



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: November 12, 2015
Board Meeting Date: December 15, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Amendment to the Agreement with Hansei Consulting

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Hansei Consulting, increasing the amount by \$25,000 to an amount not to exceed \$750,985.

BACKGROUND:

In FY 2011-12, the County embarked upon a continuous process improvement initiative; a long-term investment in looking at processes and ensuring that the County was being run in the most efficient manner. As a result, the Center for Continuous Process Improvement (CCPI) was established.

On October 28, 2013, the County entered into an agreement with Hansei Consulting to assist with the development of the CCPI overview training, development of a core CCPI team and the planning, facilitation and support of the CCPI work sessions. The amount of the agreement was \$99,180 for the term October 28, 2013 through April 27, 2014.

On February 25, 2014, your Board approved amendment 1 to the agreement with Hansei Consulting, extending the term through October 28, 2014, increasing the scope of the agreement adding four process improvement events, and increasing the amount to \$290,985.

On December 9, 2014, your Board approved amendment 2 to the agreement with Hansei Consulting to increase the scope to develop a custom LEAN/Six Sigma training program for a cohort of County staff and provide five additional process improvement projects, extend the term through December 31, 2015 and increasing the amount by \$435,000 for a new amount not to exceed \$725,985.

.
.
.

DISCUSSION:

Hansei Consulting assisted CCPI in successfully developing a comprehensive training plan in LEAN/Six Sigma fundamentals and process improvement techniques. In addition, Hansei Consulting assisted CCPI in developing and training a cohort of 10 analysts to lead process improvement events without consulting assistance. The training consisted of 40+ hours of on-line training, four days of class room training and consultation services to the cohort as they conducted five hands-on process improvement events. The process improvement events included the grant/loan process for the Department of Housing, the two-year budget process, satisfaction of the ISD Help Desk services, the Building and Planning Code Compliance case processing, and Countywide program evaluation.

Amendment 2 to the agreement with Hansei Consulting included a condition that, if the agreed upon project due dates were postponed, Hansei Consulting would charge the County \$5,000 per project per week for each five business days that the project was delayed. This was due to Hansei Consulting arranging for professional resources to provide the extensive training to the CCPI Cohort. During the course of the training, all five process improvement events were delayed due to needing more time to research each process and determine appropriate measures of performance. This amendment to the agreement adds \$25,000 to the agreement to pay for the additional \$5,000 per project.

FISCAL IMPACT:

The amendment to the agreement with Hansei Consulting increases the amount of the agreement by \$25,000 to \$750,985. The term of the agreement remains the same. Non-Departmental Reserves will be used to fund the agreement.