

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 16, 2015

CAO File No. 0220-05100-0000

Council File No. 14-1422

Council District: All

To: The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Bureau of Sanitation dated October 16, 2014;

Subject: **MULTI-FAMILY AND COMMERCIAL REFUSE COLLECTION FRANCHISE STAFFING PLAN**

SUMMARY

On December 2, 2014 the Chair of the Energy and Environment Committee requested this Office to report back on the Bureau of Sanitation's (Bureau) proposed staffing plan for the Exclusive Multi-family and Commercial Refuse Collection Franchise System. The Bureau hired CH2MHill to assist with benchmarking and forming the request for staff. The goal of the staffing plan is to provide sufficient resources to:

- Successfully support the Franchise System;
- Actively enforce franchise requirements;
- Advance the City Zero Waste goals;
- Maximize customer service; and,
- Collect Franchise Fee revenues.

In its October 16, 2014 report, the Bureau proposed the creation of a new division and recommended 112 positions for the "steady" state workload and 85 as-needed positions to address the increased workload with the "transition" state (18-month transition period from multiple haulers to a single hauler per zone). Of the 112 positions for the "steady" state, 70 are new regular positions, 31 are long-term contract positions, and 11 are existing positions reassigned from within the Bureau.

The Bureau proposes to implement staffing in three phases. This will allow the Bureau to properly train employees and install the necessary systems and protocols prior to the January 1, 2017 implementation date for the Franchise System.

The first phase of the staffing plan includes a request for resolution authority for 16 positions in the current fiscal year. The remaining two phases of the staffing plan will be implemented through the 2015-16 and 2016-17 budget process.

The first phase staffing request is summarized in Attachment A and represents the staff that will hire and train the remaining staff and develop and implement protocols, procedures, and systems for the Franchise System. The Bureau is asking for approval for the Franchise Division Manager and Assistant Manager and for staff required to establish franchise agreements, create policies, procedures and systems and set the Franchise framework in place. Our review of the requested staffing result in the following:

- The span of control for supervisors proposed by the Bureau appears to be consistent with the Bureau's Solid Resources Citywide Recycling Division (SRCRD);
- The duties proposed by the Bureau for the 16 new positions are required for implementation;
- The elements of the Franchise Program proposed by the Bureau are relevant and practical. The elements are: Management, Administration/Finance/Audit, Facility Certification, Field Inspection, Call Center, Zero Waste and Systems;
- The Bureau's request reflects the distinction between workload that is projected to be temporary in nature and workload that is projected to be ongoing and permanent; and,
- It is consistent with existing practice and appropriate to review the second and third phases of the staffing plan in the context of the development of the Budget for 2015-16 and 2016-17. As the Bureau proceeds to gather additional information, select contractors, and negotiate franchise terms and service requirements the actual amount and classification of staff may change.

RECOMMENDATIONS

That the Mayor and Council:

1. Approve the Bureau of Sanitation's Franchise System Organization Plan in concept with the following elements: Management, Administration/Finance/Audit, Facility Certification, Field Inspection, Call Center, Zero Waste and Systems
2. Approve resolution authority for 16 new positions, subject to allocation by the Civil Service Commission and paygrade determination by the Employee Relations Division, for the period January 24, 2015 through June 30, 2015, as follows:

<u>Code</u>	<u>Classification</u>	<u>No.</u>
<i>Franchise Division Management</i>		
4126-2	Solid Resources Manager II	1
4126-1	Solid Resources Manager I	1
1368	Senior Clerk Typist	1
<i>Facility Certification</i>		
9184-2	Management Analyst II	1
2330	Industrial Hygenist	1
<i>Field Inspection</i>		
4289-1	Chief Environmental Compliance Inspector I	1
7213	Geographic Information Systems Specialist	1

Code	Classification	No.
<i>Call Center</i>		
9171-1	Senior Management Analyst I	1
<i>Admin/Finance/Audit</i>		
9171-1	Senior Management Analyst I	1
9184-2	Management Analyst II	3
<i>Zero Waste</i>		
7310-3	Environmental Specialist III	1
<i>Systems</i>		
1431-5	Programmer Analyst V	1
1431-4	Programmer Analyst IV	1
1470	Database Architect	<u>1</u>
Total New Positions		16

3. Instruct the Personnel Department to assist the Bureau of Sanitation in expediting allocating and hiring these positions;
4. Instruct the City Administrative Officer to assist the Bureau of Sanitation in expediting the establishment of paygrades for these position and the appropriate modification of the 2014-15 Bureau of Sanitation Managed Hiring Plan;
5. Instruct the Bureau of Sanitation to:
 - Expedite the submission of information required by the Personnel Department and the City Administrative Officer to establish these new positions and paygrades;
 - Evaluate the use of existing vacancies to assist with implementation of the second and third phases of the staffing plan; and,
6. Authorize the City Administrative Officer to make technical corrections to the recommendations in this report, consistent with the intent of the Council and Mayor.

FISCAL IMPACT STATEMENT

Approval of the recommendations will result in 16 new positions and an estimated additional cost of \$927,000 (\$562,000 in salaries and \$365,000 in related costs) for the remainder of Fiscal Year 2014-15. Annual costs of the new positions are estimated at \$2,390,000 (\$1,687,000 in salaries and \$703,000 in related costs). There is no fiscal impact to the General Fund. Sufficient funds are available within the Citywide Recycling Trust Fund and within the current year Bureau Budget to cover the incremental costs during the current year. Therefore, additional appropriations are not required. The recommendations in this report are in compliance with the City's Financial Policies as sufficient revenues have been identified to support proposed expenditures.

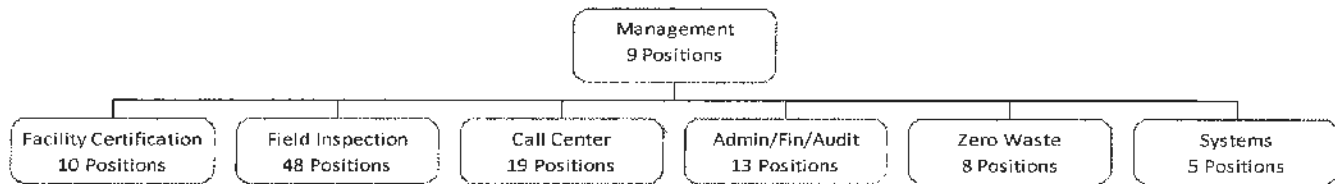
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Attachment

Appendix

This Appendix is provided to provide the overall context for the Bureau request and the recommendations of this Office. The Bureau's Proposed organization structure for the new Franchise Division is described along with a brief description of the responsibilities of each Section. We also highlight some of the significant factors that potentially will likely be important in the evaluation of staffing requirements as the implementation of the Franchises proceeds. The workload of some of these Sections will ultimately be driven by specific terms of each Franchise Agreement and by the cooperation of each franchise holder. While we support the general organization structure, at this time, we are not commenting on the sufficiency of staffing beyond the 16 positions we have recommended.

The Bureau's proposed staffing plan is based on a consultant study performed by CH2M Hill, which is based on benchmarking studies from 12 different cities. The consultant looked at certain functions of each city's Franchise System to determine which city's model most closely mirrored the City's proposed Franchise System. The structure proposed by the Bureau is organized in a manner to support the goals approved by the Council for the Franchise System. The proposed Franchise System will be comprised of the following functions or sections:



Management/Contract Management – 9 Positions

This Section represents the management team of the new Franchise Division and includes three Environmental Engineering Associate (EEA) IIIs to administer and manage eight Franchise contracts. The Bureau is proposing a regional staffing plan, which will divide the City into three regions (North, Central, and South Region) and each Regional Manager and EAA III will manage those contracts in their assigned region. The complexity of the resulting franchise agreements will impact the required number of contract managers.

Three of the seven proposed new positions are in the first phase of the staffing plan. The Bureau currently envisions staffing for this Section as follows:

Function	Classification	New or Existing	No. Positions
Division Manager	Solid Resources Manager II	New	1
Regional Manager	Solid Resources Manager I	New	3
Contract Manager	Environmental Engineering Associate III	New	1
Contract Manager	Environmental Engineering Associate III	Existing	2
Clerical Support	Senior Clerk Typist	New	1
Secretary	Secretary	New	1
TOTAL			9

Facility Certification – 10 Positions

This Section will be responsible for developing and implementing the facility certification program and inspecting and certifying refuse collection operations and facilities, which includes Material Recovery Facilities (MRF), transfer stations, and district yards. These positions will ensure that franchise hauler facilities and operations are in compliance with occupational health and safety, permit, and environmental requirements. These inspections are critical to the success of the Franchise System and thorough inspections will promote higher compliance levels. The number and type of facilities proposed by the franchise holders and the frequency of inspection required will impact the number of required staff.

Two of the proposed new positions are in the first phase of the staffing plan. The Bureau currently envisions staffing for this Section as follows:

Function	Classification	New or Existing	No. Positions
Section Manager	Environmental Engineer	New	1
Lead Inspector	Environmental Engineering Associate III	Existing	1
Inspection	Environmental Specialist II	New	3
Inspection	Environmental Supervisor I	Existing	1
Facility Operations/Permitting	Environmental Specialist III	New	1
Facility Operations/Permitting	Environmental Engineering Associate II	Existing	1
Section Administration	Management Analyst II	New	1
Safety Specialist	Industrial Hygienist	New	1
TOTAL			10

Field Inspection – 48 Positions

This Section will be responsible for investigating customer service complaints and service issues that require a meeting with the customer or the franchise hauler. The City of Los Angeles is estimating 63,000 commercial accounts. For a new franchise system, it is difficult to anticipate or estimate the number of customer complaints that will require field investigation. The level of staff required may vary depending upon the award of the franchise, the negotiated terms of the franchise agreement and the proactive cooperation of the franchise holder.

Two of the 48 proposed new positions are in the first phase of the staffing plan. The Bureau currently envisions staffing for this Section as follows:

Function	Classification	New or Existing	No. Positions
Inspection Manager	Chief Environmental Compliance Inspector I	New	1
Lead/Supervisors	Senior Environmental Compliance Inspector	New	6
Inspectors	Environmental Compliance Inspector	New	24
Inspectors	Environmental Compliance Inspector (Long-Term Contract)	New	15
Routing	Geographic Information Systems Specialist	New	2
TOTAL			48

Call Center – 19 Positions

Although most service and billing issues will be directly resolved by the respective franchise hauler, the City will be the first point of contact for each issue. These positions will log the complaint and track the resolution of the complaint. Call volume will be a significant factor. The level of staff required may vary depending upon the ease of transition, the terms of the franchise agreement and the proactive cooperation of the franchise holder.

One of the three proposed new positions is in the first phase of the staffing plan. The Bureau currently envisions staffing for this Section as follows:

Function	Classification	New or Existing	No. Positions
Shift Manager	Senior Management Analyst I	New	1
Supervisors	Senior Clerk Typist	New	2
Customer Service	Communications Information Representative II (Contract)	New	16
TOTAL			19

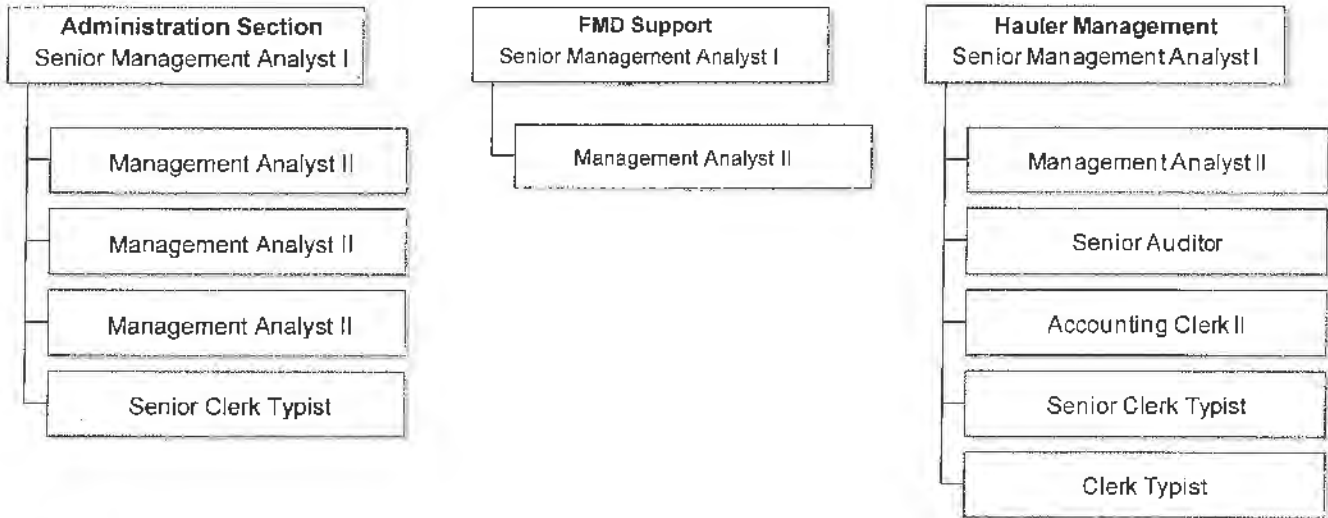
Administrative/Financial/Audit – 13 Positions

This Section will calculate liquated damages, calculate and process franchise fee revenues, and audit hauler financial reports. The complexity of the resulting franchise agreements will impact the required number of contract managers.

Four of the eleven new positions are in the first phase of the staffing plan. The Bureau currently envisions staffing for this Section as follows:

Function	Classification	New or Existing	No. Positions
Section Supervisor	Senior Management Analyst I	New	2
Hauler Management	Senior Management Analyst I	Existing	1
Admin/Financial	Management Analyst II	New	5
Clerical Support	Senior Clerk Typist	New	2
Clerical Support	Clerk Typist	Existing	1
Manage Payments	Accounting Clerk II	New	1
Manage Audit Contract/Reporting	Senior Auditor	New	1
TOTAL			13

These positions will not directly report to the new Franchise Division, but the administrative support positions will report to the Bureau’s Administration Division, the finance positions will report to the Bureau’s Financial Management Division (FMD), and the hauler management positions will report to the Bureau’s Solid Resources Citywide Recycling Division (SRCRD). The Bureau currently envisions staffing for this Section as follows:



Zero Waste – 8 Positions

This Section will prepare and disseminate Citywide messages for commercial diversion programs and ensure that contractors are meeting their planned disposal targets. These positions will review and analyze hauler and facility reports pertaining to blue and green bin rollout throughout commercial establishments in the City, provide technical assistance to customers, pilot studies for future innovative waste diversion programs in cooperation with contractors, and manage the creation and delivery of Citywide customer outreach by City and contractor staff. The complexity of the resulting franchise agreements will impact the workload of this Section.

One of the four proposed new positions is included in the first phase of the staffing plan. The Bureau currently envisions staffing for this Section as follows:

Function	Classification	New or Existing	No. Positions
Zero Waste & Outreach Compliance	Environmental Specialist III	New	2
Section Supervisor	Senior Management Analyst I	New	1
Zero Waste Programs/Compliance	Management Analyst II	Existing	3
Clerical Support	Clerk Typist	New	1
Zero Waste Manager	Environmental Supervisor II	Existing	1
TOTAL			8

Systems – 5 Positions

This Section will develop and maintain the Franchise Information System, which will house the financial, permit, performance, inspection, audit, and customer information for the new Franchise System. Ideally, this new system will be integrated into the City’s 3-1-1 System and each franchise hauler’s operating systems. The complexity of the resulting franchise agreements will impact the required number of staff.

Three of the five proposed new positions are included in the first phase of the staffing plan. The Bureau currently envisions staffing for this Section as follows:

Function	Classification	New or Existing	No. Positions
Section Lead	Programmer Analyst V	New	1
Network Services/Security	Programmer Analyst IV	New	1
Field Support	Programmer Analyst III	New	1
Web Design/Support	Systems Programmer II	New	1
Data Infrastructure	Database Architect	New	1
TOTAL			5

Implementation of Staffing Plan

The Bureau is proposing to implement the staffing plan in three phases to meet the January 1, 2017 implementation date:

- The first phase will commence in the current fiscal year (2014-15);
- The second phase will be evaluated during the establishment of the 2015-16 Budget; and,
- The third phase will be evaluated during the establishment of the 2016-17 Budget.

The Bureau currently has a 16 percent vacancy rate within its workforce and over 400 vacancies throughout the Bureau. Approximately 207 of the 400 vacancies are required to meet the Bureau's salary savings rate and some of the vacancies are required to fund substitute authorities. About 50 percent of these vacancies are within the Refuse Collection Truck Operator, Wastewater Treatment Operator, Wastewater Collection Worker, and Maintenance Laborer classifications and are not applicable to the staffing plan. However, the Bureau does have vacancies within administrative and clerical classifications that are consistent with the needs of the Franchise Division. Some of the positions have been vacant for over four years. It is recommended that the Bureau evaluate the reassignment of these positions to staff the Franchise System. Some of these vacancies are assigned to other divisions within the Bureau and have different funding sources, but can be reassigned to the Franchise Division through the budget process.

Source of Funds

Funding for the Franchise Staffing Plan will be provide from the Citywide Recycling Trust Fund (CRTF), which is funded through private hauler fees (or AB 939 compliance fees). These fees are used to support recycling programs to help the City meet the diversion goals of Assembly Bill 939 and the City's Zero Waste goal by 2025. Sufficient funds within CRTF are available to support the six month costs of the 16 positions in the first phase of the staffing plan. As it is likely that many of the 16 positions will be filled through promotions from within the Bureau, sufficient salary savings are available within CRTF to absorb the incremental salary increases as the Fund is currently projecting a \$1.0 million year-end surplus. This surplus is mainly attributed to a 19 percent vacancy rate within the Bureau's CRTF positions as 16 of the Bureau's 85 positions are vacant.

Phase One Staffing - Exclusive Multi-Family and Commercial Refuse Franchise

Bureau of Sanitation Request - December 15, 2014

New Positon Request	New Posns	5th Step Annual Salary	Fringe Benefits	Total Annual Cost	4 months 2014-15 Cost	Fringe Benefits	2014-15 Total Cost
<u>Franchise Division Management</u>							
Solid Resources Manager II	1	\$ 158,207	\$ 59,829	\$ 218,036	\$ 52,736	\$ 28,082	\$ 80,818
Solid Resources Manager I	1	\$ 142,380	\$ 55,065	\$ 197,445	\$ 47,460	\$ 26,494	\$ 73,954
Senior Clerk Typist	1	\$ 58,652	\$ 29,863	\$ 88,515	\$ 19,551	\$ 18,094	\$ 37,644
<u>Facility Certification</u>							
Management Analyst II	1	\$ 94,503	\$ 40,654	\$ 135,157	\$ 31,501	\$ 21,691	\$ 53,192
Industrial Hygienist	1	\$ 110,455	\$ 45,456	\$ 155,911	\$ 36,818	\$ 23,291	\$ 60,110
<u>Field Inspection</u>							
Chief Env Compliance Inspector I	1	\$ 124,466	\$ 49,673	\$ 174,139	\$ 41,489	\$ 24,697	\$ 66,186
Geographic Info Sys Specialist	1	\$ 85,921	\$ 38,071	\$ 123,992	\$ 28,640	\$ 20,830	\$ 49,470
<u>Call Center</u>							
Senior Management Analyst I	1	\$ 85,921	\$ 38,071	\$ 123,992	\$ 28,640	\$ 20,830	\$ 49,470
<u>Admin/Finance/Audit Support</u>							
Senior Management Analyst I	1	\$ 85,921	\$ 38,071	\$ 123,992	\$ 28,640	\$ 20,830	\$ 49,470
Management Analyst II	3	\$ 283,509	\$ 121,963	\$ 405,472	\$ 94,503	\$ 65,072	\$ 159,575
<u>Zero Waste</u>							
Environmental Specialist III	1	\$ 106,050	\$ 44,130	\$ 150,180	\$ 35,350	\$ 22,849	\$ 58,199
<u>Systems</u>							
Programmer Analyst V	1	\$ 113,650	\$ 46,418	\$ 160,068	\$ 37,883	\$ 23,612	\$ 61,495
Programmer Analyst IV	1	\$ 105,444	\$ 43,948	\$ 149,392	\$ 35,148	\$ 22,789	\$ 57,937
Database Architect	1	\$ 131,732	\$ 51,860	\$ 183,592	\$ 43,911	\$ 25,426	\$ 69,337
	16	\$ 1,686,811	\$ 703,074	\$ 2,389,885	\$ 562,270	\$ 364,587	\$ 926,858