Quality and Productivity Commission

27th Annual Productivity and Quality Awards Program

"Saluting County Excellence"

2013 APPLICATION

Title of Project (Limited to 50 characters, including spaces, using Arial 12 point font):

NAME OF PROJECT: Phone Bill Management System (PBMS)

DATE OF IMPLEMENTATION/ADOPTION: APRIL 2010
(Must have been implemented at least one year - on or before June 30, 2012)

PROJECT STATUS: _____ Ongoing X One-time only

HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT? _____ Yes X No

EXECUTIVE SUMMARY: Describe the project in 15 lines or less using Arial 12 point font. Summarize the problem, solution, and benefits of the project in a clear and direct manner

Each year, the LA County Public Works Department handled 50,000 phone bill pages for voice and mobile data communication services. Bills were manually routed to more than 30 divisions and groups at headquarters and field offices for review and approval. Distribution team members hand delivered bills to individual employees, retrieved them after review, and routed them to management for approval. Employees reviewed phone bills for accuracy, disputed inaccurate charges, identified personal phones calls, and paid the Public Works Cashier for personal calls, if any. Distribution team members kept a log to track status and returned all bills to the Fiscal Division for final review, payment, and filing. Fiscal Division staff tracked the bill review and contacted divisions and employees when bills were not promptly processed. This manual, paper-based billing process was cumbersome, and the steps needed to sort, distribute, review, approve, and file were time-consuming and costly. To improve the process and save money, Public Works developed the Phone Bill Management System, and automated the bill review and approval process.

(1) ESTIMATED/ACTUAL ANNUAL COST AVOIDANCE	(2) ESTIMATED/ACTUAL ANNUAL COST SAVINGS	(3) ESTIMATED/ACTUAL ANNUAL REVENUE	(1) + (2) + (3) TOTAL ESTIMATED/ACTUAL BENEFIT	SERVICE ENHANCEMENT PROJECT
$ 158,900	$	$	**$ 158,900**	

SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS County of Los Angeles Department of Public Works 900 S. Fremont Ave., Alhambra CA 91803	TELEPHONE NUMBER (626) 458-4093
PROGRAM MANAGER'S NAME Isaac Gindi Chief Financial Officer	TELEPHONE NUMBER (626) 458-5992 EMAIL igindi@dpw.lacounty.gov
PRODUCTIVITY MANAGER'S NAME AND SIGNATURE (PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME) Emma L. Ayala DATE 6/26/13	TELEPHONE NUMBER (626) 458-4093 EMAIL eayala@dpw.lacounty.gov
DEPARTMENT HEAD'S NAME AND SIGNATURE Gail Farber DATE 6/27/13	TELEPHONE NUMBER (626) 458-4002

We Support Plain Language

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CHALLENGE:

Each year, the Los Angeles County Public Works Department handled 50,000 phone bill pages for voice and mobile data communication services. Bills were manually routed to more than 30 divisions and groups at headquarters and field offices for review and approval. Distribution team members hand delivered bills to individual employees, retrieved them after review, and routed them to management for approval. Employees reviewed phone bills for accuracy, disputed inaccurate charges, identified personal phone calls, and paid the Public Works Cashier for personal calls, if any. Distribution team members kept a log to track status and returned all bills to the Fiscal Division for final review, payment, and filing. Fiscal Division staff tracked the bill review and contacted divisions and employees when bills were not promptly processed. This manual, paper-based billing process was cumbersome, and the steps needed to sort, distribute, review, approve, and file were time-consuming and costly. To improve the process and save money, we developed PBMS, and automated the bill review and approval process.

SOLUTION:

The entire process of distribution, review, and approval of phone bills was streamlined and automated. Below are some of the system's highlights:

- Instead of paper bills, the vendor sends electronic files. Based on business rules, PBMS routes bills to employees and subsequently to approvers.
- Employees and managers are notified via e-mail every month when their bills are ready for review and approval. Reminder e-mails are also sent when bills awaiting review or approval exceed an allotted time, generally one week.
- Review and categorization of charges are done online through the application.
- Calls made to known Public Works phone numbers are automatically classified as business calls, and numbers identified by the employee as personal or business retain their classification on future bills.
- Employees can identify inaccurate charges for dispute resolution.
- Charges resulting from personal use are sent electronically to the Public Works Cashier for processing, and PBMS is updated through an interface back from the cashiering system.

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BENEFITS:

PBMS streamlined and automated a manual process. Unique features of PBMS include the following:

- Employees receive bills for review electronically via e-email and can identify inaccurate charges for dispute resolution.
- Calls to each individual phone number are aggregated. Calls made to known Public Works phone numbers are automatically classified as business calls, and phone numbers previously identified as business or personal retain their classification on subsequent bills.
- Once personal charges are paid, PBMS is updated and employees receive receipts electronically.
- Management reports are available for improved compliance monitoring, follow-up, tracking, and accountability.
- Review and approval can be done from mobile devices.
- Employees with County-issued voice and/or data communication services, managers, and support staff all benefit from the automation of the cell phone bills.

LINKAGE TO THE COUNTY STRATEGIC PLAN (DETAIL IS REQUIRED FOR COUNTY DEPARTMENTS):

The Phone Bill Management System meets the County Strategic Plan Goal of Fiscal Sustainability and Operational Effectiveness. PBMS has improved operational efficiency, reduced staff time, reduced printing and paper consumption, and greatly reduced storage requirements.

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COST AVOIDANCE, COST SAVINGS, AND REVENUE GENERATED (ESTIMATED BENEFIT): If you are claiming cost benefits, include a calculation on this page. You must include an explanation of the County cost savings, cost avoidance or new revenue that matches the numbers in the box. Remember to keep your supporting documentation.

Cost Avoidance: Costs that are eliminated or not incurred as a result of program outcomes.

Cost Savings: A reduction or lessening of expenditures as a result of program outcomes.

Revenue: Increases in existing revenue streams or new revenue sources to the County as a result of program outcomes.

(1) ACTUAL/ESTIMATED **ANNUAL** COST AVOIDANCE	(2) ACTUAL/ESTIMATED **ANNUAL** COST SAVINGS	(3) ACTUAL/ESTIMATED **ANNUAL** REVENUE	(1) + (2) + (3) TOTAL **ANNUAL** ACTUAL/ESTIMATED BENEFIT	SERVICE ENHANCEMENT PROJECT
$ 158,900	$	$	**$ 158,900**	☐

ANNUAL= 12 MONTHS ONLY

PBMS has improved operational efficiency, reduced staff time, reduced printing and paper consumption, and greatly reduced storage requirements. The application saves approximately 50,000 sheets of paper annually, improved overall processing time by more than 3 weeks, provided status and tracking for every bill, eliminated lost or misplaced bills, and partially automated dispute resolution. Management reports are also available, which improved compliance monitoring, follow-up, tracking, and accountability. The system also made it easier to identify unused lines and make adjustments to rate plans. For example, charges for 'inactive' lines have dropped by 95% and costs for text messaging dropped by almost 65%. After the first year, the cost avoidance will be $61,000/yearly.

Cost Avoidance: one-time cost	
Hard Costs - $92,200 closing "inactive" lines, $5,700 in reduced text messaging charges, and $4,500 in printing and energy costs	$102,400
Soft Costs - $16,500 in support costs, and $40,000 for employee review and approval.	$56,500
Total first year cost avoidance	$158,900
Cost Avoidance: Annually	$61,000
Soft Cost - $56,500 for labor Hard Cost - $4,500 in printing and energy costs	
	$61,000