



BUREAU OF TECHNOLOGY SERVICES:
Customers see improved service,
but improved communication would help

A REPORT FROM THE CITY AUDITOR
July 2006



Office of the City Auditor
Portland, Oregon



CITY OF
PORTLAND, OREGON

OFFICE OF THE CITY AUDITOR
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July 6, 2006

TO: Mayor Tom Potter
Commissioner Sam Adams
Commissioner Randy Leonard
Commissioner Dan Saltzman
Commissioner Erik Sten
Tim Grewe, Chief Administrative Officer, Office of Management and Finance
Matthew Lampe, Chief Technology Officer, Bureau of Technology Services

SUBJECT: Audit of Portland's Bureau of Technology Services customer operations
(Report #314C)

Attached is Report #314C containing the results of our audit of Portland's Bureau of Technology Services customer operations. A written response from the Bureau of Technology Services' Chief Technology Officer is included at the back of the report. He is in general agreement with the audit recommendations, and has indicated support for implementing them.

As a follow-up to these recommendations, we ask the Chief Technology Officer to prepare a status report in one year detailing steps taken to address the recommendations contained in our report. The status report should be sent to me, and coordinated with the Commissioner in Charge.

We appreciate the cooperation and assistance we received from personnel in the Bureau of Technology Services and the Office of Management and Finance in conducting this audit.


GARY BLACKMER
City Auditor

Audit Team: Drummond Kahn
Ken Gavette

Attachment

BUREAU OF TECHNOLOGY SERVICES:

Customers see improved service,
but improved communication would help

The Bureau of Technology Services (BTS) is an internal service provider within the Office of Management and Finance. With an adopted FY 2005-06 budget of approximately \$40 million and staff of 194, BTS has the primary responsibility for planning and implementing the City's information technology and telecommunications-related equipment and systems. Providing quality customer service is vital to meeting the needs of the City bureaus who pay for technology services through Interagency Agreements. This report examines general bureau attitudes toward BTS customer service efforts. It is intended to provide an independent assessment of attitudes so that BTS management can make improvements where needed, and is the third in a series of BTS-related reports.

Summary

According to the results of our survey of Bureau Business Contacts, BTS has made some improvement in overall customer service. In addition, BTS management has made improvements in explaining their rate methodology to customers. This was a key recommendation in our prior audit of BTS. However, most Bureau Contacts said they do not feel that the Bureau Business Representatives fully understand their business processes. This is a key to improving customer service and helping bureaus implement complex technology plans. BTS managers told us they acknowledge customer service issues and have begun working on them. In fact, BTS efforts in the past year are likely why overall satisfaction and understanding of the rate methodology has improved. We recommend that BTS continue these efforts to improve communication with customers, and to work diligently to solve remaining questions with the few Bureau Contacts who were most vocal in their criticisms.

Background In 2005 the Audit Services Division issued two reports on the Bureau of Technology Services (BTS) operations. Our July 2005 report on BTS rate methodology determined that the methodology reasonably reflects most costs incurred by BTS to provide services. It found, however, that several changes to the model could result in a clearer, more straightforward and understandable model. The second report, issued in September 2005 identified industry best practices to guide the management of information technology resources, such as customer service and performance measurement.

An important part of the initial work was identifying customer service problems. Because the first two reports, however, addressed other specific objectives the customer service work was not included in either of the original reports. This report covers the work done to identify BTS customer service issues raised during the initial stages of the original audit in early 2005, and updates some of that work with customer opinions from 2006.

Objective and Methodology The objective of this audit is to identify customer service issues and changes in customer satisfaction with BTS from 2005 to 2006. The purpose is to make BTS management aware of certain general customer service issues which, if addressed, would improve bureau relationships and service delivery.

In order to obtain the initial level of customer satisfaction, we conducted two customer focus group meetings in February and March 2005. The focus groups consisted of the BTS Bureau Contacts from sixteen of the twenty-eight City Bureaus and Commissioners Offices (we extended offers to meet with all 28). In order to keep the groups to a manageable number, we split the Bureau Contacts into two focus groups. These Bureau Contacts are the primary representatives of each Bureau with the responsibility of coordinating the work of BTS in their Bureau.

Both groups were asked a set of six opinion questions. In addition, auditors facilitated a discussion of issues and recorded narrative comments.

Auditors also held a separate focus group meeting with BTS Bureau Business Representatives (BBRs) in order to get their opinions on how they perceive BTS customer service levels, and on how well the organizational structure of BTS serves customers.

In order to measure the change in customer opinions over the past year, we sent an email survey to all Bureau Contacts in February, 2006, asking exactly the same questions as presented to the focus groups the previous year. We received responses from 16 of the 28 Bureau Contacts. The majority of our responses were from the same Bureau Contacts who took part in the survey in 2005.

We have also incorporated some of the OMF customer service survey results from a survey conducted in October of 2005, by a consulting company.

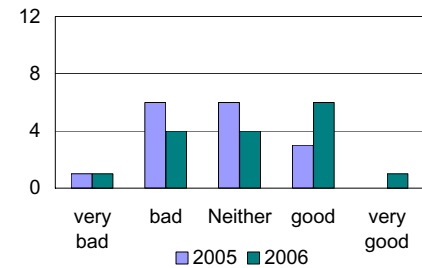
We conducted our work in accordance with generally accepted government auditing standards.

Results

While overall satisfaction has improved and there has been significant improvement in the understanding of the rate-setting methodology (which was a primary objective of our first audit of BTS), customers remain dissatisfied with the BBRs' knowledge of bureau business processes and with overall communication between the bureaus and BTS. Specifically, we found:

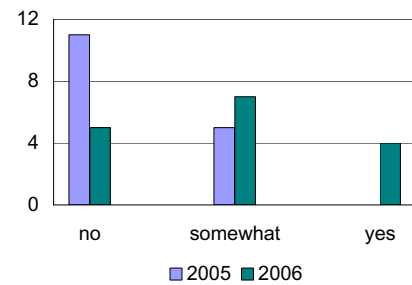
1) Overall ratings of quality of service in 2006 were improved over 2005. Among the positive responses were comments that everyday support is good and quick, and the development team is responsive to customer project needs.

Figure 1 - Overall satisfaction with BTS services



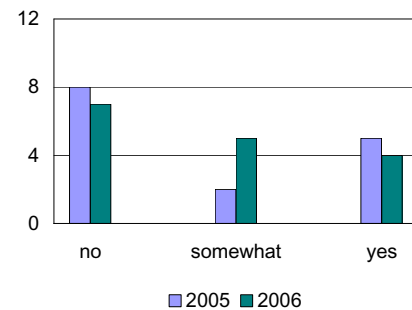
2) More Bureau Contacts also understand the rate methodology in 2006. In 2005, none of the 16 respondents said they understood the rates. In 2006, four of 16 said they completely understand the rates, and only five said they did not understand at all. This represents a significant improvement. A few respondents in the narrative section, however, were very vocal in their complaints about not understanding the details of the billing system and how their bills are calculated. Specifically, some want to understand these bills so they can help control their Bureau expenses.

Figure 2 - How well do you understand service rates?



3) Most think BBRs do not have a complete understanding of their business processes. This has not changed significantly from 2005. Narrative responses did not address any other specific issues with the BBR program.

Figure 3 - Does your BBR understand your business?



Among the 2006 respondents:

- None were able to specifically list any new BTS initiatives in the last year that may have influenced their positive ratings, even though BTS related several to us in interviews.
- Many reported that they feel BTS everyday support staff are good. Even when complaining, some say the reason for poor service is that the everyday staff are overwhelmed. A couple suggested there may too many managers at BTS and not enough staff.

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- Communication of information is an area of concern. Some complained about the lack of information on purchases, while others complained about general communication issues such as information on specific projects and on new processes in general.

**BTS efforts between
2005 focus groups and
2006 survey**

In October 2005, BTS presented a “Service Workshop” to explain operations to Bureau representatives. The presentation was led by the City’s Chief Technology Officer. The purpose was to introduce the Bureau’s management team, explain its role helping facilitate the City’s technology projects and how BTS is structured to solve day-to-day technology problems such as desktop issues and purchasing.

Also in October 2005, BTS took part in an OMF presentation on Inter-governmental Agreements and Rates. Elements of this presentation included information on components of IAs, types of cost recovery and billable versus non-billable services. All of the attendees who completed evaluation sheets in both sessions reported positive comments, saying they found the information at least somewhat useful and mostly clear.

According to a Bureau manager, BTS also requested all Bureau Contacts to review the prior audit on rate methodology to help explain the way the system works.

In addition, BTS was part of an overall survey of OMF customer service attitudes. Among other OMF services, three specific BTS services were evaluated: Phones/Radio, Desktop/Network, and Applications/GIS. Although Desktop/Network had relatively high negative ratings compared to other OMF services, Desktop/Network also had high positive ratings (indicating few neutral feelings).

Conclusions

BTS has made improvements in addressing customer service issues over the past year. They have conducted more customer satisfaction survey work, participated in workshops designed to explain their operation and billing system, and requested their bureau liaisons review

the Auditor's report on the billing methodology. Overall satisfaction with BTS services among Bureau Contacts has improved somewhat and there has been a significant increase in the number of Business Contacts who say they understand the billing process. This has been a major issue of concern in past years.

For all the positive progress, however, more work needs to be done. Most Bureau Contacts who responded to our survey said that Bureau Business Representatives, BTS' primary point of contact with customers, still do not have a full understanding of their business processes. In addition, some still have trouble understanding the billing system with sufficient depth to enable them to control costs. In our view the biggest problem is not that there remains a few pockets of dissatisfaction, but that the dissatisfied Bureau Contacts represent some of the largest City Bureaus. Bureau contacts from the Fire and Emergency Services Bureau, the Water Bureau and the Bureau of Environmental Services were among the most vocal critics. Representatives from the smaller Bureaus generally seem more satisfied with BTS services.

Comments we received were complimentary of BTS staff, saying that the root of many of the problems could be that staff are overwhelmed with work, and that there may be too many managers in the BTS organization.

Recommendations

We recommend BTS:

1. Continue to work to improve communications with Bureau Contacts, particularly on the status of projects and on purchases.
2. Set aside time for BBRs to be adequately trained in the business processes of their clients.
3. Identify the few remaining Bureau Contacts with substantial customer service issues and focus on those Bureaus. Most Bureau Contacts we surveyed gave permission for BTS managers to review their detailed survey comments. This should assist BTS in identifying specific issues and scheduling time to work with individual bureaus.

RESPONSE TO THE AUDIT



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OFFICE OF MANAGEMENT AND FINANCE
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Timothy Grewe, Chief Administrative Officer

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June 26, 2006

To: Drummond Kahn, Director of Audit Services

From: Matthew Lampe, Chief Technology Officer

Re: Audit Response, Bureau of Technology Services: Customers see improved service, but improved communication would help.

Thank you for the opportunity to respond to the audit report on customer satisfaction with the services of the Bureau of Technology Services. We appreciate the work your staff put into conducting the audit. We place a high value on seeking feedback from our customers, as customer feedback is essential in our continuous efforts to improve services. It was gratifying to see recognition of improvement in service, even though continuous efforts are required. We will continue these efforts along with other OMF bureaus as we continue to develop a customer service strategy and continue training and process improvement efforts.

We are pleased to see evidence of improved customer understanding of the rate model. This feedback confirmed the value of the annual rate and service workshops; your office's observations in the rate specific portion of the BTS audit published 1 year ago helped refine our focus in the workshop and encouraged bureau participation. Since that time we have made substantive progress on implementing tools and systems to provide customers with more timely and detailed billing information. In response to input from the Mayor's Bureau Improvement Project efforts and the CTO Advisory Group, we are focused on simplifying our billing methodology, and we will continue to work with OMF Business Operations to make improvements and keep customers informed.

In addition to Bureau Business Representatives, who serve as our primary communication point with bureaus, we are putting a higher emphasis on frequent communication with customers and soliciting customer input. We have instituted periodic surveys to help us track our progress in a variety of areas. Survey input will be regularly solicited from bureau IT liaisons, desktop support customers, and specific customer groups over time. Results will be reviewed by staff and made available to customers. The results of these surveys will assist us in focusing on targeted areas for improvement.

We believe that we have made significant progress during this fiscal year on the procurement process. While the move to enterprise procurement to leverage strategic sourcing agreements was new in FY 05-06, we have made a number of adjustments to our processes to improve visibility to our customers through the procurement and billing cycle, with further improvements expected in FY 06-07.

Finally, we respect the feedback from our most vocal critics. The move to a consolidated service delivery model represented a bigger change for the larger bureaus than from the smaller bureaus. We acknowledge, in the environment of annual budget reductions, some of our service delivery systems took longer to implement, debug, and refine than we would have preferred and that produced understandable frustrations. We are confident our improvements in the identified problem areas will be increasingly apparent to customers. We do want to take this opportunity to mention that since consolidation there have been significant improvements in many aspects of the City's IT environment, particularly in infrastructure stability, e-government services, and security, some of which are less visible but critically important.

Again, we appreciate your efforts and customer feedback, all of which will help us provide a quality Information Technology environment for our direct and indirect customers.

Thank you

Matthew Lampe
Chief Technology Officer

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Report #314C, July 2006

Audit Team: Ken Gavette

This report is intended to promote the best possible management of public resources. This and other audit reports produced by the Audit Services Division are available for viewing on the web at: www.portlandonline.com/auditor/auditservices. Printed copies can be obtained by contacting the Audit Services Division.

Gary Blackmer, City Auditor
Drummond Kahn, Director of Audit Services

Other recent audit reports:

Portland Development Commission: Economic development efforts effective, but improvements needed to measure and manage future success (#322, June 2006)

Street Paving: City needs to demonstrate least cost (#324A, May 2006)

Partial Day Leave for exempt employees: Clarification would improve policy (#327, May 2006)

