

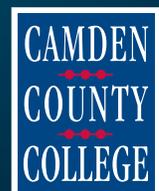
# TRANSFORMATION

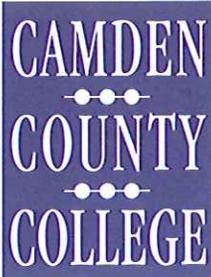


# INITIATIVE

**4th Quarter Report – Year 2**  
December 1, 2010 – February 28, 2011

**Louis S. Bezich**  
Principal Investigator





March 16, 2011

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

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

Dear Director Cappelli and Freeholders:

I am pleased to present the Camden County Transformation Initiative's Fourth Quarter Report for Year Two. This report reflects the period December 1, 2010 through February 28, 2011 and the completion of two years of the Initiative. Through the end of this period we have produced a savings in excess of \$1.2 million. The reforms proposed in this report have the potential to save an additional \$1 million in 2011.

Equally important is the platform for reform that we have built during these first two years. This platform has positioned the County to embark on a full-scale agenda in year three which includes: (1) the consolidation of 15 business support services, (2) the consolidation of post-secondary education, and (3) the consolidation of the Pollution Control Financing Authority ("PCFA") into the Camden County Improvement Authority ("CCIA"). These actions and others contained in this report demonstrate the value of a solid foundation.

Actions during the quarter centered on: (1) continued investigation and action towards consolidation of business support services, (2) completing due diligence on the consolidation of the Technical Institute into Camden County College and other direct service consolidations, (3) reinforcing the principles of the Initiative among the leadership of the County's affiliated organizations and expanding efforts at civic engagement, and (4) developing an aggressive agenda for year three.

Consistent with our practice of transparency and the terms of the College/County shared services agreement, on December 14<sup>th</sup> I submitted a written report to the Board of Freeholders on the Initiative's Third Quarter Results for Year Two. And while just past the close of the quarter, on March 2<sup>nd</sup>, Director Cappelli, Marge Della Vecchia and I met with the Courier-Post Editorial Board.

On January 25<sup>th</sup> we convened the third Leadership Summit to set forth the agenda for year three including the assignment of responsibilities and due diligence deadlines. Participating in the Summit were the Freeholder Director, county



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**Hon. Louis Cappelli, Jr.**  
**Members, Camden County Board of Freeholders**  
**March 16, 2011**  
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administration, the chairpersons or board representatives of all affiliated governing bodies and their CEOs. The attendees were addressed by the Director who stressed the continuing commitment of the Board of Freeholders to the Initiative and the need to accelerate and expand the scope of the project. The Director's message was followed by a detailed presentation that set forth the agenda for the year, assigned responsibilities and established due diligence deadlines.

Highlighting the session was the expansion of the Initiative, namely, the identification of major consolidations beyond business support services. These included: the consolidation of the PCFA into the CCIA, the Technical Institute of CCTS into the College, the repositioning of the Board of Social Services as a department within the county and the elimination of the board, and alternative operating structures for the Health Services Center.

On February 3<sup>rd</sup> a follow-up meeting was conducted for all Team Leaders (i.e., committee chairs). A due diligence template was prepared and distributed to insure that all research was performed in a consistent fashion. Together, the Leadership Summit and the Team Leader session established a "game plan" for year three.

Among the accomplishments during the fourth quarter were:

- Start of the third class at Camden County University. On January 11<sup>th</sup> twenty-five mid-level managers started a course on supervisory skills. Seven participants represented freeholder-managed units and 18 came from affiliated organizations. The class will be completed on March 22<sup>nd</sup>.
- A consolidated bid for exterminating services and portable toilets that resulted in no cost increase in 2011 vs. 2010.
- Completion of an eight minute video to further public understanding of the Initiative is enclosed and accessible online at <http://www.youtube.com/watch?v=4WGwgdkFJiQ>.
- Creation of a single portal for vendor access to purchasing opportunities.
- A presentation to the New Jersey Council of County Colleges on February 11<sup>th</sup>.

As always, the continued support of the Board of Freeholders is central to our success. It is greatly appreciated.

**CAMDEN COUNTY COLLEGE**

  
Louis S. Bezich  
Vice President-Administrative Services

LSB/dms

# Executive Summary

In the quarter ending February 28<sup>th</sup> actual savings achieved to date through the **Transformation Initiative topped \$1.2 million**. Reforms proposed in this report have the potential to save an additional \$1 million in 2011.

Actions during the quarter centered on: (1) continued investigation into consolidation of business services, (2) completing due diligence on the consolidation of the Technical Institute into Camden County College and other direct service consolidations, (3) continued reinforcement of the Initiative's philosophy among the leadership of the County's affiliated organizations and expanding efforts at civic engagement, and (4) developing an aggressive agenda for year three that includes consolidation of full agencies.

Consistent with our practice of transparency and the terms of the College/County shared services agreement, on December 14<sup>th</sup> a written report was submitted to the Board of Freeholders on the Initiative's Third Quarter Results for Year Two.

While just past the conclusion of the quarter, on March 2<sup>nd</sup> Director Cappelli, Marge Della Vecchia and I met with the Editorial Board of the Courier-Post as part of our ongoing efforts for transparency and civic engagement. The paper continues to support the Initiative. Finally, a presentation was made to the New Jersey Council of County Colleges on February 11<sup>th</sup>.

The following is a summary of the fourth quarter highlights.

## **(1) Consolidation: Business Services**

*Work continued on the consolidation of specific functions within business service areas. To date, this work has produced actual savings in excess of \$1 million. On January 25<sup>th</sup> a full scale effort was initiated to complete due diligence on the 15 business services remaining under review to determine the ability to enact full-scale consolidations of business service units. The 15 business services identified on January 25<sup>th</sup> include: finance, janitorial, fleet management, building maintenance, groundskeeping, information technology, telecommunications, human resources, security, procurement, legal services, printing, publications, marketing and facilities.*

*A Team Leader was assigned for each area. A research agenda was identified and a due diligence template was distributed to all Team Leaders to insure the consistency of the research. Deadlines for completion of the due diligence were established for each service. Below are the business services highlights from the quarter. Detailed progress reports are contained in the next section.*

- A new consolidated procurement portal and website was launched. Over 25 vendors have already signed up. Five bids and several RFP's have been scanned to the website.

- A consolidated bid for exterminating services and portable toilets resulted in no cost increase in 2011 vs. 2010.
- The third class began at Camden County University. On January 11<sup>th</sup>, 25 mid-level managers started a course on supervisory skills. Seven participants represented freeholder-managed units and 18 came from affiliated organizations. The class will be completed on March 22<sup>nd</sup>.
- The County issued a bid for facility management services to measure the potential savings through outsourcing. The scope of services includes janitorial and maintenance services. Responses are due March 11<sup>th</sup>. The use of any outsourced delivery models will be tested in the County buildings, and if successful, will serve as a basis to apply facilities outsourcing county-wide.
- In the area of Information Technology, during the quarter implementation began for a new phone system on the Blackwood campus of Camden County College. Completion is targeted for April after which the Camden County Library will be services by this system.

#### **Savings to Date • Camden County Transformation Initiative**

Consolidated Payroll	\$ 7,000
Consolidated Procurement-Trash	\$828,454
Consolidated Procurement-Printing	\$ 11,965
Centralization: In-House Printing	\$ 18,000
Consolidated Publications	\$ 58,000
Consolidated Courier Services	\$ 14,119
Consolidated Recycling	\$ 32,537
Consolidated Telecommunications	\$ 5,700
Property & Casualty Insurance	\$219,000
Consolidated Security Bid	<u>\$103,000*</u>
<b>TOTAL</b>	<b>\$1,297,775</b>

\*Under review

#### **(2) Consolidation: CCTS Technical Institute into Camden County College and Direct Service Consolidations**

*The consolidation of the CCTS Technical Institute into the college was cited in prior reports as an opportunity to save money, expand academic offerings and enhance student opportunities. Health services was a second area identified and examined. Progress has been made in both areas as reported below.*

- Research has been completed on the consolidation of the Technical Institute of CCTS within Camden County College. The research team has recommended the transfer of this function effective July 1, 2011. The action will save upwards of \$750,000 to \$1 million, improve/expand course offerings and provide other benefits to students.

- On January 25<sup>th</sup> several direct service functions in the Department of Health and Human Services were identified as candidates for alternative delivery through outsourcing or other levels of government. These included: WIC, IRDC, Senior and Disables Services, Consumer Protection and Non-Public School Nursing. Implementation of the due diligence on these services was initiated.
- A shared services agreement for a loaned-executive and management of the Department of Health and Human Services has been approved by the Board of Managers. A companion action is anticipated by the Board of Freeholders. Together these actions will provide executive support for the implementation of the cost-saving initiatives identified above.
- Research into operating alternatives for the Camden County Health Services Center was identified at the January 25<sup>th</sup> conference. Work has commenced on the evaluation of alternatives that would reduce costs without compromising patient care.

### **(3) Governing Body Leadership & Expanding Transparency/Civic Engagement**

*The support of the leadership of the County's affiliated organizations continues to represent a critical factor in the success of the Initiative. During the quarter the relationship between the Freeholders and the leaders was a central theme of the January 25<sup>th</sup> Leadership Summit.*

*Transparency and civic engagement remain as the cornerstone of the Transformation Initiative. During the quarter efforts were made to expand these areas to further strengthen the project.*

- The January 25<sup>th</sup> Leadership Summit, the third to-date under the Initiative, served as a vehicle for the Freeholder Director to address the representatives and strengthen the commitment between the Freeholders and these leaders. The Director emphasized the changed nature of local governance and the severe financial pressures impacting the County.
- An eight minute Transformation Initiative video was produced by Camden County College. The video has been set up for public access and circulated to the full Transformation Team. The video provides an overview of the Initiative and specifically describes its purpose and goals. It includes an explanation as to how the structure of Camden County government evolved over the years and how the Initiative applies contemporary management techniques, specifically consolidation, to reverse the inefficiencies of the past. The piece will provide the public with further insight into the project and enhance public understanding. The video is accessible online at: <http://www.youtube.com/watch?v=4WGWgdkFJiQ>.

- On February 11<sup>th</sup> a presentation on was made to the New Jersey Council of County Colleges. Several New Jersey county colleges were represented.

#### **(4) Consolidation/Repositioning of Agencies**

*During the quarter work began on the: (1) consolidation of the PCFA into the CCIA, and (2) an analysis of the viability of repositioning the Board of Social Services as a department of county government. The following actions have been performed during the quarter.*

##### **CCIA/PCFA**

- Kick-off meetings were conducted with Directors of each agency to establish a strategic agenda and consolidation plan.
- Kick-off meetings were conducted with counsel of each agency to discuss details of finance, operations and consolidation.
- Conducted review of policies and procedures for each authority to facilitate consolidation.
- Prepared draft report to Freeholders with recommended timeline of PCFA dissolution and incorporation into CCIA.
- Anticipated action by Freeholders: March Freeholder meeting with companion resolutions by each Authority immediately thereafter.
- Proposed submission to Local Finance Board for authorization, April 2011.

##### **Board of Social Services**

- Work was initiated on the feasibility of eliminating the Board of Social Services as a separate body and repositioning the function as a department of county government. Gloucester County will be studied to gain insight into this recommendation.