

General Services Reorganization Staff Report

Fiscal Impact/Change to Net County Cost: Anticipated savings in FY 2008/09 could range anywhere from \$100,000-\$200,000. Ongoing savings in FY 2009/10 could range anywhere from \$400,000-\$600,000.

Background: The current General Services Department is comprised of the following units:

Director (Total of 2 FTE's) – This unit includes the Director and his assistant.

Central Administration (Total of 4 FTE's) – This unit is comprised of a Fiscal Administrative Manager and 3 Fiscal staff.

Support Services (Total of 37.5 FTE's – 1 Vacancy) – This unit is comprised of Fleet, Facilities Maintenance, Grounds Maintenance, Custodial, and Cemeteries. Currently this unit utilizes 2 Extra Help Administrative personnel.

Capital Programs (Total of 10 FTE's – Including 2 Vacancies) – This unit manages the Capital facilities and parks programs and River management. Currently this unit utilizes 3 Extra Help River Instructors, and 2 Extra Help Parks Assistants.

The General Services Department has historically been challenged to successfully deliver a set of services whose performance measures have not been well grounded in an overarching plan and consequently difficult to define. Staff has coped with limited and dwindling resources in an environment where the maintenance of the county facilities plant has grown more challenging due to their age and numbers of leased facilities. Previous efforts have been taken to redirect various elements of the work to other Departments and narrow what remained to a more focused mission. Nevertheless in spite of this and the current budgetary environment demanding we do more with less, the size and requirements of General Services in its current configuration almost inevitably means that they will continue to not be successful. The current Director of General Services has submitted a review showing staffing deficiencies in almost all areas of the Department.

The Department staffing has been taken down to a level where the current staffing mix and geographic locations do not allow for flexibility or efficiency. The Department lacks the resources and structure to implement effective timekeeping practices which result in an inability to fully recover costs. The Capital Programs unit has minimal resources and continuously gets pulled into various small, "honey do" projects. Capital Projects are routinely carried forward from year to year. There is no County adopted Facility Capital Improvement Plan in place for guidance or the commitment of resources. The Department also has a large amount of contracts and leases with limited contract tracking systems in place.

The current Director of General Services in his evaluation of the Department and its capacities, both mission and personnel, indicates that it is not possible to deliver the Department's core functions due to a lack of resources. The deficits are on both the administration and service delivery sides of the Department. Unfortunately the current economic conditions of the County preclude hiring additional staff to shore up these areas. The Department's mid-year projections indicate that the Department is going to exceed their Net County Cost target, requiring additional General Fund support.

As financial resources continue to decline but the need to deliver the core service remains, the County must look at some creative solutions to gain efficiencies yet still deliver the core services. One approach for gaining efficiencies in General Services is to look to a department that delivers similar services and who has strong fiscal and administrative tools already in place. The outcome being that the job gets done with the most efficient administration and results in cost savings.

Reason for Recommendation: The Chief Administrative Office has engaged in discussions with the Department of Transportation (DOT) regarding the possibility of shifting certain current General Services programs into DOT. Separately, input has also been received from the Director of General Services. These discussions have identified a number of benefits to this shift including the following:

1. Time Keeping, Cost Recovery and Bill Payment - DOT has a very strong centralized administrative division. This division has strong timekeeping programs in place, efficient bill paying practices and achieves full cost recovery of services. This is a self contained unit that requires very little support and oversight from other departments such as the Auditor-Controller and Chief Administrative Office. The current General Services timekeeping, cost recovery and bill paying requires a large amount of support from the Auditor-Controller and Chief Administrative Office. Shifting to the DOT model will free up resources across multiple County Departments and allow for more accurate financial reporting.
2. Contracts & Leases - DOT has a very strong contract unit. Conversations with County Counsel indicate strong support for utilizing DOT contract expertise to help with the contract management in General Services. Currently General Services does not have either sufficient or appropriate resources to manage the number of contracts and leases within the Department. This is a function that could benefit from the centralized management oversight that DOT offers.
3. Fleet – Currently the General Services fleet is actually housed at the DOT facility. The Road Maintenance division of DOT also maintains a fleet division. The two operations use two different computer systems that must be operated and maintained separately. By combining the two fleets into one it is believed that capacity and efficiency can be gained

4. Capital Programs – The Capital Program has long been a challenge in the General Services Department. DOT has a very strong Capital Improvement Program and recently took over the operations of the Airports and the Trails from General Services. In October of 2008, the current General Services Director presented a recommendation to add civil engineers to this division as the skill set they possessed were integral to the success of this program. DOT's breadth would allow classifications such as Civil Engineers, CADD technicians and Engineering Technicians to be shared between Road Capital Improvement Programs, Bridges, Trails and Capital Facilities programs. This could gain significant efficiencies for this program.
5. Grounds and Facilities Maintenance/Custodial/Fleet – The current General Services Director has identified that one of the critical challenges in the Facility Maintenance area is to move from an intensive administratively burdensome repair process of old outdated energy inefficient equipment to a preventative maintenance process based on energy efficient systems. This is not a situation that DOT can change overnight, however they have the organizational strength to set the vision and implement the plan to achieve it thru their Maintenance and Operations Division (Tom Celio). The Grounds and Facilities Maintenance/Custodial/Fleet units would remain intact, with the exception of finance and administrative staff, and transfer directly from General Services to DOT.
6. Administration – Currently the administrative and fiscal staff within General Services is decentralized and spread across multiple units. The Chief Administrative Office is recommending a thorough review of the current administrative and fiscal staff within General Services with the intent of recommending changes in staffing to better utilize the tools already in place in DOT and maximize efficiencies.

As noted above, the consolidation of General Services into DOT has the potential to achieve efficiencies. Clearly there will also be areas of challenge to evaluate. If the Board approves this reorganization, the Chief Administrative Office will be working very closely with DOT and General Services over the next few months to come up with a new organizational structure that creates the proper staffing mix to support the existing DOT functions as well as the newly incorporated General Services functions. The selection of the new DOT Director would be able to be made within the context of this change.

One aspect of General Services that would not be transferred into DOT would be the River Management Program. The recommendation is for that program with its one regular position and part time extra help to go to Environmental Management. There is a significant amount of synergy between Environmental Management and the current River Management program. The Environmental Management Department currently monitors water quality and coordinates the permitting procedures for river outfitters. Environmental Management supports absorbing the current program and all personnel associated with that program.

The Chief Administrative Office is recommending the following actions relative to the reorganization of General Services:

- 1) Adopt the amended Personnel Resolutions implementing a transfer of 33 allocations to DOT, 1 allocation to Environmental Management, and a reduction in force for the remaining 18.5 allocations within General Services, of which 3.5 are vacant.
- 2) Eliminate the Extra Help Fiscal Technician and Office Assistant currently in the General Services' Support Services Division.
- 3) Direct the Chief Administrative Office to complete a thorough review of all General Services functions and the staffing needed to deliver those functions and return by the end of April with a recommendation for any further changes that maximize resources in DOT, provides the greatest cost savings to the general fund and allows for the greatest improvement and clarity in the delivery of General Services' core functions.

Action to be taken following Board approval: Board Chair to sign amended personnel resolution and forward a copy to Human Resources. Human Resources will compile and send out reduction in force letters to affected employees.

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Concurrences: DOT, Environmental Management, County Counsel, Human Resources