

**PHASE III
SUMMARY REPORT
ORGANIZATIONAL AUDIT
DEPARTMENT OF GENERAL SERVICES**

EXECUTIVE SUMMARY

This report is the result of an organizational and operational audit conducted of the Department of General Services (DGS) for Sacramento County. The audit was conducted by the consulting team of ISES Corporation, the Deriso Consulting Group, and the Spectrum Consulting Group. This audit also included an analysis of the relationship between DGS, the Architectural Services Division, and the Construction Management Division.

The objective of the study was to develop recommendations to improve the cost, efficiency, and effectiveness of the services provided by the DGS to its customers. Data to develop the recommendations was obtained by:

- § Conducting an objective, third party Customer Satisfaction eSurvey that allowed a numerical rating of the quality of the services, open-ended and candid comments, and the opportunity for DGS customers and staff to express their opinions in a confidential manner;
- § Conducting and participating in over fifty meetings and interviews with DGS staff and DGS customers ;
- § Reviewing and analyzing dozens of documents and reports;
- § Visiting three (3) other counties to obtain benchmarking data;
- § Project and data review conferences with the county Project Management Team for this study.

Our analysis of the data indicates:

- § There is no single point of control, or data collection and dissemination, between the Facilities Planning and Management (DGS), Architectural Services Division, and Construction Management Division over capital

- project costs and time-spans, resulting in many project cost and project completion inflations above initial budgets and schedules;
- § The high degree of negative and low degree of positive customer satisfaction ratings of the DGS services indicates a level of general customer dissatisfaction with the services.
 - § Customer comments indicate from the survey also indicate a significant “disconnect” between DGS and its customers;
 - § The DGS’ communications with its customers as well as its own internal communications are not effective;
 - § The six (6) layers of management within the DGS may be a contributing factor to the communications problems;
 - § The DGS appears to have placed much of its focus on internal operations instead of customer service;
 - § The DGS and its customers often have conflicting priorities;
 - § The operative level staffing for maintenance and operations, overall, appears to be excessive when benchmarked against our proprietary standards;
 - § The “silo” concept of organization and management within DGS reduces the effectiveness of the management, supervision, and workforce;
 - § Funding for capital replacement and deferred maintenance is not sufficient to meet the needs of the current facilities;
 - § The billable hourly rates for maintenance and custodial workers are approaching the level where they may be “pricing themselves out of the market.”

The following basic recommendations are practical and should be implemented with a carefully designed implementation plan. Some of the recommendations also consist of “sub-sets” of additional recommendations and requirements for implementation.

1. Create the position of Ombudsman for the DGS. This person would provide assistance and support to the DGS customers when problems occur that cannot be solved and would also maintain an on-going quality control program. This position should report to the Administrator of the Internal Services Agency.

2. Implement a formal Customer Relationship Program as well as an organized approach to Customer Service including timely service ratings' feedback;
3. Develop "service performance standards" for the DGS customers and implement written agreements between the DGS and its customers that clearly describe the levels of service, and the associated costs (rent or allocated costs). The written agreements should reflect the actual requirements of the customers, based on specific operational parameters and facilities characteristics.
4. Create a Capital Project Management group that would consist of the Architectural Services Division (MSA), the appropriate personnel from the Construction Management Division (MSA), and the Facilities Planning and Management Division (DGS).
5. Implement a "cradle to grave" project management concept.
6. Implement project management software and systems that will allow project managers to effectively control project costs and schedules.
7. Increase the funding for capital repair/replacement/renovation projects to three percent (3%) to five percent (5%) of the replacement cost of the facilities;
8. Reassign responsibilities and/or reorganize the DGS to eliminate at least one level of management.
9. Conduct an objective third-party comprehensive staffing analysis for maintenance and housekeeping.
10. Reorganize the facilities maintenance and operations functions from the "silo" based organization into a centralized zone maintenance operation that would allow "mixed-shop maintenance teams" that would be supervised by a single maintenance supervisor.
11. Focus the efforts of the maintenance and operations personnel on routine maintenance and upkeep of the county's facilities and relieve them of the responsibility for project and renovation work.
12. Form county-wide "project teams" for the completion of small (<\$25,000) maintenance and renovations projects.
13. Develop a strategic plan for the outsourcing of work that can be done more cost effectively by private contractors.
14. Consider reviewing the option of allowing the Airport and Enterprise groups to hire their own workers through attrition and not have to use DGS staff for maintenance and operations.

15. Utilize “reverse auctions” where appropriate for the procurement of basic commodities.
16. Implement a formal technical training program for the fleet maintenance technicians.
17. Develop and implement performance and productivity standards for the workers in the various operational units.
18. Simplify the budgeting and cost accounting processes to the point where the rent and allocated cost budgets can be easily explained and understood by the customers.
19. Develop a standard lease that places more emphasis on the landlord’s timely response to and correction of maintenance and housekeeping problems and/or complaints.

There may be some disagreement by the DGS and other county staff members concerning the findings/conclusions and recommendations contained in this report. That is to be expected. The study was conducted in a professional, fair, open, and objective manner without any hidden agendas. This report should not be viewed as a criticism of any individual DGS employee, operating unit, or procedure; rather, it should be viewed as an instrument that can be used to assist the Department of General Services in redirecting its focus on providing the most efficient and effective services to its customers, while preserving the fixed assets of Sacramento County. Implementation of the recommendations contained in this report will allow DGS to do the best possible job of, in the words of one of the Deputy Directors, “keeping the facilities safe, up, and running.”