

THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

REPORT NO: 08-102

DATE ISSUED: 7/8/2008

ATTENTION: Council President and City Council

SUBJECT: Library Business Process Reengineering Study
Docket of September 9, 2008

REQUESTED ACTION:

Accept the recommendations of the Library Department Business Process Reengineering (BPR) Study.

STAFF RECOMMENDATION:

Accept the Report on Library BPR study.

BACKGROUND

The Mayor of the City of San Diego has commenced BPR efforts to improve efficiencies, reduce the cost of City government and to maximize the services offered to our residents. To support the Mayor's BPR initiative, the Library Department conducted a department-wide BPR. The San Diego Public Library (SDPL) BPR Steering Committee focused on how to make operations more efficient while maintaining or enhancing core services to the public and identified the following processes to review:

- Circulation (making materials available to the public);
- Delivery (transporting materials throughout the system);
- Purchasing (ordering materials and have them ready for the public);
- Reference (answering customers questions and providing information); and
- Selecting materials for library collections.

Library BPR activities included business process mapping, process analysis, development of improvement ideas, benchmarking, developing draft performance measures, and examination of best business practices. Along with employees and stakeholders, labor representatives from MEA participated and contributed to this comprehensive review.

Circulation

The following processes were defined as core activities associated with Circulation.

1. Sorting and shelving library materials
2. Checking materials in and out – includes routing in materials from other libraries, performing renewals of library materials, discharging materials upon their return, and handling problems with returned items that are damaged or missing.
3. Issuing library cards
4. Placing reserves on library items – includes phone and electronic reserves, incoming and outgoing processes and notification of patrons.
5. Handling cash for fines and fees

Delivery

The following processes were defined as core activities for Delivery:

1. Library material sorting – the process of sorting and packing of all library materials by destination which will be delivered to the necessary locations within the library system.
2. Library material delivery – the process of transporting the library materials from one location to another.
3. Library mail delivery and collection – the internal process of collecting and delivering mail throughout the library system.
4. Non-library mail delivery and collection – the external process of collecting and delivering mail to and from sources outside the library system (i.e., City-wide Interoffice mail and United States Postal Service).

Purchasing

The Purchasing subcommittee mapped four processes related to the purchase of books and audio-visual materials:

1. Creating and distributing selection lists – these are lists of titles that librarians use to decide what they're going to buy for their branch or Central section. The staff in the Library's Order section is responsible for sending out these lists to librarians and gathering the selections made by librarians to make orders.
2. Ordering materials from vendors - involves finding vendors that sell the materials requested by librarians.
3. Creating and editing bibliographic records – these are online records that describe each book or audio-visual material owned by the library. These records are accessed through the library's online catalog by patrons and staff to find what they're looking for in the library. Catalog staff is responsible for making sure these records are accurate for all materials purchased by, or donated to, the library.
4. Physically processing library materials – involves finding vendors that sell the materials requested by librarians, confirming that a library has the funds to purchase the materials, and sending the order to the vendors.

Reference

The Reference Subcommittee identified three core processes related to answering questions from the public and assisting the public in using library resources:

1. Reference interview process. As it is currently performed, the reference interview process begins with staff receiving a question from a customer in-person, by telephone, or via email. Subsequent steps include asking clarifying questions, determining if the question can be answered with the resources at hand, identifying the best resource to answer the question, asking more clarifying questions, determining whether staff and the customer have time for an extended search, consulting additional resources, determining if the patrons needs training on the use of SDPL's resources, and determining if the customer needs to be referred to another agency. The process ends when the question is answered satisfactorily, the customer is referred to another agency, or the determination is made that the customer needs training in the use of library resources.
2. Customer training process. As it is currently performed, the customer training process begins with staff determining that an in-person customer needs training on the use of SDPL's resources to find the needed information. Subsequent steps include offering the customer the catalog, a reference tool, the Internet or an electronic database; checking for the customer's understanding of the resource offered; showing the customer how to use the resource; assessing if the customer can work independently; and offering additional resources for the customer to search. The process ends when the customer is satisfied or is referred elsewhere for additional training.
3. Transfer/referral process. As it is currently performed, the transfer/referral process begins with staff determining if a telephone customer needs to be transferred/referred to another branch or section for reference assistance. Subsequent steps include informing the customer that he/she is being transferred/ referred, direct dialing the section or branch, and introducing the customer and the request for information to section/branch staff. The process ends when staff has completed the introduction and hangs up the phone.

Selection

The Selection/Deselection processes analyzed were:

1. Making the selection list – deciding what materials to add to the library's collection
2. Replacement – replacement of worn-out or missing/lost items
3. Gift Accessions – deciding which items contributed by patrons, authors and publishers to add to the collection.

SUMMARY

The following are the recommendations of the Subcommittees:

A. CIRCULATION

1. **Install self-check machines at the Central Library and several branch libraries.**
Begin the system-wide installation of self-check machines at the Central Library and at branch libraries with high circulation and customer use. This creates better

customer service by offering a quick and easy method to check out materials, provides confidentiality for what is checked out and also increases staff efficiency. Funding to purchase and install an initial number of self-check machines is already available in the Library's General Fund operating budget. No staffing cuts are recommended. Instead, cost avoidance is achieved with future increases in circulation not requiring the addition of more staff, primarily at the Library Clerk classification.

Library Clerks have many job duties, only one of which is to assist library patrons in checking materials in and out. The following standards have been used in staffing this classification for libraries, based on circulation levels (note that circulation also affects other demands for services, such as payment of fines and fees):

Annual branch library circulation level	FTE Clerks needed 40 hour work week	FTE Clerks needed 48 hour work week
Under 140,000	1.50	2.00
140,000 to 185,000	2.00	2.00
185,000 to 285,000	2.50	3.00
Over 285,000	3.00*	3.00*

*Some branches circulating over 350,000 items without self-check machines need 3.50 FTE or more Library Clerks.

With the installation of self-check machines, as branch libraries increase their level of circulation and activity, fewer clerical staff would need to be added to handle the increased work load. This could reduce the need to add between 0.50 and 1.00 FTE Library Clerks at each of the busier branch libraries as activity levels rise, avoiding the addition of approximately 12.50 FTE Library Clerks. The self-check machines also provide a "value added" component by allowing Library Clerks, and other library staff who are periodically needed to step in and assist in checking out library materials, to serve other library service needs of the public.

2. Implement new reserve system for library materials.

To improve the public's access to library materials and make more efficient use of staff time, allow free online reserves. Reserving items online previously cost customers \$1 per item. A limit on the number of free reserves will be set at 25 at any one time per customer. At the same time, if a customer calls a library for a particular title, it is recommended that the request be made into an online reserve (or "hold"), unless the material is available and the customer is able to pick up the material within 24 hours. This will increase use of the more-efficient online reserve system and will encourage customers to reserve more materials in this manner.

Answering calls from customers, and interrupting work to check the shelves, can take anywhere from 5 to 15 minutes per telephone request. Using the online reserve system and locating items from a "send item" list makes much more efficient use of staff time, reducing the time spent per item retrieved. Staff time saved can then be used to provide direct information, reference service or reader's advisory services to

library customers or in preparing and conducting library programs. The public will also benefit substantially from this change, as free reserves will allow them to get in a priority order to receive popular items, whether they chose to call or place online reserves.

The time that could potentially be saved in responding to telephone shelf check requests is summarized below.

Locations	Shelf checks per day	Minutes saved per day
High circulation branch libraries	27.2	136 to 408
Medium circulation branch libraries	10.1	51 to 152
Lower circulation branch libraries	8.1	41 to 122
Central Library subject sections (each)	32.6	163 to 489

A \$1 re-stocking fee is recommended to apply to all items not picked up, including reserves and telephone holds.

3. Use e-mail notices for reserves.

Email notices will be used to the extent possible to notify customers that reserves are available for pick-up. Staff-initiated phone calls will no longer be necessary to notify customers of reserves to be picked up.

In FY 2007, nearly 105,000 notices were mailed to customers at a cost of \$46,712, which includes the cost of printing and postage. This equals approximately two-thirds of the notifications, with the remaining third being sent via email. It is estimated that 70 to 75 percent of customers receiving mail notices would select telephone or e-mail notification if offered these options, reducing mailing costs by an estimated \$35,000.

4. Allow debit card and online payment of fines and fees.

Accept debit cards at all libraries and provide the option to pay online for fines and fees. Currently debit cards are accepted only at the Central Library. Online payments are not presently available. Many customers state that they would pay their fines and fees in their entirety if these payment options were available. It is estimated that fine and fee revenues would increase from 5 to 10 percent. The increased revenues will be used, in part, to offset monthly charges for the debit card equipment and related phone lines. Acceptance of credit cards was also considered but is not recommended due to higher costs and security issues.

Estimated annual revenue increase	\$60,000
Annual debit card expenses	(\$20,000)
Net annual revenue increase	\$40,000

5. Study installation of pay-for-print equipment for public computers.

Research the feasibility of installing pay-for-print hardware and software in all libraries for printing from public computers. This will greatly reduce staff involvement and provide faster service. At the present time, customers must wait for

staff to retrieve their printed material at the circulation desk, and staff frequently must go through inches of printed material to find each customer's print job. Also, having only a single centralized printer, with fees paid at the circulation desk, often results in patrons not paying for their copies. Use of pay-for-print machines will benefit customers with faster service, and free staff to provide services to customers. *An assessment will be conducted to determine the amount and cost of the additional resources to implement this recommendation.*

6. Increase thresholds of accounts referred to Treasurers collections.

Change the threshold of items going to Treasurer's accounts from \$50.00 and no past-due time specified, to a \$100.00 threshold and 60 days past due. Additionally, improve software to enable Treasurer's and Library staff to view Treasurer's accounts and Library patron records in real time.

Library staff can spend 30 to 45 minutes on the phone to determine what is owed on an account referred to Treasurers because they do not have access to the records. This information cannot be accessed in the evenings and on weekends when the Treasurers Office is not open. Furthermore, waiving fines and fees for a patron that has been referred to the Treasurer's Office requires a written memorandum to the Treasurer to explain the reasons for waiving them.

In FY 2007, 5,374 accounts were referred to the Treasurer's Office. If each call averaged 30 to 45 minutes, this would be equivalent to 2,687 to 4,030 hours of staff time dealing with problem accounts. This saved staff time would be spread throughout the library system, allowing staff more time to provide services to the public while also saving time for our customers. Increasing the thresholds will allow staff to resolve more fine and fee issues before accounts are referred to the Treasurer's for collection.

7. Eliminate lost items refunds.

Eliminate the refund policy if a customer has paid the cost to replace an item, and later finds the item. SDPL currently processes approximately 200 payment refunds, and a sampling has shown that the average refund amount is about \$6. It costs the City more than \$75 to process a Direct Payment Request and issue the refund check. Consequently it has been determined to be more cost effective for SDPL to retain the fees, purchase replacement items and allow the customer to keep the lost materials. An exception may be made if the item is considered by SDPL to be particularly valuable or expensive.

8. Place book trucks in public areas prior to re-shelving.

Implement the practice of placing book trucks with popular returned items onto the public library floor to allow customers to browse these un-shelved materials. Also, place selected children's picture books into display shelves or bins to encourage browsing and to enable customers to better see the covers. These changes will get materials out to the public more quickly, make them more visible, and should reduce the number of materials needing re-shelving.

9. **Research improved equipment for sorting, checking out and shelving materials.**
Provide sufficient hand-held material re-sensitizers at each library facility to enable faster re-shelving. Upgrade bar code readers/scanners at each library to improve customer check-out and decrease staff repetitive motion injuries. Add book return carts in Central Library sections and in branches, or add additional designated shelves for re-shelving to increase staff efficiency. *An assessment will be required to determine the amount and cost to implement this recommendation.*

10. **Modify check-in procedures.**

If an item is damaged or missing, an automatic one-time renewal will be given if the customer does not wish to settle their account at that time, and an item note will be made in the customer's record. This will give the customer additional time to look for lost materials or pay their fees, while improving efficiency in handling damaged items.

B. DELIVERY

11. **Streamline library materials sorting process.**

The BPR team discussed how materials are sorted and moved throughout the library system, and recommends further study to streamline these processes. In the short term, improve material sorting for immediate delivery in daily routes and shift some sorting to public service staff. Time saved from other measures can be used here.

C. PURCHASING

To modify the processes the following assumptions were made:

- The new ILS allows electronic ordering with library vendors
- The new ILS produces cataloging statistics based on staff logins.

12. **Implement centralized collection development.**

Central Library staff will select and order the majority of new materials for Central and branch libraries. The Library's collection will be improved system-wide by utilizing the subject expertise of Central staff. It is estimated that 17 hours per month per branch would be saved in librarian time. This additional time will be spent on providing public services such as programming and answering customer questions. There will also be a decrease in the turnaround time between selection and ordering. Materials are expected to arrive a month earlier than they do currently, resulting in materials being made available to customers closer to the publication date.

13. **Eliminate printed selection lists.**

Selections lists will no longer be printed and copied by the City's Print Shop and distributed to branches by Library's Delivery drivers. The creation and distribution of 28 selection lists will be reduced from approximately \$605 to \$28 per list.

14. **Utilize "Future Release" Ordering.**

SDPL will order materials in advance that are not subject to our 90-day cancellation policy with vendors to ensure prompt delivery of highly anticipated items.

15. Standardize processing of library materials.

SDPL will process materials in a streamlined manner that is consistent system-wide. The streamlined process should include the use of DVD security cases and donut barcode labels on discs. This will allow the Processing section to provide more time-consuming processing services currently performed by branch staff, such as securing DVDs and providing reading level designations on children's books. This will result in an estimated 15 hours of staff time saved per month per branch, or 180 hours annually. When multiplied by 35 branches, the time savings equals 6,300 hours annually. This additional time savings will allow branches to sort and re-shelve library materials more quickly and avoid having to add staff as library usage grows.

16. Increase vendor processing.

Currently, vendors do a limited amount of the processing of library materials. Vendors will fulfill at least 80 percent of SDPL's processing of purchased materials. This will result in an immediate savings in the cost of processing supplies, which will be offset by increased vendor costs. Vendor processing will ease the workload of both Processing Section and branch staff, allowing SDPL to avoid hiring additional employees for the currently under-staffed Processing unit, and providing faster delivery of materials to customers.

D. REFERENCE

17. Provide improved signage.

Signs within a facility should be consistent in appearance and placement, limited to where they are appropriate and necessary, and kept simple to avoid clutter and visual overload. Many patrons prefer to use SDPL resources on their own, without having to interact with staff. Better signage will promote self-directed usage, and staff will be able to spend more time helping library users with more complex needs.

18. Provide updated library publications and increase public access to online library forms.

Increase the number of forms that can be accessed, filled out and submitted online, including online library card registration. Increasing the availability of library forms online will enable customers to conduct more library business from the convenience of their home, office or school. It will also result in an estimated system-wide staff time savings of 667 hours per month or 8,000 hours annually. This will free Library Clerks to spend more time assisting customers with more complex needs, and the Library can avoid having to add Library Clerks as library usage increases.

E. SELECTION

19. Utilize ILS functions to improve selection process.

These measures should include:

- Reviews of publications. Vendors will be asked to provide reviews on their databases, saving staff time in locating reviews.

- Direct ordering. Central selectors or Collections staff will place orders directly for specialized items to decrease turnaround time.
- Reports. The new ILS will enable Library staff at the work unit level to generate reports to help them in collection management. These reports would include data such as missing items, items with no circulation in a given time span and items with very high circulation. Use of the report function will enable selectors to:
 - Identify missing materials that should be replaced that are in high demand.
 - Identify high-demand materials for purchase of additional copies.
 - Weed material from the collection more easily and frequently.
 - Mark items *missing* so patrons won't request materials that not available.

20. Ensure staff access to vendor databases.

All staff selectors of materials are recommended to have dedicated computers so that they can create vendor-based "baskets" for ordering. With access to all vendor databases, selection staff can determine where material is in stock, assuring the earliest possible arrival for customer use.

FISCAL CONSIDERATIONS:

Upon implementation, this BPR study will yield savings and cost avoidances that will allow staff to perform essential duties and maintain current service levels as demand for library services increases over time. The savings and cost avoidances do not result in any budgetary changes.

SDPL expects to save \$66,000 in annual expenses if recommendations 3, 7 and 13 are implemented. Expenditures totaling \$62,000 would be needed to implement recommendations 4, 11, 17 and 20. However, the SDPL Foundation could be asked to contribute \$17,000 for expenses related to recommendations 11 and 20.

Recommendation #4 includes an expense of \$20,000 and anticipated revenues of \$60,000, for a net revenue increase of \$40,000 in payment of fines and fees.

RECOMMENDATION #	ITEM	ANNUAL SAVINGS/REVENUE EXPECTED AND/OR COST FY2009	ANNUAL SAVINGS/REVENUE EXPECTED AND/OR COST FUTURE YEARS
3	Use e-mail notices for reserves	\$35,000	\$35,000
4	Allow debit card and online payment of fines and fees	\$60,000	\$60,000
		(\$20,000)	(\$20,000)
7	Eliminate lost items refunds	\$15,000	\$15,000
11	Streamline library materials sorting process (200 totes required)	(\$5,000)	
13	Eliminate printed selection lists	\$16,000	\$16,000
17	Provide improved signage	(\$25,000)	
20	Ensure staff access to vendor databases	(\$12,000)	
	Total savings	\$64,000	\$106,000

SDPL will realize increased efficiency valued at \$1,113,000 if recommendations 1, 15 and 18 are implemented.

RECOMMENDATION #	ITEM	COST AVOIDED
1	12.50 Library Clerks	\$765,000
15	6,300 Library Aide hours	\$103,000
18	8,000 Library Clerk hours	\$245,000
	Total costs avoided	\$1,113,000


SDPL's BPR study recommendations result in \$4,000 of net savings, \$60,000 of increased revenue, and increased efficiency valued at \$1,113,000 in year one. In future years, the recommendations result in \$106,000 of savings and/or increased revenue as well increased efficiency valued at \$1,113,000. SDPL will begin working to implement the recommendations set forth by the Steering Committee upon approval of this plan by the Mayor and City Council.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Department included the Municipal Employees Association (MEA) in the BPR effort, as well as a number of external stakeholders with background and familiarity with the Department's operations. The Department also conducted benchmarking on many aspects of operations with other similar municipalities.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Meet and Confer with the Municipal Employees Association has been completed.


 Anna Tatar
 Library Director


 Elmer Heap
 Deputy Chief of Community
 Services

ATTACHMENT

Library Department Business Process Reengineering Summary of Recommendations

Below is a summary of the findings and recommendations from the SDPL BPR study, along with a description of each recommendation's impact and its anticipated implementation schedule.

Number	Recommendation	Impact	Implementation Schedule
A. Circulation			
1	Install express check-out machines at the Central Library and several branch libraries	Staff hours saved	Purchase within 90 days
2	Implement new reserve system for library materials	Staff hours saved and enhanced customer service	Within 90 days
3	Use e-mail notices for reserves	Postal mail expenses saved	Within 90 days
4	Allow debit card and online payment of fines and fees	Increased revenue	Within six months
5	Study installation of pay-for-print equipment for public computer	Potential revenue increase and staff hours saved	Within 90 days
6	Increase thresholds of accounts referred to Treasurers Collections	Staff hours saved in documenting the requests	Within 90 days
7	Eliminate lost items refunds	Cost savings/Increased revenue	Within 90 days
8	Decrease need to re-shelve materials	Staff hours saved	Within 90 days
9	Research improved equipment for sorting, checking out and shelving materials	Potential staff hours saved	Within 90 days
10	Modify check-in procedures	Staff hours saved	Within 90 days
B. Delivery			
11	Streamline library materials sorting process	Staff hours saved after purchase \$5000 of totes	Within six months
C. Purchasing (ordering, cataloging, processing)			
12	Implement centralized collection development	Staff hours saved	Within 90 days
13	Eliminate printed selection lists	Printing costs saved	Within 90 days
14	Utilize "future release" ordering	Faster material delivery	Within 90 days
15	Standardize processing of library materials	Staff hours saved / Cost savings	Within 90 days
16	Increase vendor processing	Staff hours saved	Within 90 days
D. Reference			
17	Provide improved signage	Staff hours saved after \$25,000 expense for signs	Within six months
18	Provide on-line access to library related forms	Staff hours saved and enhanced customer service	Within six months
E. Selection			
19	Utilize ILS functions to improve selection process	Faster material delivery	Within six months
20	Ensure staff access to vendor databases	Faster material delivery after \$12,000 expense for computers	Within six months

Upon the BPR implementation, core processes will be standardized across the department through the development of standard operating procedures. Improved methodology will facilitate uniformity and greater efficiencies with improved customer services delivered. Costs of adding additional staff will be avoided, and current staff will have more time and better tools to serve the public.