

BUSINESS EFFECTIVENESS

# Managing Change

*Opportunities for Municipal Efficiency and Effectiveness*

City of Tulsa Management Guide  
July 1, 2010

ADVISORY



# Table of Contents

Executive Summary	2
<hr/>	
Section I – Assessment Results	30
<hr/>	
Section II – Shared Services	251
<hr/>	
Section III – Management Review Office and Enabling Ordinances	275
<hr/>	



## Executive Summary

# Project Overview

KPMG LLP (“KPMG”) was asked to assist the City of Tulsa (“City”) with a strategic review (“review”) of programs and services currently provided by the City across the twenty (20) departments under the control of the Mayor and City Auditor, excluding the Tulsa Airport Authority, Gilcrease Museum, and City Council.

## Objective and Scope

The objective of the review was to identify strategic opportunities to reduce cost, generate revenue, and enhance efficiency to help the City meet the challenges of a demanding economic environment. The scope of this review included the City departments listed below. Departments are presented as internal or external based on the primary customer base served.

Internal Departments		External Departments	
Communications	Information Technology	Development Services	Parks and Recreation
Finance	Internal Auditing	Equipment Management	Performing Arts Center
Grants Administration	Legal	Event Centers	Planning
Human Resources	Mayor’s Office	Fire	Police
		Human Rights	Public Works
		Municipal Courts	Working in Neighborhoods

## Project Leadership

The review was performed under the leadership of the Mayor’s Office and Strategic Review Steering Committee (“Steering Committee”), who provided oversight, feedback, and approval of all components of the *Approach*, as well as validation and discussion of all opportunities identified throughout the course of this engagement. Membership of the Steering Committee was comprised of local business and philanthropic leaders as well as representation by the City Council, Mayor’s Office, and Tulsa Board of County Commissioners.



# Project Overview

## Approach

The review approach consisted of the following five phases. Such phases, described in further detail with the *Approach* subsection of the *Executive Summary*, were discussed and approved by the Mayor's Office and Steering Committee.

- **Project Planning and Mobilization:** KPMG worked with the Mayor's Office and Steering Committee to confirm the scope, timeline, resources, initial interview and document review lists, status meeting schedule, and method of knowledge transfer for the engagement.
- **Service Inventory, Budget Allocation, and Cost Allocation:** KPMG worked with City personnel to inventory 1,512 services across in-scope departments. Budgetary figures were then allocated across inventoried services by departmental personnel to identify estimated costs and revenues associated with performing each service as indicated in the table below.

Key Characteristic	Data
Full-Time Equivalent	3,900.6
Number of Services	1,512
Estimated Services Cost	\$420,388,200
Estimated Services Revenue	\$408,521,000

The figures above are estimates only and may not reflect budgetary totals as capital and inter-fund charges were not included. These estimates were provided by City department personnel and were not verified or audited by KPMG.

- **Survey and Scorecard Process:** A survey questionnaire was distributed to 457 City personnel to gather detailed operational data for each service (responses as of June 2010). Once responses were received, service-level data was assessed utilizing a standard scorecard approach consisting of four assessment areas: Mandate, Alignment, Structure, Performance.



# Project Overview

## Approach (cont'd)

- **Opportunity Generation:** Once scorecard results were completed at the service level, strategic opportunities were identified based on a standard approach approved by the Steering Committee. Opportunities were then aggregated at the department and City-wide levels, as appropriate, and presented to the Steering Committee for validation.
- **Finalize and Present Project Deliverables:** A draft report was provided to the Mayor's Office and Steering Committee for discussion and confirmation. The project's deliverables were revised as necessary, and finalized deliverables were provided.



# Summary of Results

## Common Themes

Several enterprise-level common themes were observed while performing this review. These common themes are graphically represented in the following slides. Such themes may assist in providing additional context to the assessment results and identified opportunities.

- **Mandate:** Services that do not appear to be mandated comprise 61% of the City's service portfolio. While such services may be strategically aligned or provide critical support, further opportunities to strategically eliminate services may be present through refinement of the Mayor's strategic priorities.
- **Competitiveness:** Services that should be competitively benchmarked from a cost perspective comprised 69% of the City's service portfolio. 31% of the City's service portfolio was found to not be applicable to competitive benchmarks. While 6% of services demonstrated competitiveness, 2% did not and 61% of services have no basis to determine whether costs are competitive with other private or public organizations. Key opportunities to identify activity-based costs of service and benchmark competitiveness are present through the managed competition process.
- **Performance:** Only 12% of services possessed measurable and time-bound objectives, goals, or performance measures. While 5% of services demonstrated effectiveness relative to performance measure targets, 94% of services do not measure performance. Key opportunities to establish critical success measures and measure performance through a City-wide performance management initiative are present.
- **Customer Service-Level Expectations:** Many customer-service provider relationships observed within the City do not appear to clearly delineate service-level expectations or escalation provisions in cases of non-performance. Opportunities to establish customer service-level agreements are presented with respect to all internal departments as well as for the Parks and Recreation department, which is now served by the Public Land Maintenance section within Public Works.
- **Manual Administrative Services:** Many administrative processes observed across the City are manually intense and require multiple levels of manual supervisory approval, such as time and attendance forms and purchase requisitions. Opportunities to significantly reduce time, effort, and resources associated with administrative services are present through the automation of workflow and approval processes that utilize appropriate technology.

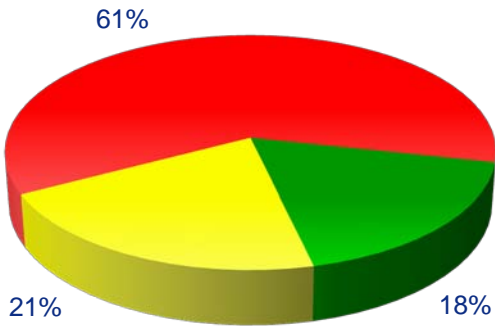
# Summary of Results

## Mandate and Alignment

The charts below present the overall scorecard results for the Mandate and Alignment rating areas summarized from the *Ratings Inventory* for all departments. Scorecard question results are summarized from individual service scorecards and are presented to illustrate key factors driving the overall ratings for all departments.

- Federal, State, Judicial
- Local or Grant
- Not Mandated

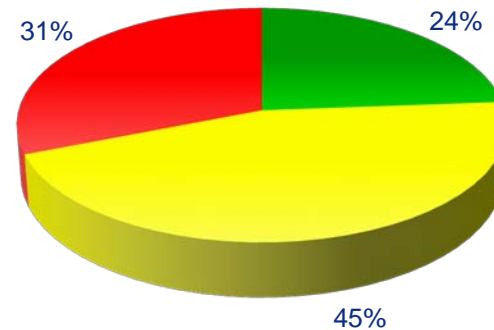
**Mandate**



Scorecard Question	Yes	No
1 Local Ordinances	28%	72%
2 Grant Requirements	9%	91%
3 Federal, State, Judicial Mandates	17%	83%

- Directly Aligned
- Critical Support
- Not Aligned

**Alignment**



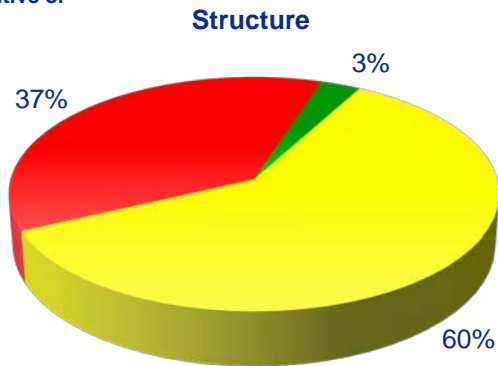
Scorecard Question	Yes	No	Critical Support
4 Strategic Objectives	24%	31%	45%

# Summary of Results

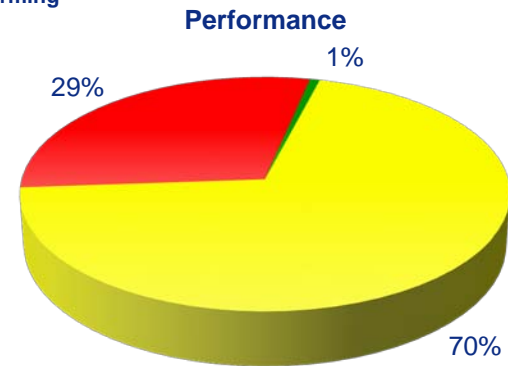
## Structure and Performance

The charts below present the overall scorecard results for the Structure and Performance rating areas summarized from the *Ratings Inventory* for all departments. Scorecard question results are summarized from individual service scorecards and are presented to illustrate key factors driving the overall ratings for all departments.

- Efficiently Structured
- Structure Not Measured
- Noncompetitive or Duplicative



- Effectively Performing
- Performance Not Measured
- Not Performing



Scorecard Question	Yes	No	Not Measured	Not Applicable
5 Design	12%	88%		
6 Competition	6%	2%	61%	31%
7 Internal Duplication	19%	81%		
8 External Duplication	20%	80%		

Scorecard Question	Yes	No	Not Measured	Not Applicable
9 Revenue Efficiency	11%	18%	5%	66%
10 Productivity	4%	7%	89%	
11 Resource Efficiency	36%	8%		56%
12 Effectiveness	5%	1%	94%	

# Summary of Results

## Summary of Strategic Opportunities

Strategic opportunities are identified by type and are described in further detail in the table below. Additionally, the number of opportunities by type have been combined across all City departments. It should be noted that the identified opportunities do not take into account the cost or feasibility of implementation. While these opportunities may not result in the complete elimination of services, they may reduce or offset the City’s costs associated with a given service. Further, the City may realize opportunities to implement fees for select services in lieu of or prior to implementation of cost savings strategies.

Opportunity Type	Strategic Impact	Services
Cost Savings	Strategic Elimination	132
	Strategic Sourcing / Managed Competition	298
	Public-Private Partnership	270
Revenue	Fee Implementation	9
	Customer Expansion	-
	Public-Private Partnership	75
Efficiency	Internal Consolidation	140
	Inter-Agency Partnership	30
	Shared Services / Automation	180
<b>Totals</b>		<b>1,134</b>

Opportunities were identified based on scorecard results in accordance with the *Approach* approved by the Mayor’s Office and Steering Committee. Further detail on opportunities identified within each department are included in the *Assessment Results* section of this report. Services reported in this report with 0.0 FTE consist of only contracts, materials, or other costs and no personnel resources assigned greater than 0.1 FTE. In addition, the use of the “/” symbol indicates adjacent service index numbers in all opportunity tables in this report.

# Summary of Results

## Top Strategic Opportunities

The tables below present the top strategic opportunities (up to eight) within each opportunity type as identified in the department level scorecard results. These strategic opportunities have been identified based on FY10 costs provided by City personnel.

### Strategic Elimination

Organization	Page		Service Group	Est. FTE	Est. Cost	Est. Revenue	Description
Public Works: Environmental Operations	220	PW-120	Bio-Solids Land Applications	9.0	\$ 1,931,000	\$ 1,931,000	Services may be strategically eliminated as they are not mandated or aligned and core functions. If required in the future, external providers could be utilized to reduce the City's investment in fixed costs.
Public Works: Public Facilities Maintenance	220	PW-247/249	Horticulture Services	21.8	\$ 1,576,000	\$ 1,178,000	
Police: Administrative Bureau	200	PD-77 82/83	Community and Volunteer Initiatives*	7.3	\$ 1,476,000	\$ -	
Public Works: Public Facilities Maintenance	221	PW-260	School Crossing Protection*	34.8	\$ 575,000	\$ -	
Human Resources: Insurance and Retirement	97	HR-70	Wellness Program Administration*	0.5	\$ 401,000	\$ -	
Human Resources: Insurance and Retirement	97	HR-64	Health Fair Coordination	0.2	\$ 376,000	\$ -	
Human Resources: City Medical	95	HR-08,10,14	Preventive Care and Injury Services*	3.0	\$ 343,000	\$ -	
Public Works: Public Facilities Maintenance	220	PW-252	Contract Administration (Golf Courses)	1.5	\$ 343,000	\$ -	
<b>Totals</b>				<b>78.1</b>	<b>\$ 7,021,000</b>	<b>\$ 3,109,000</b>	

\* Services identified for further review by Steering Committee prior to final determination of the appropriate opportunity type.

# Summary of Results

## Top Strategic Opportunities (cont'd)

### Strategic Sourcing / Managed Competition

Organization	Page	Service	Est. FTE	Est. Cost	Est. Revenue	Description	
Equipment Management: Administration and Maintenance	53	EM-18/32	Administrative and Maintenance Services	71.6	\$ 11,423,000	\$ -	Service may be strategically sourced across internal resources and external providers to convert fixed into variable costs. Managed competition may be utilized to help ensure largest extent of savings opportunities are implemented.
Public Works: Policy Development	222	PW-165/170	Solid Waste Collections	26.6	\$ 10,351,000	\$ 17,745,000	
Public Works: Public Facilities Maintenance	222	PW-218 220/226	Building Operations Services	69.7	\$ 9,494,000	\$ -	
Human Resources: Development Programs	98	HR-57	Claims Administration	3.6	\$ 5,216,000	\$ -	
Public Works: Public Facilities Maintenance	223	PW-266/273	Traffic Operations and Maintenance Services	45.0	\$ 4,961,000	\$ -	
	223	PW-257/259	Surface Drainage Maintenance Services	46.6	\$ 4,599,000	\$ 4,599,000	
Public Works: Policy Development	222	PW-171/173 175, 177	Solid Waste Services	12.4	\$ 3,663,000	\$ 3,462,000	
Public Works: Public Facilities Maintenance	222	PW-237/242	Street Maintenance Services	59.4	\$ 3,554,000	\$ -	
<b>Totals</b>			<b>334.9</b>	<b>\$ 53,261,000</b>	<b>\$ 25,806,000</b>		

# Summary of Results

## Top Strategic Opportunities (cont'd)

### Private Public Partnerships – Cost Savings

Organization	Page		Service	Est. FTE	Est. Cost	Est. Revenue	Description
Event Centers	61	EC-1/49	All Services	78.5	\$ 10,802,000	\$ 7,578,000	Transfer responsibility of operating and capital costs to the current provider to strengthen efficiency and profitability incentives, maintain contractual accountability for performance, and reduce costs to the City.
Parks and Recreation	172-173	PR-1/167	Recreation Programs and Centers	122.4	\$ 7,188,000	\$ 2,592,000	
Performing Arts Center	184	PA-1/47	All Services	24.0	\$ 2,050,000	\$ 2,091,000	Utilize public-private partnerships to offset or transfer the City's investment in operating and capital costs to better partner with local universities and community organizations, enhance cultural and educational outcomes, and establish contractual accountability for performance.
Public Works: Environmental Operations	223	PW-136/138	Quality Assurance Lab Services	29.7	\$ 2,252,000	\$ 2,252,000	
	223	PW-141	Water Quality Analysis and Reporting	1.3	\$ 468,000	\$ 468,000	
Working in Neighborhoods: Tulsa Area Agency on Aging	245	WIN-55/69	All Aging Services	13.2	\$ 754,000	\$ 754,000	
Public Works: Public Facilities Maintenance	223	PW-250/251	Cemetery Burials and Property Maintenance Services	0.3	\$ 23,000	\$ -	
<b>Totals</b>				<b>269.4</b>	<b>\$ 23,537,000</b>	<b>\$ 15,735,000</b>	

# Summary of Results

## Top Strategic Opportunities (cont'd)

### Fee Implementation

Organization	Page		Service	Est. FTE	Est. Cost	Est. Revenue	Description
Work in Neighborhoods: Animal Welfare	246	WIN-10	Public Safety Response	7.8	\$ 436,000	\$ 6,000	Establish a fee-for-service or other cost recovery mechanism to further recover the cost of service to the City.
Police Department: Administration Bureau	201	PD-87	Radio and Phone Warrant Verification	4.6	\$ 275,000	\$ -	
Work in Neighborhoods: Animal Welfare	246	WIN-19	Animal Disease Control	2.4	\$ 95,000	\$ 1,000	
	246	WIN-11	Ordinance Enforcement (Field)	1.4	\$ 83,000	\$ -	
Police Department: Administrations Bureau	201	PD-91	Discovery and Subpoenas	1.4	\$ 80,000	\$ -	
	201	PD-106	Disposal	1.4	\$ 80,000	\$ -	
Work in Neighborhoods: Animal Welfare	246	WIN-17	Ordinance Enforcement (Field)	1.2	\$ 24,000	\$ -	
	246	WIN-02/03	Animal Licensing & Animal Sterilization Escrow Processing	0.5	\$ 23,000	\$ 77,000	
<b>Totals</b>				<b>20.7</b>	<b>\$ 1,096,000</b>	<b>\$ 84,000</b>	

# Summary of Results

## Top Strategic Opportunities (cont'd)

### Public Private Partnerships – Revenue

Organization	Page	Service	Est. FTE	Est. Cost	Est. Revenue	Description	
Public Works: Environmental Operations	225	PW-153 156/159	Water Supply Systems Service	77.1	\$ 17,807,000	\$ 17,807,000	Competitively bid the right to lease assets, including operation, maintenance, and financing of services, to potentially generate revenue, fund necessary capital asset replacements, create contractual accountability for performance, and reduce costs to the City over the long- term.
	224	PW- 063/073 075/076, 080, 082/088	Distribution Systems Services	194.8	\$ 17,673,000	\$ 17,673,000	
	225	PW- 113/114 121/124	Water Pollution Control Services	96.9	\$ 15,083,000	\$ 15,083,000	
	224	PW- 089/093 100 102/112	Underground Collections Services	128.6	\$ 11,397,000	\$ 11,397,000	
Public Works: Policy Development	225	PW- 205/217 188,195	Utility and Financial Planning Services	86.6	\$ 5,535,000	\$ -	
Public Works: Policy Development	225	PW- 178/180	Field Customer Services	49.4	\$ 2,198,000	\$ 433,000	
Public Works: Environmental Operations	224	PW- 125/127 129,134 143/145	Water Quality Assurance Services	19.1	\$ 1,294,000	\$ 1,294,000	
<b>Totals</b>			<b>652.5</b>	<b>\$ 70,987,000</b>	<b>\$ 63,687,000</b>		

# Summary of Results

## Top Strategic Opportunities (cont'd)

### Internal Consolidation

Organization	Page		Service	Est. FTE	Est. Cost	Est. Revenue	Description
Working in Neighborhoods: Neighborhood Investigations	248	WIN-47/54	Investigation and Enforcement Services	19.2	\$ 1,945,000	\$ 2,016,000	Consolidate code enforcement services across the City to create a central point of customer contact and enhance consistency of regulatory processes.
Police: Administrative Bureau	202	PD-81	Recruiting Marketing and Events	4.6	\$ 931,000	\$ -	Consolidate recruiting services to Human Resources to reduce costs by leveraging shared resources.
Fire: Operations	79	FI-13/14	Fire Code Building Inspections and Plan Review	10.8	\$ 880,000	\$ -	Consolidate code enforcement services across the City to create a central point of customer contact and enhance consistency of regulatory processes.
Police: Administrative Bureau	202	PD-75	Background Investigations	2.7	\$ 547,000	\$ -	Consolidate background check services to Human Resources to reduce costs by leveraging shared resources.
	202	PD-61/62	Public Information and Web Content Development	3.2	\$ 428,000	\$ -	Consolidate services to Communications and civilianize services to redeploy sworn personnel to public safety functions.
Public Facilities Maintenance: Surface Drainage and Vegetation	226	PW-245	Customer Service Tracking and Response	7.7	\$ 458,000	\$ 342,000	Centralize customer service operations to streamline the customer experience, and leverage resources to reduce costs over the long-term.

# Summary of Results

## Top Strategic Opportunities (cont'd)

### Internal Consolidation (cont'd)

Organization	Page	Service	Est. FTE	Est. Cost	Est. Revenue	Description	
Finance: Treasury	70	FN-74/75	Licensing and Inspection Services	2.8	\$ 213,000	\$ 2,000,000	Consolidate code enforcement services across the City to create a central point of customer contact and enhance consistency of regulatory processes.
	70	FN-79	Non-Utility and Non-Court Collections	0.5	\$ 195,000	\$ 470,000	Centralize collection agency contractors utilized across the City to reduce costs through leveraging increased collections volume.
<b>Totals</b>			<b>51.5</b>	<b>\$ 5,597,000</b>	<b>\$ 4,828,000</b>		

# Summary of Results

## Top Strategic Opportunities (cont'd)

### Inter-Agency Partnership

Organization	Page		Service	Est. FTE	Est. Cost	Est. Revenue	Description
Police Department: Forensic Lab	205	PD- 26/36	Forensic Services	18.1	\$ 1,633,000	\$ 81,000	Partner with area localities, county agencies, or regional environmental authorities to provide forensic services to reduce the City's investment while maintaining contractual accountability.
Public Works: Environmental Operations	227	PW-154	Lake Facilities Operations (Dam   Building   Land   Boat House   Patrol)	13.0	\$ 1,065,000	\$ 1,065,000	Partner with area localities, county agencies, or regional environmental authorities to provide water source protection and maintenance services to reduce the City's investment while maintaining contractual accountability for adherence to regulations.
	227	PW-152	Environmental Operations and Maintenance	12.0	\$ 829,000	\$ 829,000	
Municipal Courts: Judicial	164-165	MC- 25,26,27, 29, 30/32	Judicial and Probation Services	14.5	\$ 676,000	\$ 200,000	The City should consider partnering with the Tulsa County Sheriff's Office to provide booking, warrant, probation, and courtroom services on a fee-for-service basis to convert fixed into variable costs.
Municipal Courts: Operations	164	MC- 12,13,15, 21,24	Booking and Warrants Services	10.9	\$ 527,000	\$ 111,000	
Human Rights: Compliance	111	HU- 08/11, 57/59	Complaint Intake, Conciliation, Investigation, and Supportive Services	3.0	\$ 181,000	\$ -	Partner with the Oklahoma State Human Rights Commission to provide intake, conciliation, and investigation services on a fee-for-service basis to convert fixed into variable costs.
<b>Totals</b>				<b>71.5</b>	<b>\$ 4,911,000</b>	<b>\$ 2,286,000</b>	

# Summary of Results

## Top Strategic Opportunities (cont'd)

The table below presents the top six strategic opportunities identified within Share Services / Automation as identified in the scorecard results at the department level. Detailed breakdowns of the services included in each opportunity, as well as current state observations and future state recommendations can be found in Section II – *Shared Services* of this report.

### Shared Services / Automation

Shared Service Opportunity	Departments	Services	Est. FTE	Est. Cost	Description
Budget	12	59	30.9	\$ 3,877,000	Enhance automation of budget processes to streamline compilation processes, provide consistent governance and monitoring capabilities, and leverage resources to reduce costs over the long-term.
Grants	11	34	18.2	\$ 1,419,000	Centralize grants development and monitoring activities across City departments to enhance visibility of grants portfolio, provide consistent governance and monitoring processes, and leverage resources to reduce costs over the long-term.
Council, ABC, and Citizen Support	12	52	30.7	\$ 3,322,000	Centralize information request fulfillment from City Council. Inventory all ABCs supported and determine criticality of each, including which can be staffed in an alternative arrangements to include sourcing or inter-agency partnerships.

# Summary of Results

## Top Strategic Opportunities (cont'd)

### Shared Services / Automation (cont'd)

Shared Service Opportunity	Departments	Services	Est. FTE	Est. Cost	Description
Payroll	14	59	34.3	\$ 2,737,000	Enhance automation of payroll processes to streamline verification and entry processes, provide consistent governance and monitoring capabilities, and leverage resources to reduce costs over the long-term.
Records	8	15	7.5	\$ 596,000	Centralize and automate records management services across City departments to streamline the customer experience, help ensure consistent records and research fees are charged, and leverage resources to reduce costs over the long-term.
Supply Chain	15	108	107.7	\$ 7,888,000	Enhance automation of procurement processes to enhance visibility into enterprise procurement activity, provide consistent governance and monitoring processes, and leverage resources to reduce costs over the long-term.
<b>Totals</b>		<b>327</b>	<b>229.3</b>	<b>\$ 19,839,000</b>	



# Tulsa County

## Coordination Opportunities

KPMG met with Tulsa County Department Heads to gather information related to County Operations and how there may be opportunities for County and City departments to better coordinate resources for similar activities. KPMG met with select departments in early May to discuss the overall approach of the project and to gather contextual information. Potential opportunities for coordination are listed below:

### *Purchasing*

- **Centralized Purchasing Process:** The county has instituted a rigorous centralized purchasing process due to previous incidents of fraud. The strong governance structure affords the county oversight of the entire purchasing life-cycle, ensuring that all purchasing activities are in line with statutes, operational procedures, and governing law. The City should consider adopting a similar process, should purchasing activities be centralized in the future.
- **Favorable Pricing:** Although State Law prohibits joint purchasing between City and County, there may be opportunities for the City to leverage certain schedules for bulk purchases if pricing structures are aligned.
- **Governance:** A highly governed purchasing and contracting life-cycle may provide additional benefits in areas of change control and cost overruns.

### *Administrative Services*

- **Office Supplies:** Should the City consider centralizing purchasing processes, one of the benefits may be cost savings for common purchases across the enterprise, such as Office Supplies. The City may be able to leverage the Counties bulk purchasing pricing for paper and other basic supplies, benefitting from established contract vehicles with robust Service Level Agreements.
- **Printing and Graphic Design Services:** The County operates a full service print shop for printing needs that range from ballot forms to annual reports. Additionally, graphic design needs are met in-house by a designer who produces high-quality multi-media materials for all departments and some outside customers. The City should re-evaluate its current print provider for the various jobs that are regularly scheduled and can be accommodated by the County.

The image shows the exterior of the Tulsa County Courthouse, a modern building with large glass windows and blue-tinted panels. The words "CITY" and "HALL" are visible on the left side, and the Tulsa County seal is on the right. The text "Tulsa County" is overlaid in white on the left side of the image.

# Tulsa County

## Coordination Opportunities cont'd

### *County Engineering*

- **Use of Private Contractors:** The County utilizes private contractors in areas such as Plan Review, Engineering Services, and various competitive contract vehicles for Normal and Manicure Mowing. This allows the County to review price competitiveness annually and re-adjust where needed.
- **Equipment Usage:** The City and County have shared equipment in the past for construction activities where applicable. The City should consider reviewing its heavy equipment inventory and demand for peak usage to determine if there are additional opportunities to consolidate or share equipment.
- **Revenue:** The City provides some Sign Making Services to the County, however there is capacity for additional work, potentially creating additional revenue opportunities for the City.

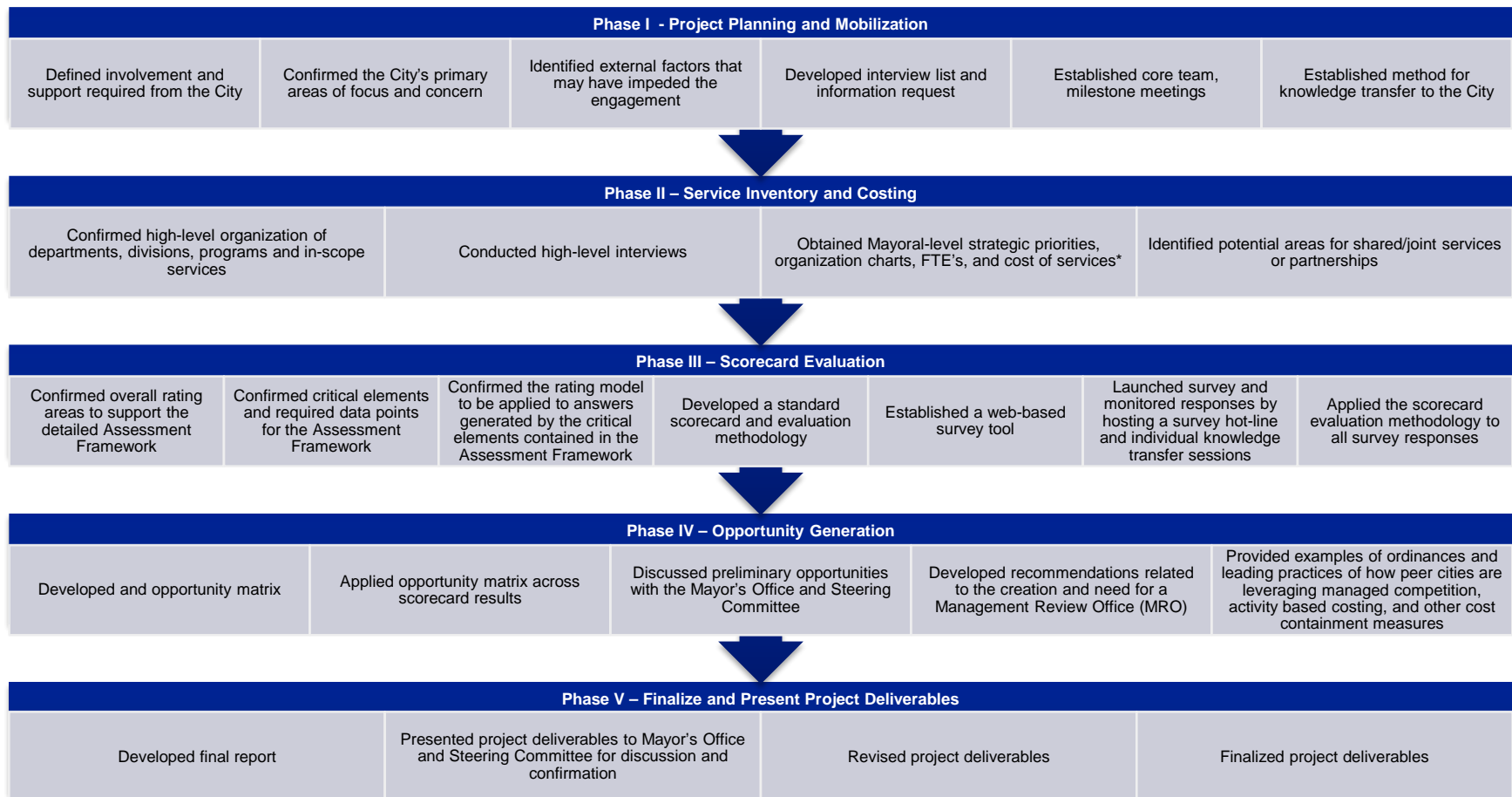
### *Parks*

- **Consolidation:** Due to the wide geographic dispersion of both the City and County Park systems, consolidation may not be feasible on a large scale; however where property lines intersect, it may be of benefit for the City to consider contracting with the County to provide basic operational support. Playground Inspections and Landscape Design may also be provided by County Staff, as these are services that are infrequent in nature and may provide better resource utilization for county employees providing these services. Mowing for co-located properties may also afford the City some cost saving opportunities over the short-run.

# Approach

## Approach Overview

The following chart presents the high-level project approach tasks over the five phases of the engagement.



Bi-Weekly Steering Committee Meetings

\*Cost of Services were provided by City personnel as part of the Service Costing Worksheets.

# Approach

## Strategic Alignment

As part of mobilizing the project within Phase I, the Mayor’s strategic priorities and objectives were requested and provided by Mayor Bartlett. In addition, KPMG provided preliminary assessment results to the Mayor to verify his strategic vision was applied to the City’s services accurately. This information was critical to the completion of the alignment assessment area during the scorecard process.

Priority	Scope and Objectives
<b>I. Enterprising Government</b>	<p>Restore the core functions of municipal government through a delivery system that maximizes the limited financial resources yet provides the highest quality of City services expected by the citizens.</p> <ul style="list-style-type: none"> <li>✓ Identify new and creative sources of revenue without raising taxes.</li> <li>✓ Contain and control expenditures through diligent oversight and management review of actual costs of services provided.</li> <li>✓ Measure the performance of government services from the citizen's perspective.</li> <li>✓ Provide an open and transparent process of governing through continual communications with the citizens on the achievements and challenges of City government.</li> <li>✓ Explore alternatives to increase performance of service during times of revenue reduction, i.e. outsourcing, privatization, inter-local agreements in cost sharing, etc.</li> </ul>
<b>II. Economic Development</b>	<p>Promote sustainable economic development and job growth by supporting the retention and expansion of existing businesses and enhancing the marketability of the available usable space for commercial development.</p> <ul style="list-style-type: none"> <li>✓ Provide a fair, expedient, effective, and customer service driven process which will aid and assist small business interactions with the City of Tulsa.</li> <li>✓ Provide a regulatory environment that balances both fairness and efficiency with economic development as a top priority.</li> <li>✓ Facilitate the transferring of public property into the private market for development.</li> <li>✓ Development of a plan for strategic annexation and infrastructure development.</li> <li>✓ Promote the concept of Tulsa becoming the Energy Education Capital of the U.S., thereby setting up opportunities for research and economic development.</li> </ul>

# Approach

## Strategic Alignment (cont'd)

Priority	Scope and Objectives
<b>III. Energy Innovation</b>	<p>Promote sustainable energy usage and conservation measures on City of Tulsa buildings and property, to support the deployment of energy innovation to private and commercial property owners, and to promote the economic development of energy industries, both traditional and alternative.</p> <ul style="list-style-type: none"> <li>✓ Decrease energy usage and energy costs in public buildings and on public property through the application of emerging energy technologies.</li> <li>✓ Develop opportunities to encourage private property owners usage of energy efficient improvements.</li> <li>✓ To invest in energy efficiency through the usage of performance based energy contracts.</li> <li>✓ Employ oversight to control energy costs and usage by applying energy audits to usage and purchase of energy.</li> <li>✓ To promote economic development efforts to attract alternative energy industries and to support existing energy industries in Tulsa.</li> <li>✓ Negotiate cheaper energy purchase contracts with existing or other energy providers.</li> </ul>
<b>IV. Community Development</b>	<p>To embrace the importance of the quality of life in the community through proactive management and dedicated resources supporting neighborhoods, education, planning, and beautification.</p> <ul style="list-style-type: none"> <li>✓ Partner with private entities to enhance the beauty and stabilization of neighborhoods.</li> <li>✓ To provide a financially sound and supportable public recreation program.</li> <li>✓ Increase code enforcement in neighborhoods through a more active neighborhood inspections effort.</li> <li>✓ Continue to work towards the elimination of substandard housing.</li> <li>✓ Remove impediments to infill development.</li> <li>✓ To give priority to the educational alliance of community-business-government by making policy commitments which are educationally proactive.</li> </ul>



# Approach

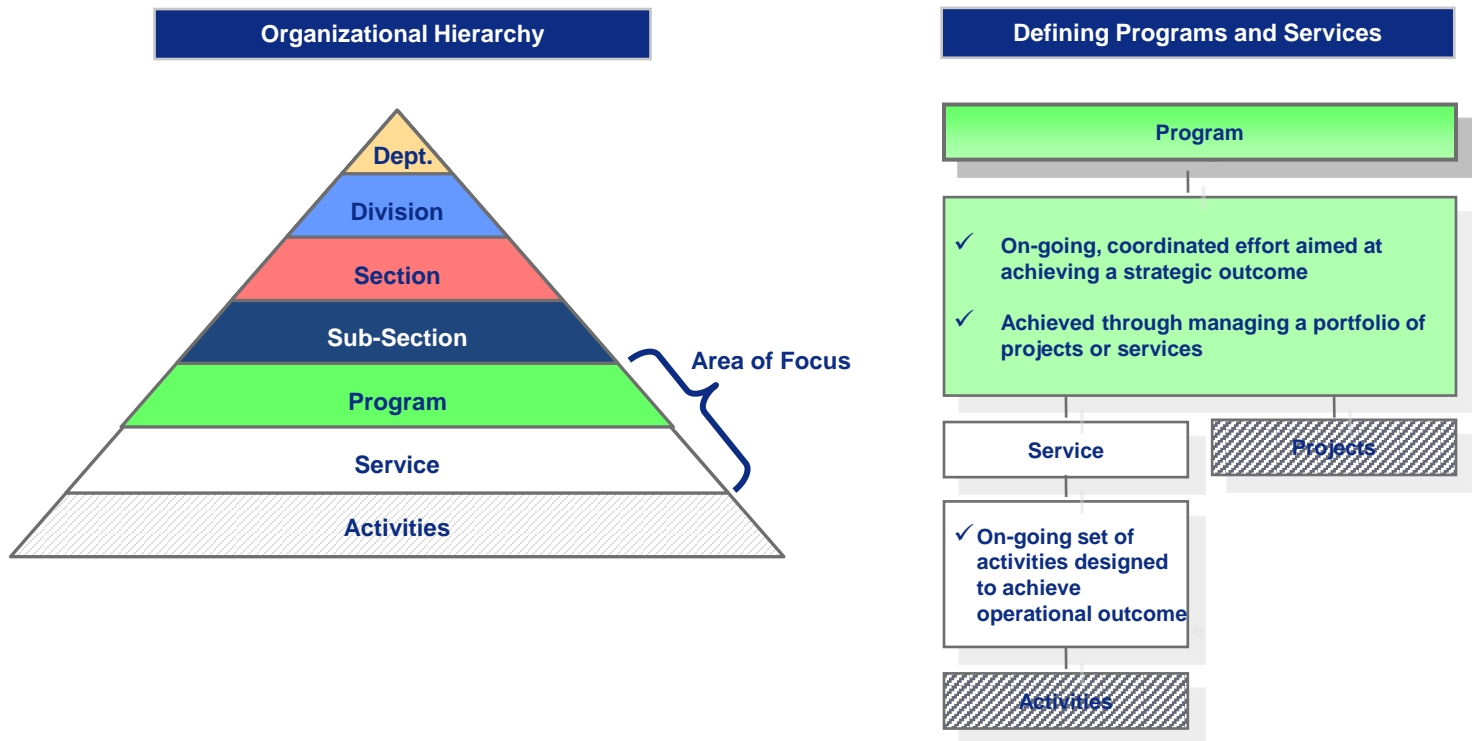
## Strategic Alignment (cont'd)

Priority	Scope and Objectives
<b>V. Public Safety and Justice</b>	<p>Public safety is one of the key core services of the City. The primary focus is to protect and serve the citizens to the best of our capacity.</p> <ul style="list-style-type: none"><li>✓ Decrease crime and property loss through preparedness, prevention interdiction, and outreach efforts in the community.</li><li>✓ To utilize non sworn personnel for administrative functions and to increase the number of sworn and volunteer personnel assigned to the direct delivery service systems of law enforcement and fire protection services.</li><li>✓ To reorganize the management structure of the public safety organizations so as to move more of the financial resources to the direct delivery of public safety services in the City.</li><li>✓ To provide a high quality first responder/EMS system that will aid residents in times of potential property loss and life endangering circumstances.</li></ul>

# Approach

## Service Inventory

Key aspects of the methodology that guided our approach are provided on the following slides. Primary tasks in Phase II involved defining and inventorying programs and services. In doing so, the following definitions and organizational hierarchies were created and then validated by the City.



# Approach

## Scorecard Ratings

A primary task in Phase IV involved validating the scoring methodology that would be applied to survey information and populated as results in the assessment scorecard. The scoring methodology, which was confirmed by the City and Steering Committee, is illustrated below.

Rating	Mandate	Alignment	Structure	Performance
A	<p><b>State, Federal, or Judicial Mandate</b></p> <p>Service is mandated by state, federal or judicial mandate.</p>	<p><b>Directly Aligned</b></p> <p>Service is directly aligned with Mayor's strategic priorities.</p>	<p><b>Efficiently Structured</b></p> <p>Service has a clear design, is cost-competitive with public or private providers, and is not internally or externally duplicative.</p>	<p><b>Effectively Performing</b></p> <p>Service sufficiently generates revenue, demonstrates productivity growth, utilizes resources effectively, and demonstrates achievement of performance targets.</p>
B	<p><b>Local or Grant Mandate</b></p> <p>Service is mandated by local ordinance or grant requirements.</p>	<p><b>Critical Support</b></p> <p>Service is not aligned but provides critical support to aligned services.</p>	<p><b>Poorly Structured</b></p> <p>Service lacks a clear design or lacks data to measure cost-competitiveness with public or private providers.</p>	<p><b>Not Measured</b></p> <p>Service lacks data to measure revenue generation, productivity, or achievement of performance targets.</p>
C	<p><b>Not Mandated</b></p> <p>Service is not mandated by local, grant, state or federal or judicial mandates.</p>	<p><b>Not Aligned</b></p> <p>Service is not aligned with the Mayor's strategic priorities and does not provide critical support to aligned services.</p>	<p><b>Noncompetitive or Duplicative</b></p> <p>Service is not cost-competitive with public or private providers or is internally or externally duplicative.</p>	<p><b>Not Performing</b></p> <p>Service is not sufficiently generating revenue, does not demonstrate productivity growth, does not utilize resources effectively, or does not demonstrate achievement of performance targets.</p>

# Approach

## Strategic Opportunity Types

Phase IV included the identification of strategic opportunity types to better organize categories of opportunities as they were generated. Opportunity types were confirmed by the Mayor’s Office and Steering Committee.

Category	Strategic Opportunity Type
<p><b>Cost Savings</b></p>	<ul style="list-style-type: none"> <li>✓ <b>Strategic Elimination:</b> Elimination of non-mandated, non-aligned, inefficient and ineffective services resulting in the reduction of associated costs.</li> <li>✓ <b>Strategic Sourcing / Managed Competition:</b> Competing or sourcing services to achieve reduction in costs, increased productivity and contractual accountability for performance.</li> <li>✓ <b>Public-Private Partnership:</b> Competing or sourcing services to transfer responsibility of operating and capital costs to a non-profit or private provider, achieve increased productivity and establish contractual accountability for performance.</li> </ul>
<p><b>Revenue</b></p>	<ul style="list-style-type: none"> <li>✓ <b>Fee Implementation*:</b> Establishment of a fee-for-service or other cost recovery mechanism where cost of service was previously not fully recovered.</li> <li>✓ <b>Customer Expansion:</b> Acquisition of new fee-for-service customers by expanding the service area to across City or county boundaries.</li> <li>✓ <b>Public-Private Partnership:</b> Competing or sourcing services based on the highest bidder for the right to operate, maintain and collect revenue to a non-profit or private provider, resulting in current-year lump sum payment to the City.</li> </ul>
<p><b>Efficiency</b></p>	<ul style="list-style-type: none"> <li>✓ <b>Internal Consolidation:</b> Consolidation of duplicative services within the City to enhance efficiency, drive consistency in execution, and leverage resources more effectively.</li> <li>✓ <b>Inter-Agency Partnership:</b> Consolidation or transfer of duplicative services across government agencies or non-profit providers to enhance efficiency, drive consistency in execution, and leverage resources more effectively.</li> <li>✓ <b>Shared Services / Automation:</b> Consolidation of manual administrative services within the City to enhance efficiency through technology, drive consistency in execution, and leverage resources more effectively.</li> </ul>

Note (\*): Services for which Cost Savings and Efficiency opportunities were identified may also be considered for Fee Implementation during transitional periods or if the City should decide not to pursue other opportunities. In such cases, fee implementation opportunities were noted on individual scorecards.

Other opportunities were identified on individual scorecards that are non-strategic in nature, such as utilization of non-specialized workforce resources, implementation of performance measures, and other actions that may reduce cost, generate revenue, and enhance efficiency.



# Approach

## Project Considerations

The execution of this project was guided and impacted by certain considerations and the review of this deliverable should be conducted with these in mind:

- **Estimated Cost and Revenues:** Cost of service, revenue, and FTE data for fiscal years 2009 and 2010 (“FY09” and “FY10”) were provided by City personnel and were not verified or audited by KPMG.
- **Scorecard Process:** Scorecards were completed based on information provided by survey respondents - responses were not verified. Scorecards for surveys not provided were noted and completed based on available information at the service or program level. Opportunities were identified based on scorecard results and a scoring methodology reviewed and approved by the City.
- **Consolidated Scorecards:** Scorecards were consolidated for the Tulsa Area Agency on Aging and the Zoo and Living Museum due to initiatives already underway at the beginning of the Strategic Review Assessment. Scorecards for the PAC and Event Centers were consolidated due to strategic initiatives identified early in the assessment process.
- **Knowledge Transfer:** City resources from the Mayor’s Office and City Auditor were utilized to assist in the conduct of interviews, review of survey results, completion of scorecards, and identification of opportunities.

## Additional Benefits

In addition to meeting the primary objectives of the engagement, the information provided in this assessment offers the City:

- A better understanding of the inventory of services the City provides, as well as the estimated FTE, cost, and revenue associated with each service.
- Additional opportunities to update legislative mandates and reconsider grant funding, target areas to improve or institute performance measures, and repurpose sworn or specialized personnel to more appropriate service roles.