

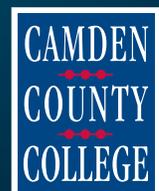
TRANSFORMATION

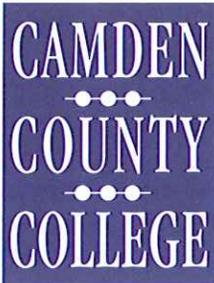


INITIATIVE

2nd Quarter Report – Year 2
June 1, 2010 – August 31, 2010

Louis S. Bezich
Principal Investigator





September 21, 2010

Hon. Louis Cappelli, Jr.
Members, Camden County Board of Freeholders
520 Market Street, 15th Floor
Camden, NJ 08102-1375

**RE: Camden County Transformation Initiative
Second Quarter Report – Year Two**

Dear Director Cappelli and Freeholders:

I am pleased to present the Camden County Transformation Initiative's Second Quarter Report for Year Two. This report reflects the period June 1, 2010 through August 31, 2010.

Actions during the quarter centered on four major areas: (1) engaging the leadership of the County's affiliated boards and commissions, (2) implementing the actions necessary to achieve the \$12.7 million in potential savings in the six targeted areas identified in year one, (3) completing the research on the eleven remaining targeted service areas, and (4) extending the consolidation philosophy to the direct service areas of health and education.

Consistent with our practice of transparency and the terms of the College/County shared services agreement, on June 16th I submitted a written report to the Board of Freeholders on the Initiative's First Quarter Results for Year Two.

On July 17th, the Transformation Initiative was cited in the *Philadelphia Inquirer* editorial "Christie should help towns consolidate." Referring to the Camden County program, the editorial stated "There shouldn't be a county that isn't studying consolidation options and where employment costs can be cut."

On July 27th, we conducted the first Camden County Leadership Summit. The conference convened the leadership of the County's eight affiliated boards and commissions, their CEOs and the Freeholder Director and Deputy Director. The event represented a major milestone in the reform effort. The next Leadership Summit will be held on October 25th and all board and commission members have been invited.

A specific accomplishment on the 27th was the announcement of a matrix management structure for procurement and legal services. The new structure will create a means to field test centralized management.



Blackwood
Campus
P.O. Box 200
College Drive
Blackwood, NJ 08012
(856) 227-7200

Camden City
Campus
200 North Broadway
Camden, NJ 08102
(856) 338-1817

William G. Rohrer
Center
1889 Rt. 70 East
Cherry Hill, NJ 08003
(856) 874-6000

Hon. Louis Cappelli, Jr.
Members, Camden County Board of Freeholders
September 21, 2010
Page 2

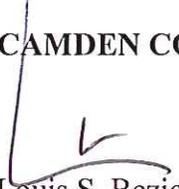
Progress continued on our various strategies to advance consolidation. One example was the merger of two publications, the Camden County College "*Magazine*" and the "*Camden County Pride*." The successful pilot project generated a savings of \$58,000 when a four-page insert on County events was included in the College publication.

Finally, it is also noteworthy that we report on the interest in the Transformation Initiative coming from elsewhere in the region. On July 28th, Dr. Yannuzzi and myself were invited to speak at a meeting of college and county officials at Atlantic Cape Community College. ACCC President Dr. Peter Mora and other college officials were joined by Atlantic County Administrator Gerald DelRosso to hear about the Camden County program. They expressed their interest in learning about the Camden County project and the potential for applications in their counties.

In addition, I have received an invitation to speak to the New Jersey Local Unit Alignment, Reorganization and Consolidation Commission (LUARCC) on September 23rd.

The continued support of the Board of Freeholders is greatly appreciated.

CAMDEN COUNTY COLLEGE



Louis S. Bezich
Vice President-Administrative Services

LSB/rjj

Executive Summary

The quarter ending August 31st centered on four major areas: (1) engaging the leadership of the County's affiliated boards and commissions, (2) implementing the actions necessary to achieve the \$12.7 million in potential savings in the six targeted areas identified in year one, (3) completing the research on the eleven remaining targeted service areas, and (4) extending the consolidation philosophy to the direct service areas of health and education.

On June 16th Principal Investigator Louis Bezich submitted a written report to the Board of Freeholders on the Initiative's First Quarter Results for Year Two consistent with the terms of the College/County shared services agreement.

On July 17th the Transformation Initiative was cited in the Philadelphia Inquirer editorial "Christie should help towns consolidate." Referring to the Camden County program, the editorial stated "There shouldn't be a county that isn't studying consolidation options and where employment costs can be cut" (see Appendix).

On July 28th Mr. Bezich and Dr. Yannuzzi were invited to speak on the Transformation Initiative at a meeting of college and county officials at Atlantic Cape Community College (ACCC). ACCC President Dr. Peter Mora and other college officials were joined by Atlantic County Administrator Gerald DelRosso to hear about the Camden County program. They expressed their interest in learning about the Camden County project and the potential for applications in their counties.

On August 24th the first meeting of the **Transformation Team** was convened. The team is comprised of all the committee chairs, co-chairs and others implementing the work of the Initiative. Progress in a number of areas and a resulting overlapping of some project elements created a need for the meeting and a unified dialogue.

In particular, the meeting produced: (1) a means for developing a common strategy for automated time and attendance, (2) the kick-off for the formation of a janitorial services team along with samples of potential cost-saving techniques, and (3) details on the adoption of a consolidated telephone pilot project for the College, the Library, and the Technical Schools. The meeting proved to be very productive in coordinating project details and generating more ideas for consolidation. Meetings will be scheduled each quarter going forward.

Mr. Bezich also received an invitation to speak to the New Jersey Local Unit Alignment, Reorganization and Consolidation Commission (LUARCC) on September 23rd.

(1) Engagement: Leadership of County Affiliated Boards and Commissions

A power outage at Camden County College on June 24th forced cancellation of the inaugural Camden County Leadership Summit, a conference of the Board

of Freeholders and all of the members of the boards and commissions on the County's eight affiliated organizations.

As an interim step before rescheduling of the event, on July 27th the chairpersons of the boards and commissions were invited to join Freeholder Director Louis Cappelli, Jr. and Deputy Director Ed McDonnell along with the executive staff of each affiliated organizations to discuss the Camden County Transformation Initiative.

The participants were addressed by the Freeholder Director and presented with a PowerPoint summary of the first year of the Initiative (see Appendix). Perhaps most importantly, the conference provided a forum for a candid and open discussion about the challenges facing county government and the new strategies for county governance represented by the Initiative. Each affiliate was represented at the meeting. The next Leadership Summit for all board and commission members has been scheduled for October 25th.

Matrix Management Structure: Procurement & Legal Services

A key announcement at the July 27th Summit was the implementation of a matrix management structure for procurement and legal services. The announcement represented a major step in the effort to reform the County's internal business operations and advance the principles of the Transformation Initiative.

The matrix management structure centralizes the management of procurement and legal services among the freeholder-managed departments and the affiliated organizations. Further, it creates a platform for improved service delivery and more efficient operations.

Matrix management employs a dual reporting structure where the purchasing officials and lawyers of each County affiliate would continue to be employed by their respective organization and maintain a level of accountability to that reporting structure.

However, in addition, they would also have a substantive reporting requirement (as defined in a shared service agreement) to the leader of their area. In law this is Mike Brennan. In procurement this is Anna Marie Wright. In both areas these individuals have already begun to coordinate actions.

The expectation is that the work, product and services to the "home" organizations will be enhanced by the stronger management structure. Coordinated purchasing has already produced a cost savings through consolidated procurement. In law, we envision a savings over time as redundancies are eliminated.

In legal services, this new structure will be rolled-out in conjunction with the start up of the Virtual Law Firm (VLF) which has been in the works for several months. The Virtual Law Firm will provide an on-line real-time means for all of the County's lawyers to communicate with one another, pose questions, receive answers, make connections to related web-sites and to store and retrieve any number of legal documents, opinions, and memoranda. The combination of the new dual reporting structure and the VLF will significantly advance the consolidation of legal services and open the door to a new level of professional interaction and service delivery.

In purchasing, the new structure will be coordinated with the development of an on-line purchasing site that will provide vendors with a single link to all public bids offered from any organization in Camden County. The purchasing site will provide the County and county affiliates with a means to enhance competition and transparency in the procurement process. Moreover, it will position the County should the state approve electronic advertising and procurement. As with legal services, the combination of the new reporting structure and the application of improved technology will advance the proficiency of the function, cut costs and strengthen consolidated management.

In both cases, the matrix management structure will enable the County to more directly move toward a coordinated, centralized system that will enhance services and reduce costs. Additional details are found later in this report.

(2) Implementation: Cost Saving Strategies from Year One

In year one, savings opportunities of \$12.7 million were identified through six of the eighteen areas examined. In year two, implementation actions were initiated in an effort to realize these savings. During the second quarter of year two, several actions were taken in this category. The highlights include:

- In July, the first consolidated publication was issued producing a **savings of approximately \$58,000**. The fall 2010 issue of the Camden County College *Magazine* contained a four-page insert of county information that was previously the subject of a separate mailing known as the *Camden County Pride*. Among the benchmarks for measuring success was the public's response to the Women's Health Conference which was featured in the insert. Response to a story and accompanying registration form was the largest in the history of the event. The success of the pilot has confirmed the permanent use of this format and the elimination of the need for a separate publication (see Appendix).
- On August 24th **twenty-one front-line supervisors representing six County organizations graduated** from a supervisory training program entitled *Camden County University*. The program is designed to enhance their skills and provide them with increased capability to control absenteeism abuse. The program is one of several strategies designed to

reduce an estimated \$10 million annually in absenteeism abuse. A second class will run in the third quarter.

- A consolidated **County-wide bid was received in July** for janitorial supplies. Savings are estimated in the range of 15%-30%. To date, consolidated procurement has produced a **savings of over \$800,000** (see Appendix).

(3) Complete Research on Twelve Service Areas

During the first quarter of year two several actions were taken in this category. The highlights include:

- Effective August 30th new courier routes and responsibilities will be implemented. The reorganization is projected to **save approximately \$4,000 in reduced labor costs.**
- Effective September 1st courier services at the Board of Social Services previously outsourced will be absorbed by the County's in-house courier system **producing a savings of \$10,000.**
- **Final results of the unit cost analysis of janitorial services were completed.** The results demonstrated the value of unit cost analysis and provided substantial insight into the costs of government-delivered services when compared to private delivery. The results generated several cost-saving ideas.
- **All facets of the Virtual Law Firm were completed.** Roll-out is scheduled for September 23rd.
- A milestone in the consolidation of telecommunications services was reached with the development of a partnership to consolidate telecommunications services between the College and the Library. Under the plan, the College will serve as the hub for telecommunications operations for both the College and the Library. Both organizations need new systems and the partnership will reduce the cost of new equipment for the Library and generate an immediate **savings of \$5,700.** More importantly, the unified hub will position the College to coordinate a telecommunications back-up/redundancy partnership eventually with the County whereby each entity will serve as a back-up for the other in the case of service disruptions. Finally, the College's hub will also be able to serve the Technical Schools. All of this also starts the positioning for the adaptation of Voice-Over-Internet Protocol (VOIP).
- Beginning August 30th recycling containers were delivered to four County affiliates participating in a consolidated recycling program, the College

Technical Schools, Health Services Center and CCMUA. Through a **\$214,000 grant** from the State of New Jersey, the County has purchased recycling bins for each entity and, through some assistance from the CCMUA, will begin unified pick up and disposal of recyclable materials. Preliminary estimates of the **annual savings include \$6,000 at the CCMUA, \$22,672 at the College and \$3,865 at the Health Services Center.** The program will also create an incentive for the affiliates to increase recycling.

(4) Extending Consolidation Philosophy to Direct Services: Health & Education

In year one, the business services provided a model for analysis and evaluation of the potential for consolidation. In year two, the Initiative will extend this model to at least two direct service areas, health and education.

Health

The Health Committee conducted meetings on June 9th and July 7th. The committee is comprised of representatives from the Camden County Department of Health and Human Services and Health Services Center. Data collection was initiated through the distribution of questionnaires on June 9th. On July 7th a full set of completed questionnaires was submitted by Health Services. A preliminary set of data was received from Health and Human Services. Additional data is being compiled.

Education

The Education Committee met on June 9th. The committee is comprised of representatives from the College, the Library and the Technical School district. The initial session produced some preliminary findings. The most notable conclusions center on four areas: (1) program and service offerings, (2) operations, (3) constituencies or markets, and (4) facilities. It should be noted that the discussion was facilitated by the fact that the three entities are currently engaged in a number of partnerships that make each familiar with the other's operations.