

**Quality and Productivity Commission**  
**28<sup>th</sup> Annual Productivity and Quality Awards Program**  
**"Los Angeles County: Ahead of the Curve"**

**2014 APPLICATION**

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

**NAME OF PROJECT: MARS: MILEAGE AUTHORIZATION & REIMBURSEMENT SYSTEM**

**DATE OF IMPLEMENTATION/ADOPTION:** OCTOBER 1, 2012  
 (Must have been implemented at least one year - on or before June 30, 2013)

**PROJECT STATUS:**  Ongoing  One-time only

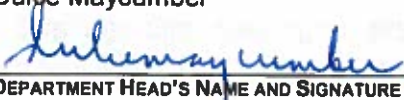

**HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT?**  Yes  No

**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.

1 Los Angeles County employees were spending significant time manually preparing,  
 2 submitting, approving, and processing mileage and parking claims. The County's  
 3 legacy mileage claim process was paper-based, inefficient, and time-consuming. The  
 4 Department of Auditor-Controller (A-C), in collaboration with the Internal Services  
 5 Department (ISD) and the Department of Public Social Services (DPSS), embarked on  
 6 a project to automate the mileage/parking claim process and reduce the time and cost  
 7 to submit and process claims. The Mileage Authorization and Reimbursement System  
 8 (MARS) was implemented on October 1, 2012 for over 35,000 County mileage drivers  
 9 as a completely paperless, automated, user-friendly, easy to use, and convenient web-  
 10 based application that eliminates the burdens and inefficiencies of the traditional paper  
 11 process. MARS incorporates geographic information technology to compute the  
 12 distances traveled. County drivers, and their supervisors, benefit immediately from  
 13 using MARS through faster, more accurate claims preparation, submission, and  
 14 payment. MARS is "Ahead of the Curve" – it's accurate and "green," it saves money,  
 15 and it saves time.

(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
<b>\$2,136</b>	<b>\$3,130,000</b>	<b>\$ 0.00</b>	<b>\$ 3,132,136</b>	<input type="checkbox"/>

ANNUAL = 12 MONTHS ONLY

<b>SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS</b> LA County Department of Auditor-Controller 500 W. Temple Street, Suite 525 Los Angeles, CA 90012		<b>TELEPHONE NUMBER</b> 213-974-0383
<b>PROGRAM MANAGER'S NAME</b> Robert A. Davis		<b>TELEPHONE NUMBER</b> 213-974-0385  <b>EMAIL</b> radavis@auditor.lacounty.gov
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b> (PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME) Dulce Maycumber 	<b>DATE</b> 7/10/14	<b>TELEPHONE NUMBER</b> 213-974-0354  <b>EMAIL</b> dmaycumber@auditor.lacounty.gov
<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b> John Naimo 	<b>DATE</b> 7/10/14	<b>TELEPHONE NUMBER</b> 213-974-8484

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**1<sup>st</sup> FACT SHEET – LIMITED TO 3 PAGES ONLY:** Describe the Challenge, Solution, and Benefits of the project.

The Mileage Authorization and Reimbursement System (MARS) is a fully implemented and web-based employee self-service solution providing Los Angeles County (County) employees an easy, efficient, and convenient way to claim reimbursement for mileage and parking expenses online.

MARS has been recognized for promoting “*best and shared practices*” and the County’s “*go green*” initiative, meeting both the Auditor-Controller’s and County’s goals promoting operational effectiveness and environmentally responsible practices.

**CHALLENGE**

County employees were spending significant time manually preparing, submitting, approving, and processing mileage and parking claims. The County’s legacy mileage claim process was paper-based, inefficient, and time-consuming. It required manual calculations and preparation, and was susceptible to errors and inaccuracy. Departments were wasting valuable staff resources checking and validating paper claims prior to manual entry into the County’s enterprise payroll application for reimbursement to the employee.

The paper-based mileage claim process required employees to manually prepare, calculate, sign, and submit paper claims to their supervisor for approval to be reimbursed. Approved paper claims were then sent to departmental payroll sections for review, validation, and manual entry of the claim into eHR (County’s Payroll and Human Resources system) to reimburse the employees in their semi-monthly paychecks. The timing of reimbursement to the employee was subject to delay due to manual processing and paper handling.

**SOLUTION**

The Department of Auditor-Controller (A-C), in collaboration with the Internal Services Department (ISD) and the Department of Public Social Services (DPSS), embarked on a project to automate the mileage claim process, make it more efficient and paperless end-to-end, enhance employee productivity, and reduce the time and costs to submit and process claims. The Mileage Authorization and Reimbursement System (MARS) was implemented on October 1, 2012 for over 35,000 County mileage drivers as a completely paperless, automated, user-friendly, easy to use, and convenient web-based application that eliminates the burdens and inefficiencies of the traditional paper process. It was developed and implemented using in-house County analysts and developers, and leveraged existing technology and processing resources in the County.

The MARS solution reduces the time and cost to process employee mileage and parking claims. During its first complete fiscal year of operations (FY 2013-14), MARS processed approximately 100,000 mileage/parking claims.

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County departments have redirected the saved staff time and productivity from the manual submission and processing of mileage claims to other important areas within their operations. Conservative estimates of measurable return and savings are \$3,132,136 annually countywide. This is due to the elimination of key tasks and functions that the application automates, such as manually checking mathematical calculations and manually entering a claim into the payment system.

Additionally, the MARS solution provides measurable results in terms of time savings by reducing the amount of time spent to prepare, review, and approve mileage claims. MARS has eliminated an average of 20 minutes per claim from the mileage claim reimbursement process by providing an easy automated paperless solution.

Key features and functions for saving time and increasing productivity include:

- **Electronic Processing and Paperless:** MARS expedites mileage authorization and reimbursement claim processing by eliminating the paper claim form, providing electronic work flow, sending e-mail notification of claims pending supervisor approval, and submitting claims for payment.
- **Automatic Calculations and Accuracy:** MARS makes the preparation of the mileage claims more efficient by using “Google” Geographic Information System (GIS) to determine the trip miles, ensuring County Policies are followed, and calculating the reimbursement amount for employees based on current rates.
- **Time Savings and Efficiency:** Reviewing claims is less time-consuming since MARS automates the County’s requirements and verification controls.
- **Integration and System Controls:** MARS interfaces with eHR as the County’s “system of record” to obtain required employee data needed for claims processing and payment, eliminating redundant entry and errors.

By replacing the manual mileage and parking expense reimbursement claim process with the MARS solution, the County ultimately reduced costs by eliminating the paper claims through an end-to-end paperless, self-service application; improved County administrative services; and achieved direct operational benefits and cost savings from automation and the integration of MARS with eHR (County Human Resources and Payroll system) for payment processing.

**BENEFITS**

Employees benefit immediately from using MARS through faster, more accurate claims preparation, submission, and payment. MARS is easily accessed through a link on the County’s Intranet employee portal, “mylacounty.gov” and provides the following additional features and benefits:

- **Calculates trips using GIS technology** - calculates miles for each trip using GIS and automatically calculates the mileage claim amount;
- **Reduces the risk of errors and fraud** – supports audit reviews of mileage claims compared to employee timesheets, and ensures claims are approved by an identified supervisor;

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- **Easier user entry** - saves the employee's home and office headquarters addresses, as well as other trip addresses. Saves trip locations after initial entry – employees no longer need to re-enter addresses, and they also can select their Home and Office addresses with one button click;
- **Reduces errors** - MARS validates and edits information entered to help reduce errors;
- **Allows for variations in trip distances with approval** - permits mileage variances due to detours, alternate routes, and traffic with supervisor review and approval;
- **Reduces paper** - allows electronic attachments, such as parking receipts, for consistent record retention, and provides electronic processing of approved claims with attachments directly to eHR for payment;
- **Faster reimbursement** - automatically calculates the total reimbursement amount and provides automated processing of reimbursement in the next pay period upon supervisor approval;
- **Maintains reports and trip logs** - maintains trip histories to promote consistent record retention for audit, and provides statistics and costs by department; e.g., users, claims, trips, and reimbursement amounts; and
- **Integrates with eHR to eliminate redundant entry and reduce errors** - processes approved claims directly into eHR for payment to the employee on their regular paycheck.

MARS has it all – it's accurate and "green," it saves money, it saves time, and it gives employees and supervisors improved access and operational efficiencies to submit and approve claims for reimbursement of mileage and parking expenses.

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

The A-C embraced an opportunity and delivered on a project that achieves Countywide operational efficiencies and time and cost savings - MARS promotes the following Los Angeles County Board of Supervisors-approved County Strategic Plan Goals, which we believe are keys to achieving success:

- **Operational Effectiveness** – Eliminates or reduces the manual processes to prepare, submit, and approve mileage claims Countywide; provides user-friendly and convenient functionality; and allows staff to focus on other critical functions.
- **Fiscal Sustainability** – Saves on paper claims costs; does not require special software.

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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.

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<b>\$ 2,136</b>	<b>\$3,130,000</b>	<b>\$ 0</b>	<b>\$ 3,132,136</b>	<input type="checkbox"/>

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**Actual/Estimated ANNUAL Cost Avoidance:**

**Paper savings:** Using a conservative estimate of 3 sheets of paper per claim, the County has eliminated paper usage of approximately 300,000 annually. Using 500 Sheets to a ream of paper, the County is saving over 600 reams of paper annually: 600 reams of paper X \$3.56 per ream = \$2,136 savings annually.

Actual/Estimated ANNUAL Cost Savings Description	Time Savings Per Claim	Dollar Savings per Claim	Calculation/Justification
Employee time savings from automated claims creation (based on an average annual salary of \$80,000).	20 minutes	\$17.40	Approver/Permittee annual labor cost of \$92,000 (\$80,000 annual salary + 15% EB): \$52.12 per hour \$0.87 per minute
		<b>\$17.40</b>	Per claim
		<b>\$1,740,000.00</b>	<b>100,000 claims yearly</b>

Actual/Estimated ANNUAL Cost Savings Description	Time Savings Per Claim	Dollar Savings per Claim	Calculation/Justification
Clerk verification time savings average (based on an average salary of \$40,000).	15 minutes	\$6.45	Clerk annual labor cost of \$46,000 (\$40,000 annual salary + 15% EB): \$26.06 per hour \$.43 per minute
Clerk data entry time savings (based on an average salary of \$40,000).	15 minutes	\$6.45	
Reduced mileage claim errors.		\$1.00	Estimated based on shorter distance rule and distance correctly calculated.
		<b>\$13.90</b>	per claim
		<b>\$1,390,000</b>	<b>100,000 claims yearly</b>

**FUTURE ENHANCEMENTS:** It is also estimated that by implementing planned enhancements (claim templates and staff itineraries), the County will save an additional \$741,240 annually. The estimate is based on actual FY 2013-14 claims for Dept. of Public Social Services and Dept. of Children and Family Services assuming ½ will submit monthly itineraries. (7,100 actual FY 2013-14 claims x 50% x 12 months x \$17.40 (20-minute labor cost) per itinerary = \$741,240)

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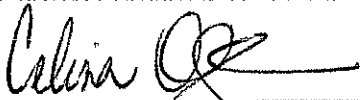
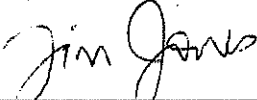

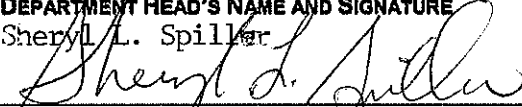
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**FOR COLLABORATING DEPARTMENTS ONLY**

*(For single department submissions, do not include this page)*

<b>DEPARTMENT NO. 2 NAME AND COMPLETE ADDRESS</b> LA COUNTY INTERNAL SERVICES DEPARTMENT (ISD)	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b> CELINA ORTIZ 	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b> 
<b>DEPARTMENT NO. 3 NAME AND COMPLETE ADDRESS</b> LA COUNTY DEPARTMENT OF PUBLIC SOCIAL SERVICES (DPSS) 12860 Crossroads Parkway S., City of Industry, CA 91746	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b> NADIA MIRZAYANS 	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b> Sheryl L. Spiller 
<b>DEPARTMENT NO. 4 NAME AND COMPLETE ADDRESS</b>	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b>	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b>
<b>DEPARTMENT NO. 5 NAME AND COMPLETE ADDRESS</b>	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b>	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b>
<b>DEPARTMENT NO. 6 NAME AND COMPLETE ADDRESS</b>	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b>	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b>