

## Bureau Innovation Project (BIP) Template Implementation, Evaluation, and Fiscal Impact Plan

*This BIP template is to be completed by each BIP team making a recommendation and the team's OMF analyst. Completed templates are due to the Mayor's Office 15 working days before the Implementation meeting at which the recommendation is to be heard. This template will be shared with all BIP stakeholders for feedback, which BIP teams are required to incorporate into their final recommendations.*

### BIP Team Information:

#### **BIP #4 – Implement Cost Efficiencies and Customer Improvement within the Office of Management and Finance**

##### **Goals:**

- Create a more customer-friendly environment for bureaus that receive services from OMF.
- Involve all customer bureaus in improving OMF service delivery and finding cost efficiencies.
- Ensure accountability, accuracy, consistency, cost-efficiency, and transparency in the City overhead model and OMF interagency charges.

### Recommendations & Benefits/Rationale:

Please list the team's recommendations and corresponding benefits/rationale. Add rows to this table as needed.

Recommendation		Benefits/rationale	
1	Create and implement Service Level Agreements (SLAs) for all OMF internal service providers.	1	Creates an agreement that codifies the specific services that will be provided by OMF and the responsibilities of both the service provider and customer. Such an agreement will lead to better communication, more accountability, and ultimately better service.
2	Improved Customer Service: Conduct an annual customer survey, implement Phase II of the OMF Customer Service Initiative, continue holding annual OMF customer forums, and initiate direct communication between OMF bureaus/divisions and upper-level management in customer bureaus.	2	Feedback from the annual survey will be valuable in determining where customer service problems are most prevalent, allowing OMF to focus on the most problematic areas. The Customer Service Initiative is designed to provide training to targeted service areas to improve overall customer service. The customer forums help bureaus learn about OMF rate models, ask questions about charges or service, and generally engage in open dialogue about OMF services. The initiation of direct communication between OMF and the City's upper level bureau management is intended to improve communication and provide a forum for issue resolution.
3	Benchmark OMF services against similar public and private sector entities.	4	A thorough comparison of OMF costs and service delivery against similar entities will provide both OMF and its customers with crucial cost and customer service information, resulting in greater accountability and potential cost savings.

4	Continue conducting rotating focused reviews of OMF service areas.	These focused reviews provide valuable feedback that is more detailed than the customer survey or customer forums. The focused reviews ensure that bureaus are meeting both their internal goals and the goals of their customers, and recommend corrective action when goals are not being met.
5	Create an OMF Advisory Committee.	The OMF Advisory Committee advises the CAO on all matters of OMF operations, including service delivery, customer service, and cost effectiveness. The committee gives the CAO a forum for better communication with internal City bureaus and external stakeholders.
6	Pilot test simpler cost distribution model.	By testing the use of a simpler cost distribution model and running it parallel with the existing billing system, OMF will be able to determine if the simpler system results in fairly allocated costs while still providing necessary information to the bureau. If such a system succeeds, it could result in future cost efficiencies.

**Council Actions:**

List Council action(s) needed:

- Report     Resolution     Ordinance     Budget approval (FY 2006-07)

Requested Date of Action: Appropriations have already been included in the FY 2006-07 budget for the benchmarking study and Phase II of the Customer Service Initiative.

**Fiscal Impacts:**

**Can implementation be accomplished within existing resources?**

- Yes     No     It Depends

**If “No”:**

**If “Yes”:** The one-time costs of the benchmarking study (\$50,000) and Phase II of the Customer Service initiative (\$80,000) are already included in the FY 2006-07 budget. The other costs involved with the recommendations, such as staff time for implementation, are normal, recurring business expenses.

**If “It depends”:**

**Resources Needed:**

Description (who needs what)	Budget Amount	Fiscal Year Needed	One Time? Ongoing?

**Other potential resources available:**

Note any partnership, grant or shared resources that may be available or to be pursued

OMF will need the assistance of at least one large and one small bureau in order to pilot test the simpler cost distribution model. This may require staffing and other resources from those bureaus.

**Financial Analyst Notes:**

This section is to be completed by an OMF Financial Planning analyst, if resources are requested. In this section, please address the following:

- Financial Planning analysis, including Return on Investment, if applicable.
- Funding requests that are/aren't recommended, and why.

Financial Analyst: *Mike Johnson*

As noted above, the one-time costs of the benchmarking study and the Phase II Customer Service initiative are included in the FY 2006-07 budget. All other costs, if not included in existing appropriations, will need to be absorbed by the bureaus involved.

The recommendations in and of themselves do not produce cost savings. They do, however, lay a framework for developing future cost efficiencies and improved service delivery as directed in the BIP #4 Goals.

Analyst Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### Implementation Partners:

Rec. #	Lead Who in which bureau(s) will lead the implementation, integrate the project in bureau work plan(s), and report on progress?	Other Partners other partners who will be involved throughout implementation
1	OMF Business Operations	All City bureaus
2	OMF Business Operations	All City bureaus
3	OMF Business Operations	Consultant who will conduct study
4	OMF Bureaus (rotating)	City staff in other bureaus will be interviewed during focused review
5	OMF CAO's office	City bureau directors, other City staff, outside experts
6	OMF Business Operations	One large, one small City bureau

### Overall Timeline:

How long will implementation take? If the work will be ongoing, explain when it will be fully integrated into business processes or plans (i.e., when will it become just how we do business?).

For many of the recommendations, preliminary implementation began as part of the FY 06-07 budget process. Most of the work will be completed or expanded upon during FY 06-07, and items such as the SLA, annual customer survey, annual customer forums, focused reviews, and the OMF Advisory Committee will be ongoing. The pilot test of a simpler cost distribution model will occur in FY 07-08.

### Implementation & Transition Plan:

List actions to be undertaken over next 12-18 months, including how stakeholders will be kept apprised or involved through implementation. Complete a table for each proposed team recommendation.

<b>Recommendation #1: Create and implement Service Level Agreements (SLAs) for all OMF internal service providers.</b>		
Action Item	Projected Completion Date	Responsible Party
Revise SLAs based on feedback from FY 06-07 budget process	October 2006	OMF Internal Service Providers
Distribute SLAs for FY 07-08 budget	December 2006	OMF Internal Service Providers
Finalize SLA negotiations and document bureau feedback	February 2007	All city bureaus

**Recommendation #2:** Improved Customer Service: Conduct an annual customer survey, implement Phase II of the OMF Customer Service Initiative, continue holding annual OMF customer forums, and initiate direct communication between OMF bureaus/divisions and upper-level management in customer bureaus.

<b>Action Item</b>	<b>Projected Completion Date</b>	<b>Responsible Party</b>
Select Consultant for Phase II of Customer Service Strategy	August 2006	OMF Business Operations
Implement Phase II of the Customer Service Initiative	September 2006 – June 2007	All OMF bureaus
Complete OMF Customer Service Strategy	May 2007	OMF Leadership Team
Conduct Second Annual Customer Survey	November 2006	OMF Business Operations and City bureaus
Hold OMF Customer Forums	Fall 2006 and ongoing in future years	OMF Business Operations and City bureaus
Initiate Direct Communication between OMF Bureaus/Division and Customer Bureau Upper-Level Management	Fall 2006 and ongoing in future years	OMF Bureaus/Divisions

**Recommendation #3:** Benchmark OMF services against similar public and private sector entities.

<b>Action Item</b>	<b>Projected Completion Date</b>	<b>Responsible Party</b>
Issue RFP for benchmarking study	September 2006	OMF Business Operations
Complete benchmarking study	December 2006	Consultant
Develop action plan to address results, with focus on achieving cost savings, if possible.	February 2007	OMF Service Providers

**Recommendation #4:** Continue conducting rotating focused reviews of OMF service areas.

<b>Action Item</b>	<b>Projected Completion Date</b>	<b>Responsible Party</b>
Focused review of P&D	October 2006	P&D, outside consultant, OMF Business Operations
Focused review of another internal service area	May 2007	OMF Business Operations
Develop three-year schedule of focused reviews	December 2006	OMF Business Operations

**Recommendation #5:** Create an OMF Advisory Committee.

<b>Action Item</b>	<b>Projected Completion Date</b>	<b>Responsible Party</b>
Create charter and roster for OMF Advisory Committee	December 2005 (completed)	CAO
Develop long-term work plan for committee	November 2006	CAO, OMF Business Operations

<b>Recommendation #6: Pilot test simpler cost distribution model.</b>		
<b>Action Item</b>	<b>Projected Completion Date</b>	<b>Responsible Party</b>
Select one OMF service area, one large and one small City bureau to participate in pilot test	October 2006	OMF Business Operations
Develop simplified cost distribution model	November 2006	OMF Business Operations
Test model, using historical look back if possible, and document results	FY 2007-08	Participating bureaus
Develop recommendation regarding citywide implementation, with focus on reducing administrative costs if possible	July 2008	OMF Business Operations, OMF service provider, participating bureaus

**Implementation Team Concerns:**

<b>Source/ Date of Concern</b>	<b>Concern raised</b>	<b>How concern was addressed</b>

**Evaluation Plan:**

Through the life of the project, bureau(s)/individuals responsible for implementation are to assess the success of the project. These entities will report on progress to Council annually in the fall reporting process integrated with performance/Managing for Results. All new resource requests will be incorporated into budget processes (including budget monitoring) for Council approval. For each team recommendation, please complete the table below.

<b>Recommendation #1: Create and implement Service Level Agreements (SLAs) for all OMF internal service providers.</b>
How will the team/City know when the effort is completed and whether or not it was successful?  The goal is to create a standard SLA for all internal service areas that is agreed upon by both the provider and customer. The SLA will be successful if it results in better communication and more transparency in terms of the services being provided.
What major measure(s) will you use to assess the progress of the recommendation? (indicators should be a mix of workload and effectiveness measures, when possible)  Completion of the SLA; improved understanding of internal services (measured through the customer survey and at customer forums)
How will this information be tracked/recorded, and by whom?  OMF Business Operations will track the implementation and success of the SLA.

**Recommendation #2:** Improved Customer Service: Conduct an annual customer survey, implement Phase II of the OMF Customer Service Initiative, continue holding annual OMF customer forums, and initiate direct communication between OMF bureaus/divisions and upper-level management in customer bureaus.

How will the team/City know when the effort is completed and whether or not it was successful?

OMF will accomplish the following: annual customer satisfaction survey and follow-up interviews; implementation of process improvements in Purchasing procurement and HR recruitment/hiring; completion of the second round of process improvement workshops and customer service training; completion of the OMF Customer Service Strategy; continuation of OMF customer forums; and initiation of direct contact between OMF and bureau management.

If successful, we should see that overall satisfaction is good and it should improve in some key areas identified in the baseline survey.

What major measure(s) will you use to assess the progress of the recommendation? (indicators should be a mix of workload and effectiveness measures, when possible)

The effectiveness of OMF's efforts to improve customer service will be measured from the results of the annual customer survey and responses at the annual customer forums.

How will this information be tracked/recorded, and by whom?

The annual OMF Customer Service Satisfaction Survey will allow an annual effectiveness measure for the recommendation. Once in place, the citywide Customer Service Advisory Committee (BIP #7) will also monitor, assess and recommend improvements to OMF.

**Recommendation #3:** Benchmark OMF services against similar public and private sector entities.

How will the team/City know when the effort is completed and whether or not it was successful?

Completion of the benchmarking study will be the first step, and implementation of the findings will follow. The benchmarking data will result in better comparative information on cost and customer service. If successful, we should see that our service costs are about the same or lower than other jurisdictions. If that is not the case, the study should result in recommendations to achieve the cost savings that were found elsewhere.

What major measure(s) will you use to assess the progress of the recommendation? (indicators should be a mix of workload and effectiveness measures, when possible)

- Completion of the benchmarking study
- Based on findings, development of recommendations/changes
- Greater efficiency of operations and potential cost savings

How will this information be tracked/recorded, and by whom?

OMF Business Operations will manage the benchmark study and track the results.

**Recommendation #4:** Continue conducting rotating focused reviews of OMF service areas.  
How will the team/City know when the effort is completed and whether or not it was successful?

Focused reviews will be completed every year, rotating to different bureaus and divisions of OMF. The success of the focused reviews occurs with implementation of the findings and recommendations, which will vary with each service area.

What major measure(s) will you use to assess the progress of the recommendation? (indicators should be a mix of workload and effectiveness measures, when possible)

OMF will develop a schedule so that each area receives a focused review every few years. Data from the annual customer survey may also help OMF gauge their success.

How will this information be tracked/recorded, and by whom?

OMF Business Operations will develop the schedule and track the results.

**Recommendation #5:** Create an OMF Advisory Committee.

How will the team/City know when the effort is completed and whether or not it was successful?

The CAO created an OMF Advisory Committee in December 2005. The long-range work plan for the committee is still under development, and the committee will need to adopt the work plan. This committee will be successful if it succeeds in bringing issues to the CAO's attention and provides a forum for bureaus to work collaboratively with OMF to resolve issues,

What major measure(s) will you use to assess the progress of the recommendation? (indicators should be a mix of workload and effectiveness measures, when possible)

Possible measures include whether the Advisory Committee believes the forum is useful and whether issues between OMF and other city bureaus are resolved quickly and cooperatively.

How will this information be tracked/recorded, and by whom?

The CAO's office and OMF Business Operations will track this information.

**Recommendation #6:** Pilot test simpler cost distribution model.

How will the team/City know when the effort is completed and whether or not it was successful?

The pilot test should be completed by the end of FY 07-08, although it could be sooner if a historical look back is possible. A successful pilot test will give OMF the information it needs to determine if a simpler cost distribution model results in an equitable allocation while reducing the administrative costs of our more detailed billing systems.

What major measure(s) will you use to assess the progress of the recommendation? (indicators should be a mix of workload and effectiveness measures, when possible)

- Selection of a service area, one small bureau, and one large bureau to participate.
- Historical look back at billing data, or parallel implementation of the simpler model in FY 07-08.
- Feedback from participating bureaus and OMF as to the success of the pilot test.
- Development of recommendations based on results.

How will this information be tracked/recorded, and by whom?

OMF Business Operations will track the results.

**Co-leads' Signature:**

Name: *<insert name>*      Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: *<insert name>*      Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: *<insert name>*      Signature: \_\_\_\_\_ Date: \_\_\_\_\_