

# City of Alexandria, Virginia

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## MEMORANDUM

DATE: APRIL 29, 2010

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: BUDGET MEMO #94 : SUMMARY OF EFFICIENCY/BEST PRACTICES STUDIES

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This memorandum is in response to Councilman Krupicka's request for information on the history of savings created by departmental efficiency/best practices studies and which departments are due to be studied.

A memo to Council from January 2009 summarizing the status of projects completed at that time is attached. These projects included studies of T&ES Maintenance, Engineering & Design, and Construction & Inspection Divisions; Fire Department Administration; Fleet Management; and Recreation, Parks & Cultural Activities. The recommendations included \$3.9 million in annual operating savings, \$1.7 million in annual revenues, \$2.1 million in annual operating improvements, and \$0.7 million in one-time capital investments.

Since January 2009, the following studies have been completed:

- Human Resources Department Performance Audit and Efficiency Study (Corbin) was presented to Council on March 24, 2009 (docket item #15) and included recommendations for an estimated \$0.4 million in implementation costs and \$0.8 million in savings;
- City Real Property Inventory (Jones Lang LaSalle) was presented to Council on May 26, 2009 (docket item #22) and included recommendations on re-use and resale of City property. A follow-up report will be docketed for Council consideration this spring;
- Classification & Compensation Study (Watson Wyatt) was presented to Council at a February 18, 2009 work session and is to be implemented effective July 1<sup>st</sup> at an estimated cost of \$0.3 million in FY 2011. An additional \$380,000 to \$730,000 is set aside for this purpose, depending on Council action at add/delete;

- Code Administration Fees Study (Maximus) was used to develop the new construction cost recovery model described in FY 2011 Budget Memo #37 which produced \$0.4 million in General Fund savings in the FY 2011 add/delete as part of the creation of self-funded new construction activities in Code Administration;
- Information Technology Study (Plante/Moran) is scheduled for a Council work session on May 11, 2010. Potential savings resulting from the study are still being identified;
- Organizational Assessment (Zelos/Abrahams Group) produced the Roadmap for Organizational Change and recommended recent organizational improvements such as the senior staff reorganization, the implementation of a performance management evaluation system, and the development of a customer relationship management system;
- Print Services Study (Corbin) was presented to Council in the FY 2010 budget memo #38 and resulted in approximately \$70,000 in equipment lease savings;
- Permit Process Improvements Study (Virtual IT) was completed in February 2009 and is in the process of being implemented by staff. Efficiency savings and service improvements resulting from implementation are pending;
- Torpedo Factory Study (Management Analysis, Inc.) was presented to Council at a February 16, 2010 work session.

Staff is in the process of identifying areas for future review based on the need and opportunity for maximum benefit.

Attachment

# City of Alexandria, Virginia

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## MEMORANDUM

DATE: JANUARY 7, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: SUMMARY OF EFFICIENCY/BEST PRACTICES STUDIES

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At the Tuesday, December 9, 2008, City Council meeting, Councilman Krupicka requested a summary of the efficiency/best practices studies completed to date.

As of today, the City has completed studies of a portion of Transportation & Environmental Services (T&ES); Fire Department Administration; Fleet Management; and Recreation, Parks & Cultural Activities (RPCA).

The T&ES and Fire studies were presented to Council on November 28, 2006 and discussed in a work session on January 29, 2007. The Fleet study was presented to Council on March 11, 2008 and discussed in the April 1, 2008 work session. The RPCA study was presented to Council on December 9, 2008 and referred to the Park and Recreation Commission for review and comment, with a work session to be scheduled with Council for March 2009.

Combined, these studies produced recommendations totaling \$3.9 million in annual operating savings, \$1.7 million in annual revenues, a \$2.1 million investment in annual operating improvements, and \$0.7 million in one-time capital costs. These recommendations are in various stages of implementation. Some of the more significant ones are listed below. These results reflect a combination of consultant recommendations and improvements identified by City staff during the study process.

- Streamlined organizational structures in T&ES, RPCA, and Fleet Services
- Improved use of technology and data in field operations for T&ES, Fire, Fleet Services, and RPCA
- New or increased T&ES and RPCA fees for greater cost recovery
- Increased/decreased use of contractors in T&ES, RPCA, and Fleet Services depending on which was more efficient for each service area
- Initiation of a Fire Department strategic planning process

- Creation of a committees to improve Fire Department internal communications and standard operating procedures
- Reduction in the number and size of vehicles in the City fleet
- A longer vehicle replacement cycle
- Reduction in the use of take-home vehicles
- Greater use of hybrid vehicles
- Fuel costs charged to departments as an incentive for managing consumption
- Planned Recreation service delivery improvements
- Improvements in the tree maintenance system
- Public arts enhancements

A study of the Personnel Department is complete and is being prepared for presentation to Council in January. The Watson-Wyatt study of compensation (classification, compensation, and performance management); public safety communications study; information technology study; purchasing study; and vacant properties study are either in progress or being planned to be initiated in the near future.

cc: Michele Evans, Deputy City Manager  
Mark Jinks, Deputy City Manager  
Bruce Johnson, Director, OMB  
Rich Baier, Director, T&ES  
Adam Thiel, Fire Chief  
Amy Flenniken, Fiscal/Fleet Management Division Chief, Police  
Ed Mandley, Director, General Services  
Kirk Kincannon, Director, RPCA  
Cheryl Orr, Director, Human Resources  
Morgan Routt, Budget/Management Analyst, OMB