

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

01-033

SYNOPSIS -

AGENDA:

JANUARY 22, 2001

SUBJECT:

PROGRESS REPORT
FOR THE FIRST
QUARTER OF
FISCAL YEAR 2000-
2001 RELATED TO
THE CHANGE
MANAGEMENT
PROGRAM AT THE
DES MOINES
METROPOLITAN
WASTEWATER
RECLAMATION
FACILITY

The City of Des Moines, as Operating Agency of the Metropolitan Wastewater Reclamation Authority (WRA), engaged EMA Services as a change management consultant in 1997. This change process involved organizational improvements, a focus on team achievements, greater use of automation, and improved work practices. The City Council requested quarterly progress reports on the Competitive Strategic Plan developed in the program at the March 15, 1999 meeting.

FISCAL IMPACT -

Funds to support this project are budgeted in the Fund EN263, Organization ENG070122, Account 520050, and total \$536,798 in expenditures to date.

RECOMMENDATION -

Receive and file.

TYPE:

BACKGROUND -

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

The original agreement approved on August 4, 1997, Roll Call No. 97-2709, between the City and EMA was to conduct an assessment of the WRA relative to private contract operations for an estimated \$25,000 fee and to evaluate the Process Control System (PCS) for \$71,500.

SUBMITTED BY:

WILLIAM STOWE
PUBLIC WORKS
DIRECTOR

Amendment Number One, for \$272,370, was to design the PCS replacement system. Amendment Number Two, for \$172,080, was to conduct the first part of Phase II (A) Change Management Program. This work included the design of the Preliminary Change Program through development of the steering team and the first design teams. These amendments were passed on June 15, 1998, by Roll Call No.

98-1930, and are complete.

Implementation of the team structure occurred in April of 2000.

Amendment Number Three included team training on process improvement. Costs of \$422,860 were approved on March 15, 1999, by Roll Call No. 99-765. This final phase of change management initiated re-engineering business practices developed by the design teams. These new practices resulted in:

- Less attended operations made possible through the new PCS;
- Increased proactive, predictive maintenance with 75 percent of all work planned and performed prior to failures;
- Changes in employees' skills, training, and incentives;
- Improved processes for purchasing goods and services.

These improved business practices will provide WRA customers with the highest quality products and services at the lowest possible costs and do so in an environmentally responsible manner.

The teaming approach and change in cultural attitudes has resulted in cost reductions. The goal is to achieve, by Fiscal Year (FY) 2002/2003, \$2 million of annual Operating Budget savings, as measured in 1997 dollars. This goal would be an on-going, annual reduction of operating and maintenance costs.

Cost reductions of \$315,709 (for 1997/1998), \$953,993 (for 1998/1999), and \$931,139 (for 1999/2000) were reported previously. Post audit savings for FY2000 is now reported at \$943,431. Savings/cost reductions are computed using the base year average Consumer Price Index (CPI) (for 1997) of 158.91 and a 12-month average CPI at the end of the current fiscal year.

First quarter FY2000-2001 activity includes revenues higher than expected in the budget and cash expenses lower than budgeted, resulting in a good start to a new year of anticipated savings/cost reductions at the Des Moines Metropolitan Wastewater Reclamation Facility (WRF).

The City and the WRA communities have already realized a return on this investment, which significantly exceeds the one time cost of the consulting services. Greater savings will be realized through continued reductions in operations and maintenance expenses. The WRF's Change Management Program could not succeed without the ongoing support of the WRF employees and their union

representatives.

[[Council Members](#) | [Leave a Message](#) | [Meeting Agendas/Info](#) | [Recent Ordinances](#)]
[[Board/Commission List](#) | [Meeting Schedule](#) | [Request to Speak](#) | [Election/Voter Reg](#)]