
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Library Department Business Process Reengineering (BPR)

OVERVIEW

At the September 9, 2008 meeting of the City Council, the Library Department will request that the City Council approve the recommendations of the Library Business Process Reengineering (BPR) Study, as outlined in Report 08-102 to the City Council.

Under the auspices of the Library Department Steering Committee, the Library Department BPR was initiated with the “aim to create a more efficient and effective organization” and to respond to the changing needs of the San Diego community. As stated in the Library Team Charter for the BPR, “As demands for library services have changed, the Library must also identify ways to better serve its customers.”

As noted in its BPR Project Statement, the Steering Committee committed to deliver a report containing findings and recommendations to the Library Director by December 19, 2006. The study was formally presented to the Chief Operating Officer on January 16, 2007, anticipating the adoption of recommendations for fiscal year 2008.

Upon approval by the City Council, the Library Department will proceed with the implementation of these recommendations. In their Pre-Competition Assessment completed in June 2008, all Library services studied were found to be inappropriate for competition.

FISCAL/POLICY DISCUSSION

The BPR Report generated a total of 20 recommendations in the areas of Circulation, Delivery, Purchasing, Reference, and Selection. The primary focus was to make better use of technology and automation, and to help customers become more self-directed.

Approximately \$64,000 in net expenses is expected to be saved in the first year, FY 2009, when the department implements the following:

- use of email notices for reserves
- allows for the use of debit cards for online payments
- eliminates lost items refunds
- eliminates printed selection lists

Following the initial year of implementation, the study estimates that these recommendations will generate approximately \$106,000 in ongoing savings and/or increased revenue annually.

Additionally, the implementation of Recommendation #1, installation of self-check machines, Recommendation #15, standardized processing of library materials and Recommendation #18, providing updated library publications and increase public access to online library forms is expected to generate \$1,113,000 in cost-avoidance savings in the first year, and each year thereafter.

The IBA notes that the resources made available by implementation of these recommendations, in the short-term, are likely to be re-deployed to other areas and functions, and could result in an increase to the respective levels of service from the adopted budget for fiscal year 2009. Additionally, as circulation grows, the need to add staff will be minimized by these cost-avoidances.

As the IBA has highlighted in previous reports, the Library Department has repeatedly undergone annual budget reductions and has been historically under-funded, compared to other major municipal library departments. This BPR could have benefited from a more comprehensive evaluation, showing areas that are experiencing staffing and funding deficiencies. As potential savings are realized, the IBA presumes that resources will be shifted to address these deficiencies, and/or the department and its customers will benefit from enhancements to its performance measures.

CONCLUSION

The IBA notes that anticipated efficiencies resulting from the implementation of this BPR, if not more, are needed to offset continuing annual budget reductions. Therefore,

the savings realized as a result of this BPR study do not translate to possible budget reductions now or in the future, as the department continues to operate under budgetary constraints. As efficiencies are realized, the Library Department will be poised to accommodate increased workload, perhaps from new locations or future circulation increases, without the addition of new staffing or additional funding.

The IBA recommends approval of the Library Department Business Process Reengineering Study by the City Council.

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