Business Process Improvement Model Update

Briefing to the Finance, Audit & Accountability Committee

April 24, 2006
Purpose

- Provide additional information
- Answer specific questions on improvements in the Street Services Department
- Recap the funding considerations
What other methods or models were considered?

- **Six Sigma**
  - Data driven
  - Difficult to apply at all levels
  - Rigid in its approach

- **Lean Manufacturing**
  - Narrowly focused on cost cutting vs. efficiency
  - Lacks the customer service component

- **Total Quality Management (TQM)**
  - Requires quality circles/work groups to leave the workplace for meetings
  - Lacks customer focus
  - Lacks global perspective
Why the ISO Model over other business process tools?

- ISO certification is a coveted international recognition for quality assurance
- ISO requires a third party to come in and evaluate us against a standard set of requirements, thus assuring a high level of quality
- Environmental Management System (EMS) was mandated by the City Manager’s Office in 11 City Departments
- Many EMS and QMS functions overlap
- QMS Allows
  - Input at all levels
  - Supply chain/vendor relations
  - Weekly production meetings (compare goals to results)
  - Focus on customer service
  - Management review of measurable objectives
  - Standard operating procedures to be a part of the work
Can you give examples of quantifiable improvements using ISO 9001?

- **Supply Chain and Vendor Relations**
  - QMS requires examination of the supply chain and vendor relations function
  - QMS caused us to examine the preventive maintenance (PM) history of our fleet
  - We conducted a fleet utilization review and as a result we were able to reduce the fleet with a corresponding savings of $75,000

- **Weekly Production Meetings**
  - For the first time Street Services began to conduct weekly meetings to compare goals to actual
  - Scheduling improvements resulted in an additional 80 lane miles of preventive maintenance in FY 2005
Can you give examples of quantifiable improvements using ISO 9001?

**Focus on Customer Service**

- Previously only hazardous potholes were radio dispatched to a pothole patch truck (SLA 24 hours)
  - Non-hazardous potholes were not radio dispatched (SLA 120 days)
- We experienced a number of overdue requests for non-hazardous potholes
- ISO 9001 requires us to examine areas where we can improve customer service
  - We mapped the process for 3-1-1 pothole calls
- As a result, all pothole repairs began to be radio dispatched
Can you give examples of quantifiable improvements using ISO 9001?

- **Focus on Customer Service…**
  - The pothole patching crew began making repairs to all potholes when possible
    - If not, they assessed what was needed and assigned it to the appropriate crew
  - We continued to repair hazardous potholes within 24 hours
    - The non-hazardous potholes SLA improved from a maximum of 120 days to 5 days
  - This was done by eliminating the need for a service agent to go and evaluate non-hazardous potholes
    - This is now done by the crew of the pothole patching truck
Are there any other cities ISO certified level?

- The following cities have ISO certification for one or more departments:
  - New York City Port Authority
  - City of Charleston, South Carolina
  - City of Edmonton, Alberta, Canada
  - City of Tokyo, Japan

- There are some U. S. cities that have ISO 9001 or 14001 for divisions within a department

- Dallas would be the first major U.S. city to achieve this certification
Texas Nameplate, a Dallas-based company, Malcolm Baldridge Award Winner 1998, 2002 and Registered ISO 9001, 14001

“ISO certification has brought us the following benefits:

- helps our people have a better idea of what they’re expected to do;
- creates an atmosphere of accountability;
- offers a systems perspective of running an organization;
- minimizes or eliminates ad hoc procedures, resulting in us becoming less reactive and more proactive;
- provides the opportunity to document and improve our processes; and
- indicates to customers that we’re truly interested in providing the best value to the end user”

Dale Crownover, President & CEO
Can we pay for this out of anticipated savings/improvements?

- Previously we recommended contingency reserves as the funding source
- Council Committee members expressed a concern to see a return on their investment
- Recommendation:
  - Fund first year implementation costs out of existing department budgets from efficiency improvements
Next Steps

- Prepare Agenda Item for Council Approval on May 10, 2006
- Execute a Contract with UTA-TMAC
- Implementation