



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 8/2/2022

To: Board of Supervisors

Department or Agency Name(s): County Administrator's Office, Transportation and Public Works, General Services

Staff Name and Phone Number: Christina Rivera 707-565-2048, Johannes J. Hoevertsz, 707-565-2231

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Consolidation of Transportation and Public Works, and General Services Departments

Recommended Action:

1. Approve consolidation of the Transportation and Public Works Department and the General Services Department.
2. Approve move of General Services Energy and Sustainability Division to the County Administrator's Office.
3. Direct these departments and the Human Resources Department, County Administrator's Office, County Counsel's Office, Auditor-Controller-Treasurer-Tax Collector and any other necessary departments to initiate and complete the necessary legal and administrative actions to implement the consolidation with the objective of completing these necessary steps and effectuating the merged departments in early 2023.

Executive Summary:

Staff are recommending that the Board authorize a permanent merger of the Transportation and Public Works and General Services Departments. With this consolidation, staff are also recommending that the Director of Transportation and Public Works, Johannes J. Hoevertsz, be appointed director of the newly-combined department.

Staff are also recommending the Energy and Sustainability Division, currently located within General Services, be moved permanently to the County Administrator's Office (CAO).

In support of the work necessitated by this consolidation and re-organization, staff are requesting authorization for the necessary departments to initiate and complete the legal and administrative actions to implement the consolidation with the objective of completing these actions and processes by early 2023. If a significant amount of classification work is needed after the mergers are completed, Human Resources will develop a work plan to resource and complete the classification work as "phase two" for completion in the 2023 calendar year.

Discussion:

The General Services Department (GSD) provides internal service functions for County departments including

the purchasing of goods and services; the procurement and maintenance of vehicles, equipment, and real estate; veterans building operation and maintenance; capital project management; and energy and sustainability services. The Department currently has 105.50 Full Time Equivalent (FTE) positions, with an annual operating budget of \$47,353,066. Funding sources include General Fund, internal service rates, lease revenues, and reimbursement from departments for various projects.

The Transportation and Public Works Department (TPW) plans, builds, and maintains critical transportation infrastructure, including roads, bridges, street lighting districts, traffic signals, and a County service area with four water systems, within the unincorporated areas of Sonoma County, and manages an airport, public transit services, and maintains multiple solid waste disposal sites. The Department currently has 175.0 FTEs, with an annual operating budget of \$217,725,943. Revenue sources include special revenue funds sourced from State, Federal, and General Fund contributions, and enterprise funds sourced from rents and fees.

Background:

Early in 2022, the incumbent General Services Director retired and the County needed to determine interim leadership of the department. On January 25, 2022, your Board approved an amendment to the Personal Services Agreement for the Director of Transportation and Public Works (TPW), authorizing the TPW Director to lead the General Services Department (GSD) for an interim period. As part of the interim plan, your Board directed staff to assess the long-term and operational and administrative feasibility of permanent consolidation of these two departments, or whether a recruitment for a new General Services Director should be conducted. Considerations for the interim period included the following:

1. Determination whether the two departments should be consolidated, including potential benefits, concerns, and whether other counties employ a similar model.
2. Evaluation of the Purchasing Division, to determine whether it would remain under GSD or if it would be more appropriate to align with another County department.
3. Feasibility of consolidating departmental Administrative functions under a merged TPW/GSD department.
4. Re-location of Energy and Sustainability Division from GSD to CAO.

Energy and Sustainability Since the temporary consolidation back in March, it has proven effective to align the Energy and Sustainability Division (ESD) and the Climate Action and Resiliency Division within the CAO. Joining the two divisions is advantageous for both County operations and the greater community. ESD's services and resources significantly contribute to the County's response to the climate crisis and consolidating these efforts into the Climate Action and Resiliency Division streamlines the County's climate action and improves collaboration. The two divisions share the overall mission of helping the County adapt to climate change while mitigating its impact, and consolidation will increase the County's effectiveness in working towards this goal. These synergies make it evident that ESD is best suited to transfer to the Climate Action and Resiliency Division within the County Administrator's Office. ESD currently operates with 9.0 FTEs. Combining the two divisions within the CAO will result in 14.0 FTEs within the new combined division.

Consultant/Staff Feedback

Immediately following this interim consolidation, GSD department administrative functions including Human Resources, Fiscal, Accounting, Customer Service, Communications, Parking, and Veteran's Building management, were temporarily assigned under the direction of an interim Administrative Services Director. During this time an executive secretary position was temporarily on loan to the CAO, though it is anticipated the position will return and remain in the newly consolidated department long term.

During this interim period staff began working with a County-contracted organizational development consultant, Leap Solutions Group, Inc. (Consultant), for analysis and project management of the potential merger. The Consultant was retained in order to provide an unbiased, neutral perspective, and to make recommendations as the departments progressed through the consolidation process. This included evaluation of the potential merger, development of a communication plan, and organizational restructuring analysis. The Consultant met with leadership from both departments to receive input on a potential merge, and a working committee comprised of managers from GSD and TPW was formed. This committee met weekly to make recommendations for a communication plan and to provide input for the Board report.

Additionally, a survey was conducted in May 2022 and distributed to all TPW and GSD staff, to a total of 300 employees (108 GSD, 192 TPW, including permanent and extra help). The survey solicited feedback on the potential benefits and/or concerns of a merged department. Following is a summary of feedback received:

- 165 responses were received of which 76 responded from GSD and 89 from TPW. Employee rate of response was 70% from GSD and 46% from TPW.
- Impacts: Almost half of employees believe there will be no impacts to their current role, while an even smaller number were uncertain or believed there will be impacts. Feedback included concerns about a change in leadership styles, already overburdened workloads, and uncertainty about duplicative positions across the departments.
- Potential Benefits: Staff believed efficiencies could be realized through economy of scale, increased expertise/knowledge base, overlap in services already provided, new employee growth opportunities, streamlining of processes, and costs savings. Many were uncertain about future impacts, but had a positive outlook on how the new department would function.
- Concerns: Staff expressed concerns about how this consolidation would impact their workload, , potential layoffs, and desired support and transparency from management through the process.
- Overall feedback ranged from excitement about the consolidation to uncertainty about the future, and 3% of employees expressed their belief that it should not occur.

The working committee subsequently conducted focus groups with leadership from both departments to share a high-level summary of the data collected from the survey, and to solicit their input on how to make the consolidation more successful. A summary of the survey results will be shared with employees as well.

Internally, leadership is continuing to facilitate communications with employees by providing regular updates on the consolidation process. This is facilitated through periodic e-mailed "Director Updates" documenting progress and highlighting important dates and milestones. Following the survey, an all staff Zoom meeting was conducted giving employees from both departments an opportunity to "ask anything" of the director. It was

attended by over 100 employees from GSD and TPW, and many participated by asking or submitting questions. Feedback in all forms continues to be encouraged by leadership.

If a consolidation is approved, the Department will continue to work with H/R and the Consultant to help address areas of concern identified in the survey. Communication with staff has been a priority through the interim period and will continue to be a priority for the implementation phase.

Comparable Counties

In determining whether this consolidated model would be feasible, staff analyzed other comparable counties that have General Services-type divisions located under Public Works-type departments. While there is not a true 'apples to apples' model, there are other counties who have consolidated general services divisions under the Public Works umbrella:

- Contra Costa County Public Works (519 Full Time Equivalent (FTE) positions) includes County Drainage Maintenance, Facilities Maintenance, Fleet Services, General Services, Purchasing, and Road Construction divisions.
- Fresno County Public Works and Planning (90 FTEs) includes Community Development, Construction Management, Design, Development Services and Capital Projects, Resources, Road Maintenance and Operations, and Water and Natural Resources divisions.
- San Luis Obispo County Public Works (252.75 FTEs) includes Solid Waste, Safety, Resources, Transportation/Development, and Facilities/Support divisions.

Benefits

In consideration of a long-term consolidation, staff evaluated potential benefits of consolidating GSD and TPW. Areas of efficiencies and potential cost savings were contemplated, and employee survey results were taken into account. Following are potential benefit areas already identified:

- Economy of Scale: Where possible, staff will share resources internally, including collaboration on procurements, partnerships with outside agencies and organizations, and grant-seeking opportunities.
- Organizational Efficiencies: The Departments already have some overlapping areas that will be enhanced through improved communication and elimination of duplication where feasible. Currently, maintenance staff are assigned to Facilities Operations, Airport, and Roads. Staff will evaluate potential consolidation of some of these duties, with the goal of establishing more efficiencies in these areas and ultimately improving service delivery. Additionally, Fleet Operations maintains the Roads Heavy equipment fleet, and there has been a long-standing partnership between the two departments. Real Estate is another area of existing collaboration that staff believes will be further enhanced by the consolidation.
- Cost Savings: No areas of cost savings have been identified yet, but staff anticipates over time there may be opportunities discovered. This may occur as further organizational development happens, and more administrative functions are consolidated between the two departments. While the two departments have unique funding sources, staff will work to ensure any restricted funding is preserved through the transition.

Purchasing

During the interim period, staff considered where County Purchasing should reside. Many departments were considered, including Auditor Controller Treasurer Tax Collector, County Counsel, County Administrator's Office, and Human Resources. While there were benefits to each of these options, Sonoma County's existing model was consistent with other California counties. In an effort to maintain service delivery during emergency and non-emergency times, Purchasing should reside in a department that allows for flexibility and nimble operational response.

Staff are recommending that Purchasing should remain under General Services and ultimately as part of the newly consolidated department. Purchasing currently undergoes regular audits to review procurement processes and the Cal Card program; both conducted by the Sonoma County Auditor's Office. Additionally, an external audit is conducted annually by an outside firm, in accordance with the Annual Comprehensive Financial Report (ACFR) to ensure Purchasing and departments are following established procurement policies. Staff are committed to continuing this process to ensure that County procurement and Cal Card services remain transparent and unbiased, including as to transactions undertaken by the now-consolidated departments. In addition, improvements and adjustment to the program, are expected to result from the CAO lead Strategic Plan Organizational Excellence pillar, objective 1-5: "Align procurement and grant guidelines with strategic priorities and racial equity principles" project underway.

Administration

During the interim period, staff have identified duplication occurring in Administrative areas such as HR, Accounting, Fiscal, Payroll, Safety, etc., as both departments already had these functional areas in place. Staff are actively working on future consolidation of these functions, and vacancies in these areas are being carefully assessed with consolidation in mind prior to conducting recruitments. Department staff will work with Human Resources and the Consultant for ongoing organizational analysis, and will return to the Board with any new recommendations for position changes, (if any arise from the analysis and/or as identified by the Human Resources department.

Implementation Actions and Processes

There are many administrative and legally required actions that must take place that will involve several departments. Implementation will take many months assuming your Board approves the consolidation of the two departments. Continuing to assess the departmental administrative functions and develop the consolidated organizational structure is paramount to the consolidation. Some other steps include Human Resources must offer the unions to meet and confer on effects of the decision, the County's budget and human resources systems must be modified including necessary budgetary and position allocation transfers, County Code needs to be updated, and classification reviews and potential studies must be completed based on position's changed roles and structures.

Staff will prioritize processes and actions with the objective of the implementation and effective date of the merger to be early 2023. Longer-term work that is identified that is not immediately necessary to implement, such as classification studies, will be considered as "phase two" work with the objective of completing this work by the end of the 2023 calendar year. Any necessary Board actions will be brought forward in the future

as aspects of the consolidation are completed.

While there may be redundancies in positions and duties identified in the implementation plans, particularly in the departmental administrative services, staff will manage vacancies carefully and see if there are other ways to use existing positions appropriately and differently. Mitigating layoffs if any will be a very high priority.

Strategic Plan:

N/A

Prior Board Actions:

1/25/2022: Director of Transportation and Public Works Personal Services Agreement Amendment and Interim Leadership Plan for the General Services Department

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

There are no anticipated fiscal impacts with this request. Staff will return to the Board at a later date with any position change recommendations, and will include any budgetary requests at that time.

Narrative Explanation of Staffing Impacts (If Required):

No position changes are requested at this time.

Attachments:

Power point presentation

Related Items "On File" with the Clerk of the Board:

None.