

Managing Change: Recommendations and Best Practices for Municipal Efficiency and Effectiveness

OBJECTIVES

- Develop an inventory of all services provided by the City
- Identify strategic opportunities to reduce costs, generate revenue and enhance efficiency to help the City sustain the delivery of core services

SERVICES REVIEWED

Included: 20 departments, 1,512 services and input from 457 employees

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

Note: Excluded the Tulsa Airport Authority, Gilcrease Museum and City Council

PROCESS

- Systematic approach by KPMG based on leading practices in government and commercial sectors
 - Costs, revenues, employee resources
 - Also evaluated based on the following criteria:
 - Mandated: is the service required to be provided by the city?
 - Alignment: does the service align with the Mayor's strategic priorities?
 - Structure: does the service have a clear design and is it cost-competitive?
 - Performance: is the service performing effectively?
- Steering Committee (business and philanthropic leaders, representatives from Council, Mayor's office and County) is providing oversight – approved KPMG's methodology, validated potential opportunities and provided input on priority initiatives for consideration during first phase of implementation
- Implementation process
 - Create Management Review Office to centralize management of strategic initiatives
 - Work with employees to determine which initiatives to implement and timelines
 - Continue to look for new opportunities to improve efficiency and effectiveness

OPPORTUNITIES

- Cost savings: strategic elimination, sourcing/managed competition, public-private partnership
- Revenue: fee for service, increase customers, public-private partnership
- Efficiency: centralize duplicative services, inter-agency partnership, shared services/automation

KEY TAKEAWAYS

- 61% of services not mandated (some may be strategically aligned or provide critical support)
- Of the total services provided, 69% of service *should* be benchmarked for cost-effectiveness

- 61% have **no basis** to determine if service is competitive with other private or public organizations
- Only 12% of services possess measurable objectives, goals or performance measures
- Many customer-service provider relationships do not appear to establish service-level expectations
- Many administrative processes are manually intense, with multiple levels of manual approval

SPECIFIC OPPORTUNITIES*

- **Strategic Elimination**
Services that may be strategically eliminated, reduced or suspended (not mandated or a core function)
 - Public Works – Horticulture services (\$1.57 million cost)
 - Police – Career Development, Research & Training and Training service (\$1.04 million cost)
- **Strategic Sourcing/Managed Competition**
*Services that may be sourced across internal resources and external providers to convert fixed into variable costs.
Managed competition may be utilized to ensure largest savings possible.*
 - Equipment Management – Maintenance, Parts & Fuel Management (\$11.4 million cost)
 - Public Works – Building Operations services (\$9.5 million cost)
 - Human Resources – Workers Comp Claims Admin (\$5.2 million cost)
 - Information Technology – Radio Services & Maintenance, Server services, Directory (\$3.9 million cost)
 - Internal Auditing – Internal Audit services (\$728,000 cost)
- **Public-Private Partnerships (cost savings)**
Utilize to offset or transfer City's investment in operating and capital costs
 - Parks & Recreation – rec centers, programs, zoo/nature center services (\$7.2 million cost)
 - Performing Arts Center – Performing Arts services (\$1.6 million cost)
- **Public-Private Partnerships (revenue)**
Competitively bid the right to lease assets, including operation, maintenance and financing of services
 - Public Works – water utility services (\$70.9 million cost)
- **Internal Consolidation**
 - Information Technology – 911 Emergency services (\$7.5 million cost)
Strategically realign City's 911 Center as a public safety function and staff with EMT personnel
 - Across five departments – Code Enforcement services (\$3 million cost)
Consolidate code enforcement services across the City to create a central point of customer contact
- **Inter-agency Partnership**
 - Municipal Courts – Judicial and Probation Services (\$14.5 million cost)
- **Shared Services/Automation**
Centralize and enhance automation of processes and leverage shared resources
 - Across 15 departments – Supply Chain services (\$7.9 million cost)
 - Across 14 departments – Payroll services (\$2.7 million cost)
 - Across 11 departments – Grants services (\$18.2 million cost)
- **Civilianize**
Civilianize administrative services to reduce personnel costs and put police officers back on the streets
 - Police Department – 34 Administrative services (\$8.7 million cost)

*Estimated annual costs provided for each service, inclusive of operations, resources, salaries, contracts, materials, supplies, utilities, etc.