

MINUTES OF THE REGULAR MEETING
ECONOMY AND EFFICIENCY COMMISSION

MARCH 7, 1990

ROOM 839, KENNETH HAHN HALL OF ADMINISTRATION

Editorial Note: The following minutes were taken from the tape of this meeting. Unfortunately, the tape does not normally identify the speaker and subsequently it is often not possible to identify individuals by name. Where individuals were identified we have done so

I. **CALL TO ORDER**

With the presence of a quorum, *Chairman Peever* called the meeting to order.

II. **APPROVAL OF COMMISSIONER ABSENCES**

Chairman Peever asked for a motion to approve absences. It was Moved, Seconded, and Adopted: **The members requesting an excuse are excused.**

III. **APPROVAL OF FEBRUARY 7TH, 1990 MINUTES**

Chairman Peever asked if there were any corrections or amendments to the minutes of the February 7th, 1990 Commission meeting. The following motion was Moved, Seconded, and Adopted: **The minutes of the February 7th, 1990 Commission meeting are approved.**

IV. **OLD BUSINESS – TASK FORCE REPORTS**

Commission Organization

Commissioner stated that at the last meeting was elected and since then the Commission has been trying to put into motion a reorganization with several new appointments. Commissioner Efram Zimbalist has accepted the position of Vice Chairman. To date Randy Stockwell has agreed to be the Chair of the Asset Management Task Force and Wally Thor has agreed to be the Chair for the Materials Management Task Force.

A new Task Force involving contracting out the drug abuse office is being created from a request by the Board of Supervisors and Bob Williams has agreed to Chair it. On-going Task Forces that already have Chairmen are:

Executive Structure, Commissioner Zimbalist, Chair
Security Systems, Commissioner Frankel, Chair
Asset Management, TBD
Contracting, TBD
Drug Abuse and Inventory Management, TBD

Commissioner stated that are significant activates fro the Commission and encourage everyone to try to participate on at least one of the Task Forces.

V. **APPROVAL OF FEBRUARY 7TH PRESENTATION**

Chairman Peever asked if there were any corrections or amendments to the presentation of Dan Ekamoto, Chief Deputy Auditor-Controller, *Topic: Accounting Transactions, Expenditure Control, Budget Monitoring of the County, Reporting of Annual Budget, Cash Flow Analysis, Disbursements and Tax Collections Overview* for the Commission meeting. The following motion was Moved, Seconded, and Adopted: **The presentation of the February 7th, 1990 Commission meeting is approved.**

VI. **OLD BUSINESS – TASK FORCE REPORTS**

Audit Committee

The *Executive Director John Campbell* commented that at the last Commission meeting the Auditor-Controller reported that there is a Board committee that tracks departmental implementation of audits.

The Commission would like to become a part of that process and ask them to review implementations of Commission recommendations adopted by the Board. The Audit Committee has replied that they don't consider our recommendations as appropriate for their review, since our recommendations are not the type of management or labor action that can be implemented by a single department. They consider themselves as reviewing policy that requires attention from the Board of Supervisors or the CAO. Executive Director Campbell added that he agreed with the Auditor Controller's assessment and that this translates to the Commission following-up on recommendations. *Mr. Campbell* also stated that this could be accomplished by the Executive Committee.

Commissioner Burke replied that this is one of the most important issues that this Commission faces, because we have no way, no formal system of auditing whether the recommendations were made by this Commission and adopted by the Supervisors are ever implemented. It may be valuable to have a separate subcommittee to periodically prepare a detailed report to the Supervisors on the status of Commission recommendations. Possibly board deputies could be invited to participate. *A Commissioner* replied that the Commission is an advisory board with no command function and thus, working informally with each Supervisor is best. *A Commissioner* replied that the issue is not all of our recommendations, but the ones that are approved by the Board.

The *Mr. Campbell* commented that the Commission is usually asked to report to the Boards in six months or a year on the implementation. We do this, but these can be very long term projects and recommendations are suppose to become institutionalized. He believed that the Commission does not have a good method of supplying consistent and on-going information on the status of recommendations. One alternative is to designate one Task Force with this responsibility; another alternative is the Executive Committee, to produce a report every quarter or 6 months. *Commissioner* agreed that staff should be requested to produce such a report. *Mr. Charlie Kaufmann*, a consultant to the Commission, agreed in principal, but pointed out the question of current staffing and workload.

Children Services

Chairman Peever reported that on February 13th the Board of Supervisors acted on the Commission report and the CAO's recommendations regarding our report. The Board of Supervisors adopted four of the recommendations that the CAO made concerning our report. One important recommendation having to do with multi-jurisdictional coordinating counsels was not adopted by the board, instead they established a new blue ribbon committee to study our recommendation and to report to the board in six months. There are eleven members of this new blue ribbon committee. Five of them are key department heads in the county, five persons are people appointed by each of the supervisors. One of them is a representative of our Commission and Bob Lowe has agreed to be this representative.

Executive Structure

Commissioner Zimbalist reported the task force has interviewed County department heads Including Bill Stewart, Internal Services, and Rod Cooper of Parks and Recreation. It's too early to either agree or disagree on what has been done, but if there's a basis developing. They don't feel that they don't have a boss. None of the department heads are bashful about going directly to the supervisors to express disagreement with what the CAO is recommending in the budget. There isn't the sense of team work or organization that you might expect. The feeling is that these are independent department heads with a little sense of organization. To date no one seems too worried that the immediate two levels of staff below them is all civil service, on the other hand, they don't view it as ideal. It appears that everyone would recommend changes to at least the top level reporting to the Department Head.

Commissioner Zimbalist continued if this next series of levels down were not civil service they could be fired and hired at will. The general feeling is that this would be positive, but it's a two edged sword. If you don't have civil service protections you'd become a little more defensive in decision making. You don't want to create a group that is afraid they're going to get fired if they make a mistake. You have to

crate an environment where people will stick their necks out for what they believe, without becoming overly defensive.

Mr. Kaufman noted that there were another nine interviews scheduled including: Public Works, Health Services, Social Services, Internal Services, and the Auditor-Controller. Toward the end the Task Force would talk to the CAO, Richard Dixon.

Security Systems

Mr. Kaufman reported that the task force met with Mike Henry, CAO Division Chief, who is responsible for law enforcement and courts end of the security system. He chairs the Court House Security Task Force which was created in mid 1988. It's comprised of representatives from the Superior Court, the Municipal Court, the Marshall's Office and the Sheriffs Department.

The survey used to investigate the courthouse needs was completed by the Internal Services Department, with the help of Dave Hedsal, a Security Consultant. He is working closely, with Mr. Henry and goes out and surveys what needs to be done. They established a priority list based upon numbers of security incidences, they rated certain court houses. They are now reworking the list with an appropriation of some three million dollars, with another three million dollars about to be appropriated. The next step is the on-going funding of the personnel to staff the security devices. The Commission's next step is to see what's going on in the rest of the County, the Court Houses and Health Facilities.

Asset Management

Mr. Campbell had nothing new to report. A Chair of the Task Force is necessary since sufficient information gathered to the point that some study and scrutiny by Commissioners to review the issue details to determine if an effort should be taken to prepare a recommendation for the board.

Contracting

Mr. Campbell reported that he and Mr. Kaufman have been participating in a variety of activities regarding contracting, some of which were follow-ups from earlier reports and studies, but with out active involvement of the commissioners. It is now time for the Commission involvement to be fully informed on what's going on. The Board asked the Commission to work with the Department of Health Services on hiring a consultant regarding contracting for hospitals. The Commission should have some established group that focuses on contracting and related questions.

Contracting Out the Drug Abuse Office

Mr. Campbell reported that this motion was for an evaluation of whether or not the Drug Abuse Program Office should be contracted. Commissioner Williams, as the Chair in the Task Force, met with Mr. Campbell and Bob Gates, Director of Health Services. The objective was broadened in two ways; the Drug Abuse Program Office is a small piece of a bigger picture that includes other things, like the Antelope Valley Rehab Centers. The second was to determine in what ways contracting can contribute to the effectiveness, efficiency of the Department of Health Services. By the May Commission meeting a report is necessary for the Supervisors

Inventory Management

Mr. Campbell reported that the Commission had been working for about 6 months of gathering information on the inventory and materials management picture in the County. Over the last ten years there have been warehouse consolidation studies, warehouse contracting studies, warehouse management studies, materials management systems developed, management audits and financial audits. Although there has been a lot of work there hasn't been any comprehensive look at the whole picture of how materials and goods move to the department through the procurement process - into storage or through transportation or to delivery. There is some disaffection in the CAO's Office to a consideration of having County-wide policy. So it looks like the issue is decentralized, with 35 separate inventory management

systems, or in some way centralized. And the second thing is no one has done a cost analysis of exactly what it costs to get something from supplier to requester. This information has been collected and the task force meeting within the next week will focus on that subject.

VII. NEW BUSINESS

Mr. Campbell stated that the Board action attempting to get the system of Commissions and Committees under control was sent to the Commission. There are only two elements which affect the Commission directly; one is the policy requiring every Commission to undergo a sunset review, at list annually. The second provision is the newly established policy that commissioners will generally serve no more than two terms. They have also established a waiver, for individuals, or for Commissions as a group.

VIII. PRESENTATION

Chairman Peever introduced two representatives of the Information Resources Activity Department from within the CAO's office, Ken Cable, Director of the County's Information Resources and his Assistant Peter Round.

Mr. Ken Cable, Director, Information Resources Activity Office, CAO

and

Mr. Peter Round, Assistant to Director, Information Resources Activity Office, CAO

Topic: Information Resources in the CAO and What We Are About.

Mr. Round began the presentation by giving an overview of information systems within the County. Years ago computers were difficult to learn, but currently personal computers are able to out-perform mainframes. These computers, or something like it, are at just about every workstation. The County has begun a telecommuting program to encourage employees to work from home. As the County managers become more familiar with the technology they demand more and more applications.

County managers have experience running main frame computers and now have learned to link systems. Managers are building small, linked personal computer systems, rather than wait for funding for main frame systems. The County has found that it is much better and far more productive to encourage this kind of growth while encouraging cooperation, not isolation. It is the data itself that is the asset, not the hardware and the software. The mission statement of the County Information Resources Program is not the running of systems, or developing of them, but rather "to coordinate all planning, system development and service systems".

Information Resources achieves its goals through several methods, one of which is the "Project Initiation Report". The old method of the "User Survey", at a cost of about \$25,000 per survey, has now been transformed by the Information Resources Office into a small report written from the management perspective. This report asks each department to submit a straight forward statement of what they want to achieve, and how is it going to affect the department. Department heads establish a clear goal and rationale for a proposed system that can be budgeted, with the approval of the "Project Initiation Report". This approval is not required for purchasing personnel computers, as long as they do not have a direct impact on the County-wide data pool.

Mr. Round noted that normally the development of software means that the person writing code owns the copyright. The County has now insisted through standardized language in every contract that they own the software programs that are written for them. However, simply owning the program is not the same thing as owning the copyright. So now that the County markets its software, the County has placed the copyright ownership provision in all contracts.

Mr. Round reported that the County has mandated that all contracted code writers are not to be paid until the system is running smoothly. This provides a completion incentive and an incentive to create efficient code resulting in increased profit margins. He noted that the leverage of the County is not to standardize the hardware platform, but to standardize data and communications standards. If the data and communications standards are imposed on the County, the computer industry will move on compatibility with County.

In response to several questions from commissioners regarding county data system security, *Mr. Round* responded that he had just received a security assessment policy from a data security specialist, Mr. James Peter Anderson, who is a data security consultant for the CIA, NASA and the Pentagon.

A handout was distributed at this point - "Revising and Simplifying Contract Procedure's and Enhance County Marketing" - which covered the following issues.

- Establishing a Standard for Telecommunications
- Establishing Standards for Data Administration
- Development of a Strategic Plan for the County
- A County-wide Capacity Plan for new Data Centers
- Revising the way we contract in order to simplify our contracting procedures
- How to Enhance County Marketing

Chairman Peever asked Mr. Round about the Information Systems Department in the Internal Services Department, asking about the difference in activity and how the two departments relate. *Mr. Round* answered that the Information Systems Department within the Internal Services Department is a "service provider". The CAO's Information Resources Activity Office develops policy. The Office does not have a server and they do not write programs, as opposed to ISD.

Chairman Peever thanked both gentlemen for their presentation.

VII. ADJOURNMENT

Chairman Peever then adjourned the meeting.