



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: CEO/GS
Department No.:
For Agenda Of: February 25, 2020
Placement: Departmental
Estimated Time: 45 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department: Mona Miyasato, County Executive Officer
Director(s): Janette Pell, General Services Director
Contact Info: Jeff Frapwell, Assistant County Executive Officer
SUBJECT: KPMG Operational and Performance Review – General Services Department

County Counsel Concurrence

As to form: N/A

Other Concurrence:

As to form: NA

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

It is recommended that the Board of Supervisors:

- a) Receive report by KPMG on an Operational and Performance Review of the General Services Department and department's implementation timeframe;
- b) Provide direction, as appropriate; and
- c) Find that the proposed actions do not constitute a "Project" within the meaning of the California Environmental Quality Act, pursuant to 14 CCR 15378(b)(2), as it consists of general policy and procedure making.

Summary Text:

This is the second departmental review prepared and presented by our KPMG consultants, which will evaluate all 21 departments in the County over a four-year period to improve efficiency, effectiveness and service delivery. Because General Services is an internally-facing department, and therefore impacts the operations of other county departments, KPMG provides recommendations regarding (1) systems and process to better drive the entire county organization and departments ("Enterprise enablement"); and (2) opportunities for improvements in specific division areas ("Division recommendations")

General Services, together with the County's other internally-facing departments, is a significant contributor to ensuring the success of Renew '22, as many of the transformative efforts involve redesigning county processes and retaining our employees. KPMG's report contains a "continuum of organizational maturity" model, which illustrates the department's current state compared to the target states for higher performance and effectiveness. Therefore, the recommendations provided are designed to support the department's transformation toward their target state.

General Services Department

The General Services Department has 119 Full Time Equivalent (FTE) positions; with the following primary areas of focus: Administration and Finance, Purchasing, Fleet, Real Property, Capital Projects, Facilities/Maintenance, Utilities Management, and Information and Communications Technology.

The Department's operating budget is \$52.5 million, which is 4.6% of the total County operating expenditure budget. The department's Capital Expense budget is \$27.4 million. The department has experienced four changes in department directors over the last 10 years.

The department's major responsibilities are to:

- Provide financial and budgetary visibility, transparency and support to customers of the internal services rate structures and all GS services.
- Provide full service planning, design, and construction of new County facilities, including remodels and related projects for all County departments.
- Provide safe and healthy facilities for County employees and visitors.
- Provide professional real estate services such as property acquisitions, lease agreements, license agreements, etc.
- Provide transportation needs to County departments by procuring, maintaining and disposing of all light, medium, and heavy-duty vehicles and equipment.
- Provide integration of telecommunications (telephone lines and wireless signals), computer hardware and software, as well as necessary storage and audio-visual systems, which enable users to access, store, transmit, and manage information.
- Provide procurement services, disposal of County commodities and supplies, and mailing and courier services.

In KPMG's "continuum of organizational maturity" model, the department is currently in the early or evolving stages of a high performance organization. Recommendations are intended to move the department along the continuum to a mid-point or higher stage.

General Services Enterprise Enablement Recommendations

Five Enterprise recommendations are provided. Of most significance and importance are the recommendations identified that focus on providing strategic alignment and direction across all General Services divisions as well as the development of consistent countywide policies and "best practices" in an

effort to reduce risk, achieve cost-savings, and provides for the consistency of work across all County departments.

The recommendations also include the need for foundational systems in the department to become data driven with an emphasis on performance and outcomes to inform strategic decision-making. It is essential that the divisions align budgets with the Department's mission and vision. General Service's divisions are currently in multiple physical locations and consideration to consolidate to one location has been identified by the department as an integral step in order to accomplish strategic alignment department wide. The consolidation will help improve the sharing of information and workflows between divisions and increase insight into workload and performance. As reported, it is critical General Services determine current workload and skills and define future skill gaps.

The Enterprise enablement recommendations related to the systems and processes needed for General Services to manage their operations suggests leveraging the capabilities and usage of current systems and focus on filling any gaps. Countywide policies and procedures need to be developed to guide future governance and compliance.

Many recommendations are able to be accomplished with existing staff but some may require outside expertise. Several Enterprise Initiatives have begun and General Services is estimating all will be complete within five years, but many will occur sooner, within the next 6 to 24 months.

General Services Division Recommendations

Twenty-nine recommendations relate to improving systems and processes for management of the department's divisions. Most significant to the Board are the following recommendations:

- Establish a Capital Assets Lifecycle Policy for elevating deferred maintenance and reactive maintenance requests. This Policy will need to be adopted by the Board of Supervisors. (Recommendation 7.1 and 10.2)
- Elevate the role of IT and consider establishing ICT as a stand-alone independent department. More information will be coming to the Board regarding clarity on why this is recommended, the cost of establishing a new department, and a proposed implementation plan. (Recommendation 8.1, 8.3 & 8.3)
- Evaluate the implementation of telematics for enhanced fleet utilization. The use of telematics which is a method of monitoring and tracking County vehicles by using GPS and onboard diagnostics, will help track the usage and status of fleet assets. It will help track fuel consumption, vehicle faults, battery voltage, and other engine data. It will be needed for the County's new Electric Vehicles since they will no longer be fueling at the County's traditional fueling stations. Discussions with employee unions may need to occur before implementation. The cost is not prohibitive (\$200 - \$300 per year per vehicle), and will likely be absorbed by Departments who use the vehicles. (Recommendation 11.4)
- Establish clear Board adopted policies to establish roles and responsibilities of Purchasing and County departments. This initiative will require the Board to adopt new policies as they are developed. This initiative is a multi-year effort with completion date scheduled for June 30, 2022. (Recommendation 12.1)

- Establish strategy for asset management around land ownership; own versus sell versus lease. This initiative will require Real Property make recommendations around land ownership and a formal Board action will be needed by the Board. (Recommendation 13.3)

General Services agrees with these recommendations in general; implementation will begin over the next 12 months except for areas that may require additional resources or budget, which will be reviewed and presented in the future.

Background:

The Board approved the contract with KPMG for nine departments (“year one” or first phase) which was amended on October 1, 2019. The contract cost is \$1,235,000 for reviews of nine departments. Currently completed reviews include County Executive Office, General Services, and Human Resources. (The Human Services review will be presented to the Board in March 2020) Planning and Development and Public Health are near completion. The next four departments – Sheriff, Public Defender, District Attorney and Probation – will begin this year.

The County contracted with KPMG in May 2019, following a competitive process, to conduct these operational and performance reviews as part of Renew '22. These were funded by the Board of Supervisors to provide a high-level assessment of departments, identify strengths and opportunities, benchmark financial and operational areas with similar jurisdictions.

Performance Measure:

Performance measures will be developed in conjunction with the report recommendations and included in the budget to track progress and cost/benefit of the operational and performance reviews.

Fiscal and Facilities Impacts:

The KPMG contract has been budgeted in the current year budget. Most recommendations provided by KPMG do not involve additional resources or budget; and if implemented will likely result in efficiencies of cost, time savings or improved outcomes. Some areas of improvement, however may involve additional resources, which will be evaluated through the annual budget process. For most of those, KPMG suggests further evaluation and tracking before recommending additional staff or resources.

Attachments:

1. Presentation
2. Executive Summary of KPMG Report – General Services
3. KPMG Report: *Improving Performance to Better Serve Our County Residents: Department Review of General Services*
4. General Services Response and Implementation Timeframe

Authored by:

Jeff Frapwell, ACEO and Janette Pell, General Services Director