

Tom's MM Review Recommendations

I recommend:

- Developing a **clear, consistent, and understood set of “philosophies”** regarding the County's internal services. Will these programs: be centralized models, decentralized models, or hybrid models; have service demand centrally controlled or departmentally defined; have service levels based on cost containment or internal customer satisfaction; and have cost containment viewed from departmental or Countywide perspectives?
- Giving some consideration, when staff time allows, to revisiting the decisions on **which programs are funded by the General Fund and which are funded through internal service funds.**
- The **sequencing of the decisions** on outsourcing Fleet Maintenance, Central Stores/Materiel Management, and Distribution Services is made in the above order. The size and shape of Distribution Services will be impacted by the decisions on Materiel Management and the size and shape of Materiel Management will be impacted by the decisions on Fleet Maintenance.
- **Maintaining and growing County partnerships** with outside agencies. In the case of Materiel Management, I would recommend allowing the use of Central Stores by the County's non-profit contractors. This could potentially reduce contractor costs to the County and spread some overhead.
- Understanding the significant cost, service, and organizational **impacts of decentralizing the transactional processing** currently performed by Central Stores before making any decisions to outsource.
- **Not outsourcing Central Stores** unless a strong case can be made that total County costs, including shifted workloads, lower volume discounts, and current commodity cost savings across most product lines can be demonstrated. The Coraggio Report did not make this case.
- **Including both departmentally purchased commodities and Central Stores in any implementation planning** to identify any cost efficiencies from consolidating those into the Central Stores.
- Evaluating the benefits and costs of consolidating the finance/budget/billing functions that come to the new Dept. of Asset Management
- **Strong inventory and fiscal controls be maintained** and restructured if a decentralized model is finally chosen. Materiel Management is the County's expert in inventory control and has grown in responsibility as a result of inventory control issues in other County programs. Determine **who will be responsible and accountable for inventory control** of over 1,329,323 units of issue valued at over \$11,000,000 per year.
- **Talking to the County Attorney's Office about whether the Private Express Statutes** have any exceptions that would allow interoffice mail delivery to be contracted out without adding postage.
- Learning about the State of Oregon's experiences and costs with contracted lab deliveries.
- Giving very **serious consideration** to and planning for emergency management issues. **Fleet, Central Stores, and Distribution Services have been at the heart of emergency response for the County.** Emergency fuel, public works supplies, and medical supplies will be critical in the County's emergency response efforts. Staff from these programs has led the Logistics section in past Incident Command responses. The County should not, in my opinion, rely on contracts for these critical services. There are no acceptable excuses for a lack of adequate response in emergencies. Contract lawsuits after an emergency will not provide forgiveness from the public for inadequate emergency response.