




# AUSTIN RESOURCE RECOVERY PERFORMANCE REVIEW

Zero Waste Advisory Commission  
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# Presentation Outline

- What is the Office of Performance Management?
- Scope of Review Process
- Bright Spots
- Opportunities
- Challenges/Risks

# What is the Office of Performance Management?

- Established in December 2015
- “We envision a City of Austin where continuous learning and improvement is in our DNA.”
- Three key focus areas:
  - *Strategic plan development and execution*
  - *Performance measurements and data analytics*
  - *Continuous improvement training and consultation (Lean Six Sigma)*
- Department performance reviews conducted as a pilot program

# Scope of Review Process

- Goals
  - *Review department programs for alignment with City priorities*
  - *Formally recognize best practices and policies*
  - *Identify possible gaps in current service delivery or performance*
  - *Identify possible inefficiencies or duplication of services*
- Department introspective self-evaluation
- OPM review and analysis of self-evaluation plus further research
- OPM development of recommendations

# Bright Spots

- Austin Resource Recovery Master Plan
- Fleet Upgrades
- Financial Management



**AUSTIN RESOURCE RECOVERY  
MASTER PLAN**  
DECEMBER 15, 2011



# Austin Resource Recovery Master Plan

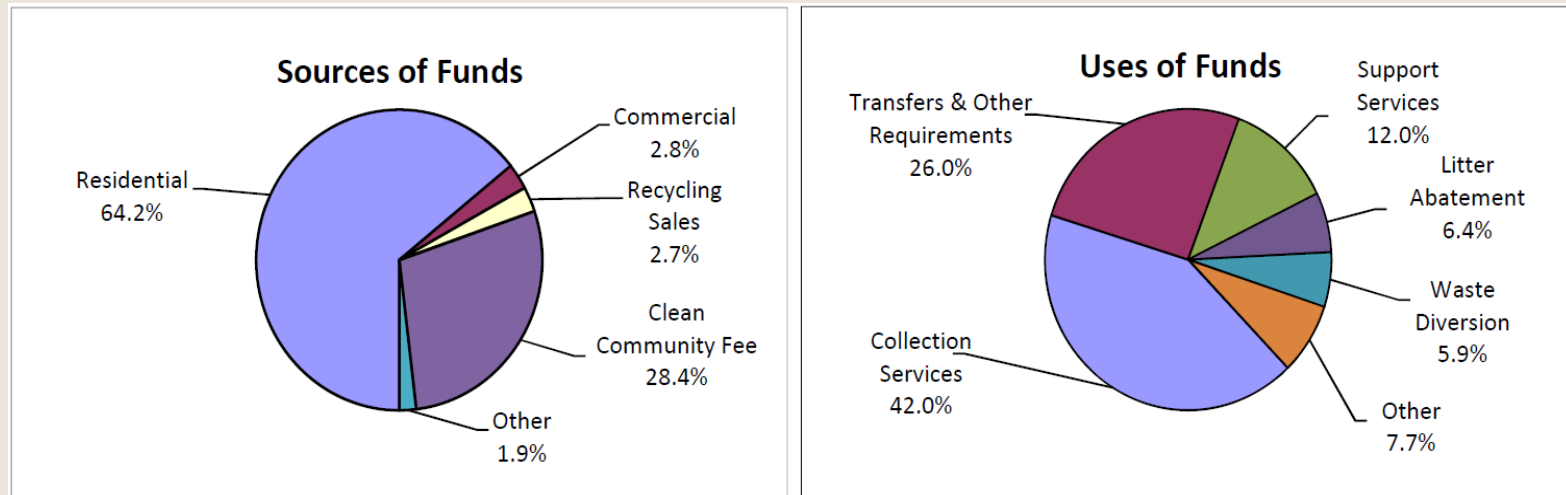
- Establishes clear benchmark goals and interim targets for journey toward zero waste
- Values role of residents, businesses, and visitors
- Establishes mechanisms for continued assessment and measurement of progress toward goals
- Sets an expectation for it to drive transformation, evaluation, operational efficiencies, and organizational alignment
- Actively used to design and develop the Department's core services



# Fleet Upgrades

- Replacement of diesel fueled vehicles with CNG, hybrids, electrics, and other alternative fuels
- Commitment to health and safety of its employees by equipping trucks with automated arms
- Improvements in vehicle technology and data management systems to positively impact customer service accuracy, transparency, billing accuracy, routing efficiency, and employee safety

# Financial Management



- 2011 cost-of-service analysis drove significant improvements in department financial management
- Cost-of-service analysis approach now a model for other departments
- Reduced ending balance to align with industry best practices
- Examined its cost allocations, transfers, debt financing, and conducted a zero-based budgeting exercise to strengthen its financial position



# Opportunities

- Magnitude of Service Area and Types
- Coordination with the Fleet Services Department
- Culture of Continuous Improvement

# Magnitude of Service Area and Types

- High level of customer service amid a large service area and customer base:
  - *278 square miles*
  - *Approximately 200,000 customers*
- Single service center at Todd Lane
- Opportunity to research scenarios to boost capabilities and options to ensure it can main high level of customer service
  - *Additional service center location options*

# Coordination with the Fleet Services Department

- ARR noted experiences with periods of vehicle/equipment downtime due to the length of time required for repair and maintenance services completed by the Fleet Services Department
- Fleet Services provides services for the entire City, including a fleet of over 6,000 units, ranging from lawn mowers to fire engines
- Fleet is seeking to improve its communications and procedures practices among its client departments
- ARR should ensure all staff impacted by various fleet needs are fully informed of and following all related processes and expectations while also continuing to build a high-quality working relationship with Fleet Services staff

# Culture of Continuous Improvement

- ARR acquired and implemented a performance management software package to invest in its capabilities around data collection and performance measurement
- Data collection and calculations have been fully transitioned into the system
- Department is not necessarily fully utilizing the information and software features on a regular basis
- ARR must integrate the use of data and performance measures into its work culture and daily operations to instill a culture of continuous improvement at all levels of the organization

# Challenges/Risks

- Recycling Commodities Market
- Organics Program
- Brownfields Grant Management
- FM812 Landfill Post-Closure Costs
- Customer Service Strategic Plan

# Recycling Commodities Market

- Evidence: Declining recycling commodities market
  - *Over last five fiscal years, ARR has seen an almost 10% increase in total tonnage collection but a nearly 36% decrease in associated revenues*
  - *Recycling processing contracts have been renegotiated and expenses have increased*
- Finding: Volatility of the recycling commodities market creates a tenuous financial situation for the department
- Recommendation: Develop a series of alternative approaches (scenario planning) to manage the volatility
  - *Address foreign/domestic regulations on imports, materials contamination prevention, etc.*
  - *Opportunity for Customer Cart Check Program to positively impact local materials contamination challenges*

# Organics Program

- Evidence: Organics program is far-reaching in scope and dependent on the Hornsby Bend Biosolids Management Plant and one private processing facility
- Finding: City owned biosolids management plant is unavailable and privately owned facility is located in East Austin, creating potential operations and geographic challenges
- Recommendation: Investigate contracting options for additional processing facilities to ensure uninterrupted service provision and geographic dispersion

# Brownfields Grant Management

- Evidence: City's Single Audit Report on compliance with federal state grant requirements regularly notes challenges the City has in proper grant management related to controls. Complicated grant programs create greater opportunities for future challenges and potential findings.
- Finding: ARR Brownfields Program has received significant grant funding, including funds for a Revolving Loan Fund. The two program staff members are tasked with substantial documentation and complicated processing requirements related to the Revolving Loan Fund. ARR did NOT have any significant findings in the last Single Audit report, but the complicated nature of the program and related coordination with other departments creates high potential for mistakes.
- Recommendation: Continue the important level of coordination between ARR staff and related departments. ARR should establish clearly stated and agreed upon frequent check points, ground rules, etc. with departments utilizing the fund to ensure the greatest potential for compliance with grant requirements.




# FM812 Landfill Post-Closure Costs

- Evidence: Landfill was closer earlier than planned due to airport proximity. While still in the process of official closure, costs have exceeded prior projects and maintaining compliance with the Landfill Reserve Financial Policy has been a challenge.
- Finding: Capital costs for the landfill between 2004 and FY16-17 have exceeded \$19.8 million and an estimated \$2.7 million remains to be spent. These challenges raise concerns regarding overall planning and execution around the post-closure approach.
- Recommendation: Department must reevaluate the overall requirements of the FM812 landfill closure to assess all funding needs, schedules, and its plan for fulfilling its obligations to the TCEQ and the department's landfill reserve financial policy.

# Customer Service Strategic Plan

- Evidence: Department committed to the development of a customer service strategic plan in FY2017 to address deficiencies related to improving the customer service experience. The plan has not been completed.
- Finding: Customer experience is an opportunity to build trust. ARR has shifted its organizational structure to increase its commitment to customer service but has not developed a clear set of strategic goals to which the customer service group can align its operations.
- Recommendation: Complete a root cause analysis process to clearly identify the source of all service deficiencies in order to address causes as opposed to symptoms. Develop a strategic plan to establish clear plans and goals plus ensure its customer service group is properly aligned and resources to address the deficiencies. Quality assurance efforts should be developed in a manner that establishes a clear process for customer service call auditing as well as ensuring the auditing process is still adequate.



THANK YOU  
QUESTIONS?