals, investigators, investigative technicians and clerical support) and identified the potential to shift workloads among groups as appropriate for operational efficiencies.
- Improve caseload management through a workflow study to map the life journey of cases. This will help determine potential to improve operations within both offices.
- Improve communication between Sheriff and Public Defender for in-person jail visits. This includes examining and assessing video conferencing within Public Defender offices and county jail sites to streamline Public Defender-client communication and optimize staff work day activities.

The Phase 2 results have been significant. Pilot projects in all four departments provided important insight and potential for improving operations in each area studied. For example, in the Hemet and Lake Elsinore patrol stations, cooperation between the Sheriff's Department and consultant created measurable results, improving response time and effectiveness during the pilot periods.

Jail pilots measured significant impacts in how correctional health services are delivered which allowed the county to make more informed funding decisions in the FY 2018-19 budget process. Perhaps the most important return on the county investment can be found in the difficult decisions made while developing the FY 2016-17 and FY 2017-18 budgets.

The data on the criminal justice departments provided information the Board of Supervisors needed to alter the unsustainable path of growth without significantly affecting public safety. As a result, the county was able to delay, defer, or deny almost \$90 million in spending requests from the Sheriff's Department, Office of the District Attorney, Probation Department and Public Defender's Office. In 2017, crime rates in areas patrolled by our Sheriff's Department declined.

In Phase 3, it was originally planned that KPMG would monitor progress of the CJS. However, there is now greater capacity within the Executive Office, because of the reorganization, which improves the focus on, and coordination with, public safety departments. As a result, the county can internally implement the recommendations and look for additional opportunities.

Contract Management Recommendation: Transition monitoring efforts to the Executive Office and save \$1.9 million in contract spend for consulting services.

Human Resources Transformation

County Human Resources (HR) has historically operated in a centralized fashion, while allowing departments to augment some services with their own HR staff. The consultant was engaged to review the operating model for efficiency and the use of industry best practices at a projected cost of \$4.2 million (of which nearly \$3 million has been spent to date). As a result, the county is implementing a new shared services operating model for HR to improve service delivery to departments. This model enhances HR's operational performance and provides county departments the ability to reduce duplicate human resources costs over the next 12 months.

To support these efforts, a new county-wide Human Resources application (Workday) is being implemented that will increase efficiencies and improve business processes through automation. Additionally, ServiceNow, a technology platform already used within the county for service tracking, is being enhanced to provide departments and HR with improved services.

Contract Management Recommendation: Transition efforts to the Executive Office and save approximately \$1.2 million in contract spend for consulting services

ServiceNow

Supporting the HR Transformation, the county is enhancing its existing ServiceNow platform to provide HR specific tracking. Work has begun and will continue over the next 12 months in multiple phases and is designed to provide performance dashboards and increased transparency for departments using HR services.

Under the new operating model, HR will have centralized centers of excellence for each service and the new technology will provide a way to measure their performance and ensure that their customers are receiving the best service possible. Departments will be able to submit HR requests and get updated status through a single HR portal that will also provide links to important information as well as a knowledge base of commonly asked questions to help users find solutions quickly.

Contract Management Recommendation: Transition efforts to the Executive Office and save approximately \$63,000 in contract spend for consulting services

Fleet Services, Facilities Management and Procurement

Purchasing is in the process of designing and implementing a new countywide procurement system (RivcoPRO). Implementation of the new technology will enhance operational performance, and provide efficiencies by automating many processes that are manual today. The new system will also provide much needed countywide contract management capabilities.

Consultant analysis has allowed for data-driven decision making by the county and the department is now actively working to implement the following changes:

- Implement a new volume bidding strategy based on recently adopted hardware standards to secure competitive pricing.
- Create a new bidding strategy for vehicle purchases to reduce costs.
- Transition cell phone services to less expensive State contracts.
- Reviewing countywide software contracts to identify bulk purchasing opportunities and implementation of best practices to reduce overall annual spend.
- Eliminated 331 underutilized vehicles within the county fleet to reduce department annual maintenance costs.

Purchasing has implemented recommendations in specific activities that achieved 7 million in reduced spend in FY17/18. The county will achieve future annualized reduced spend of \$8.6 million through the life of the contract(s) terms. Most of these reductions are related to information technology (IT). Additionally, 26 purchasing categories are still being reviewed and activities are underway to further the reductions and address other purchasing categories for commodities and services. Fleet Services recently disposed of 331 underutilized vehicles providing an annual reduction in spend of \$512,400 for vehicle maintenance fees. On-going work has fully transitioned back to the department.

Contract Management Recommendation: Transition efforts to the Executive Office and save approximately \$364,880 in projected contract spend.

Transportation and Land Management Agency Analytics

The Transportation and Land Management Agency (TLMA) support work stream helped sustain internal efficiencies and improve customer service.

This support includes analytics to establish appropriate costs in planning cases, overseeing performance management oversight and reporting guidance, and internal capacity building through work transition to agency staff. This effort included three phases: Phase one, for \$375,000, was a current state assessment; Phase two, for \$500,000, was an in-depth analysis and design of a new system; and Phase three, for \$200,000, was ongoing analytics and support.

The Code Enforcement management team has examined phased flat fees, used by other jurisdictions, to improve recovery of actual costs. The proposed flat fee structure will be presented for Board consideration. Preliminarily, a flat fee model could raise up to \$1.5 - \$2 million annually. The focus is on improved customer service and streamlining our land use and counter service efforts.

A second initiative would review processing costs associated with different types of development cases. A management tool will track project costs and benchmark those against project timelines to better monitor and intervene when project costs exceed expected amounts.

A standardized planning application form for customers also would be added. These improvements aim to reduce private-sector development costs, improve certainty for applicants and spur economic development activity.

Finance and Accounting

The Finance and Accounting (F&A) workstream was an assessment performed to determine a strategic administrative business model for effective and efficient finance and accounting activities throughout the county.

Completed in April 2018 at a total cost of \$500,000, Phase 1 focused on:

- Documenting, quantifying and understanding our current finance and accounting services performed across the enterprise
- Identifying opportunities and recommendations to support the development of a future state Target Operating Model (TOM) to help enable cost containment and streamlined service delivery
- Developing a high-level TOM with variable options and solutions

The team collected work activity and cost information across four finance and accounting functional areas:

- General Accounting: Accounts Payable, Accounts Receivable & Revenue Management, Journal Entry and General Ledger Administration, Project Accounting
- Planning and Budgeting: Budgeting, Forecasting, Financial Reporting, Capital Planning
- Asset Management: Inventory Accounting, Fixed Assets
- Other F&A Support: Grants Management, Contract Management, Cost Allocation

Phase 1 results indicate that due to manual workarounds related to finance and accounting functions across the county as well as functional areas that may benefit from process centralization and enhancement, the opportunity exists for cost savings and cost containment. However, due to other workstreams and pending financial obligations facing the county at this time, the Executive Office has determined no further expenditures for review or assistance past Phase 1 by KPMG is being requested for F&A. County staff will continue post-assessment to evaluate and implement recommendations whenever possible.

Cross-System Integration

The purpose of the Cross-System Integration (CSI) initiative is to create a common vision across the Human Services, Riverside University Health System, Economic and Community Development and Public Safety portfolios and implement opportunities for collaboration with the aim of driving organizational efficiency and improved client outcomes. This will be achieved by developing a client-centered approach to services based on two main principles: early intervention and prevention, and service delivery coordination.

There are four key community benefits that will result from this initiative:

- Ensure clients receive the right care and support in the right place at the right time
- Enhanced access to programs for families
- Improved well-being outcomes for the County residents
- Personalized and client-centered services

This effort initially began as a departmental review of DPSS in April 2017, for a total cost of \$700,000. The result was the identification of system-level opportunities for departments to collaborate in a new client-focused model. To improve services, an additional \$5.9 million was invested with our consultant. In Phase 1, which was completed in February of 2018, a Program Review of 13 departments was conducted. It included DPSS, EDA, Probation, Child Support Services, Veteran's Services, Office on Aging, Behavioral Health, Public Health and the Federally Qualified Community Health Centers. The analysis was done to better understand the current landscape of more than 350 programs and identify opportunities for integrating services and organizational efficiency. County and departmental leadership selected a framework for the Program Review to ensure a standardized approach that enabled comparability across different programs. Every program was evaluated based on three criteria:

1. Purpose and Strategy: the extent to which the program demonstrates a clear mandate and set of objectives.
2. Efficiency and Operations: the extent to which the program leveraged its people, processes, and technology to operate efficiently.
3. Effectiveness and Outcomes: the extent to which the program demonstrated positive outcomes and the achievement of its intended objectives.

In addition, to identify potential gaps in service delivery and understand need among County residents, a Community Needs Assessment was conducted, as well as a Literature Review to identify global best practice and inform service delivery.

Detailed analysis was presented to the County from Phase 1 and at a high level six key areas were identified for the County to address:

1. Embed data-driven needs analysis and demand modeling at a system and department level. Demand and forecasting models are required across programs to determine how much funding is needed and how it should be spent. These needs assessments must be directly incorporated within program delivery, and to develop demand strategies that prioritize high-need clients.

2. Establish client-centered services based on the coordination and integration of programs for key populations and super utilizers. Four key populations were identified as part of the review: parents and children, at-risk youth, low-income adults (including homeless), and the vulnerable and elderly population. These will form the basis of reshaping service delivery and coordinating services around these key populations.
3. Establish a performance-based contracting framework and standard contract monitoring processes at a system and departmental level. Professional services must be contracted at the right level in order to leverage operational efficiencies and contracting power. Establishing a contracting framework allows for a range of different incentives to improve performance and outcomes. Capacity building and strategic partnerships can help to address lack of supply.
4. Ensure the performance and impact of all programs and services are monitored and held accountable. Address inconsistent collection of Key Performance Indicators (KPIs) across programs and data-driven oversight of program performance by centralizing performance and reporting functions and overseeing system-wide KPIs within the County Performance Unit (CPU).
5. Explore short-term department opportunities to enhance the management of the portfolio of programs. Optimizing the performance of programs by discontinuing ineffective programs, reallocating funding to high-impact programs and maximizing the utilization of programs.
6. Enhance the Behavioral Health system of care in order to ensure patients obtain care in the right setting, at the right time. Combine short-term solutions to release bed capacity by identifying super utilizers and increasing utilization of outpatient services, with a transformation of the departmental operating model, including full integration with Community Health Centers, in the medium to long-term.

The findings and recommendations are organized into four work streams. Phase 2, which began in February of this year, began to implement the recommendations in the following four work streams:

1. Program optimization: 25 opportunities across seven departments prioritized by the Executive Office to realize financial benefits including maximizing utilization, deriving efficiency savings, and reallocating spend toward high impact programs and reinvesting in service delivery. KPMG has worked with department leadership to determine the scope and size of the opportunity, agree upon the approach and calculations, and establish goals and anticipated outcomes. Some of the opportunities support and strengthen efforts in motion within departments while others offer new potential benefits. This work stream has been transitioned to the departments to reach the desired outcomes.

2. **Key Population Integrated Models:** to apply the key principles of cross-system integration, prevention and early intervention, across the four identified cohorts through short, medium and long-term opportunities. Working groups consisting of staff and subject matter experts across various departments have been established for the following four key population groups, with KPMG providing support to each key population in varying degrees:
 - a. Children and Families Initiative
 - b. At-Risk Youth
 - c. Vulnerable and Elderly
 - d. Low Income Adults
3. **CSI Infrastructure:** to ensure that the key components of the infrastructure are in place in order to improve service delivery in terms of need and demand, contracting, and performance measurement. The new countywide procurement system and Executive Office transformation will support this opportunity.
4. **Behavioral Health Transformation:** To enhance the operating model so that it functions as a single system of care, ensuring that consumers receive the right treatment, in the right place and by the most appropriate healthcare providers. KPMG is positioned to provide continued analytical and project management support to assist the Department in enhancing its operating model and to continue to integrate into RUHS as a single system of care. Several opportunity areas may be advanced with the shared goal of ensuring better utilization of resources. This includes the implementation of a coordinated access model with the capacity to expand to meet the growing service needs of other departments and consumers within the RUHS and County system of care.

Contract Management Recommendation: Approximately \$2.7 million of the original investment remains and can fund our continued partnership in Phase 2 with KPMG, building on the early results of the Cross-System Integration initiative and focusing on moving forward with supporting the key population groups and Behavioral Health.

County Performance Unit

A key tenet to achieving reductions in spend and ensuring that county departments continue with transformation initiatives recommended by the consultant is the new County Performance Unit (CPU). The CPU is a management tool within the Executive Office to help create a culture driven by performance, accountability, and data-driven decisions. Assistant CEOs will work with county departments to assess performance and identify further efficiencies across departments countywide. The ACEO's, portfolios and departments develop strategic objectives and KPIs aligned with the county's LiftUp RivCo and Vision 2030 outcomes.

The goal is to build an infrastructure to operate and sustain performance management at the enterprise level, which includes contributing metrics at the portfolio and department levels, dashboard and briefing templates to support routine reporting and the creation of a standard Performance Accountability Review. The CPU tool offers greater support of the transformation efforts both in the Executive Office and departments.

By way of example, the Public Safety portfolio, has gathered numerous sets of data and is working with Microsoft PowerBI (a technology platform the county currently owns) as a testing ground for dynamic data visualizations and analysis. This collaborative effort is resulting not only in new and/or enhanced insights for the Executive Office, but also in tangible, decision-making value for departments through data collection, lessons learned and development of best practices to apply across the county. Data collection and documentation will support the county's future centralized data management strategy to store and maintain shared data for greater accessibility and cost-effectiveness.

Contract Management Recommendation: A transition plan is currently underway with KPMG to operationalize the CPU within the Executive Office.

Countywide Department Review - General Government

DPSS

KPMG's review of practices and procedures in the Department of Public Social Services, Children's Services Division, resulted in recommendations from DPSS and KPMG to improve outcomes for children through reducing the number of children in placement and increasing quality placement options. In addition, the review included ensuring children receive access to quality mental health services and aligning staff levels with demands of the division. DPSS is working within the legal system and engaging partners in children's services to achieve these outcomes. During 2017, the number of children in placement decreased by 28%. In addition, during the same period, the department implemented the Resource Family Approval process, designed to enhance the quality of placements by creating a unified, family-friendly and child-centered approach. In the near future, the Level of Care system will be implemented to assess the behavioral health needs of children in care and will guide decision-making on the most appropriate placement options.

Animal Services

The review of the Animal Services Department identified areas of opportunity in cost-recovery, operational efficiency, staff productivity, use of technology and performance management through metrics. Most of the recommendations have been initiated or in process of implementation. A cost study/rate calculation will be submitted to the Executive Office in September. The animal intake process was streamlined, and has purchased and deployed new technologies. In addition, the department is developing new staff training programs and workforce communication and engagement strategies to improve customer service processes. The department has implemented two recommendations related to the use of TAP employees and the use of technology in the field. The Department will keep the Executive Office updated on the status of each recommendation.

RCIT

Recommendations for RCIT included: internal and customer confidence, focus on customer service levels and rate stability, initiative to virtualize and consolidate network and server infrastructure, initiative to consolidate and rationalize applications portfolio and engagement in countywide ERP strategy decisions. RCIT reports that 10 of the 11 recommendations have been completed. Some of the items implemented include the creation of an IT spend book, enhancement of the procurement and governance of IT spend, creation of an inventory of IT procurement software/hardware, development of a shared services model for departments, and the reorganization of RCIT to be more efficient in delivery of services.

EDA

EDA/Facilities Management & Custodial Services received a number of recommendations involving the need for a positive working relationship with customer departments, embedding custodial staff within customer departments, cost savings/avoidance in TAP administration, customer service training, and ISF rate methodology. Facilities Management has implemented or is in-process of implementing measures that focus on process improvement, customer service and training, cost containment and revenue recovery. Detailed monthly billings are complete, Service Level Agreement templates have been developed and a combined customer service center is complete.

Efforts to increase customer transparency have resulted in satisfaction ratings of 93% for the consolidated Customer Service Help Desk, and 94% for the maintenance division. The implementation of workflow approval in maintenance has resulted in savings of one full-time equivalent position per pay period; expansion of this workflow to the custodial division will occur as soon as adequate computer, tablet or wireless phone access is available in the field. Additionally, the maintenance division has developed a Facilities Maintenance Master Plan to identify and prioritize facility infrastructure planning.

Inmate Health

Recommendations for Inmate Health include efforts to meet the staffing plan, implementation of a health record system, use of best practices within the county, cross- collaboration within separate departments and the development of performance metrics. The departments are actively engaged in the development and implementation of the recommendations where feasible or practicable.