

Cook County Cost Control Task Force Report

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June 2001

June 12, 2001

The Honorable John H. Stroger, Jr.
President
County of Cook
County Building
Chicago, Illinois 60602

Dear President Stroger:

Enclosed is the report of the Cook County Cost Control Task Force. The Task Force report is a joint undertaking of The Civic Federation and the Chicagoland Chamber of Commerce. The Task Force was created over two years ago to help offer independent and objective assistance to you to mitigate the likelihood of a structural deficit and reconcile the County's cost structure with the County's available resources.

As the demand for the services offered by Cook County continues to increase, the need for cost-saving measures becomes ever more appropriate. However, cost-savings can only materialize through structural and lasting changes. In order for such changes to take place, one must first gain a full understanding of the system's inputs, inner working, and outputs. The attached document provides a descriptive framework for identifying systemic problems and designing implementation strategies to solve those problems.

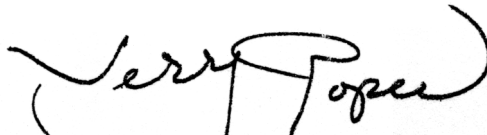
We offer this study as a catalyst for change—change for the short term and change for the long term. We address specific problems and offer specific solutions. We also provide a discussion concerning a series of issues that affect the overall business culture of County operations. We do so not to criticize any one county employee. Instead, as business professionals and leaders, we offer our suggestions in the spirit of bringing best business practices to County government.

We have enjoyed an excellent working relationship with a number of County personnel and appreciate the cooperation we have received from you. We stand ready to help you implement our recommendations and assist in any other way we can.

Sincerely,



The Civic Federation



The Chicagoland Chamber of Commerce

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While The Civic Federation and the Chicagoland Chamber of Commerce are grateful for all of the financial support for this project, the two organizations alone are responsible for the scope and recommendations of the Cook County Cost Control Task Force.

Oversight Committee and Task Force Chairman

The oversight committee consists of the respective Boards of Directors of the Chicagoland Chamber of Commerce and The Civic Federation. The chairmen of the two organizations serve as co-executive chairs of the Task Force. Mr. James S. Montana, Jr., partner at Piper Marbury Rudnick & Wolfe LLP, serves as the Task Force chairman and reports to the two Boards of Directors through the co-chairs. Mr. Montana directs the staff of the two organizations and other members of the assembled research team and expert consultants.

Project Research Team

The project research team, led by Mr. Montana, includes:

- James Annable, SVP and Chief Economist of Bank One;
- Ronald Gibbs, Senior Vice President and Director of Government Relations, Edelman Public Relations Worldwide;
- J. Thomas Johnson, Partner, State and Local Taxes of KPMG LLP;
- Jeffrey S. Kahn, Manager, State and Local Tax Services of Ernst & Young LLP.

Designated staff of The Civic Federation and the Chicagoland Chamber of Commerce assisted the project research team. In particular, Civic Federation staff included Project Research Directors, Myer Blank and Roland Calia, PhD., and Managing Editor, Scott Metcalf. Additionally, we wish to thank The Hay Group, Tactics, Inc., and Pandolphi, Topolski, Weis & Co., for serving as research experts and consultants on the project.

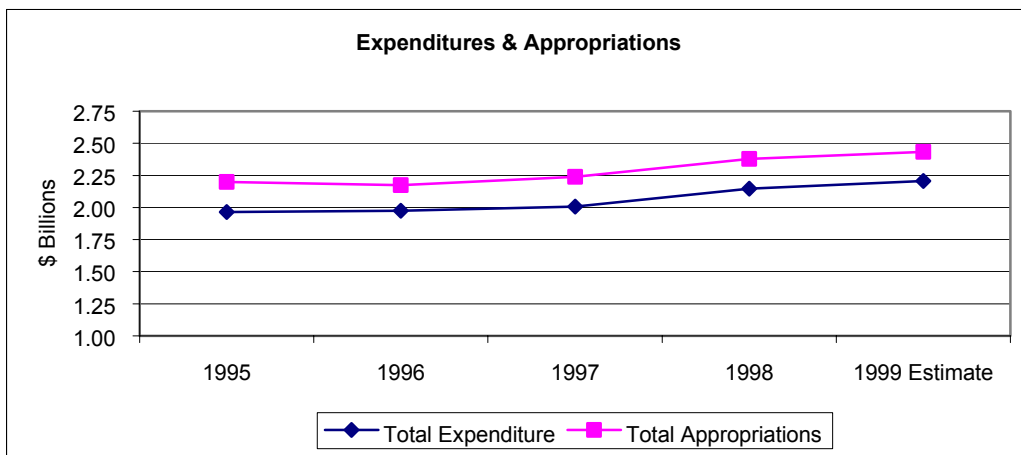
Introduction

The work of the Cook County Cost Control Task Force and this study was undertaken with several purposes in mind. First, at the time the study was conceived in 1997, President John Stroger reaffirmed his belief that Cook County was trending toward a multimillion-dollar structural deficit by the year 2000. Talk of a multimillion-dollar deficit was particularly alarming to members of The Civic Federation and the Chicagoland Chamber of Commerce. The fear among members of both organizations was that the County, by all indications, appeared to be on a path toward increasing taxes to rectify the anticipated deficit rather than reducing the cost of Cook County government. With no obvious, comprehensive cost cutting plan on the table to address the anticipated deficit, The Civic Federation and the Chicagoland Chamber of Commerce created the Cook County Cost Control Task Force to provide an independent analysis of the County's options to reduce the cost of County operations and to fend off any chance of a structural deficit in either the short or the long term.

The Civic Federation and the Chicagoland Chamber of Commerce applaud the President and the Board of Commissioners for the steps already taken to bring the County out of the projected tailspin leading toward fiscal crisis. However, the members of the Task Force do not believe that the important, fundamental reforms needed for long-term fiscal stability have been implemented. The Task Force and the two organizations offer this report as a catalyst for creating an organization that operates as cost effectively and productively as possible. It includes a review of immediate steps that can be taken to reduce the cost of County government as well as create the structural and cultural changes necessary to institutionalize these reforms.

Over the duration of this study, County leadership publicly announced that it had successfully implemented the necessary cost saving policies to minimize and/or eliminate the deficit as well as produce growing fund balances. While this appears to be good news for

Cook County taxpayers, the Task Force remains concerned about the future of Cook County's financial well-being. Most, if not all, of the same factors used to calculate the originally projected deficit remain. In addition, the County's tax mix and source of revenues have not changed significantly, while the cost of County government continues to grow. As the chart below indicates, between 1995 and 1999, the amount of funds expended by Cook County grew by a total of 12%. Cook County's appropriation levels grew 10.6% over this same period. This indicates that the County is spending a larger portion of its allocated funds every year.



As the study team began to collect data and conduct interviews with key officials in Cook County government, it quickly became apparent that several issues would make it difficult to achieve the project's original goal. First and foremost is the fact that the structure of Cook County government is highly fragmented. The fragmentation of County government and the concomitant tension between and among elected county officials over the County's financial management system are problematic at several levels. From the taxpayers' perspective, it results in a lack of accountability and a general confusion regarding duties and responsibilities. From a researcher's perspective, it makes it difficult to obtain uniform data. Furthermore, given the wide range of services delivered by the County, many of the bureaus

and departments have quite different organizational and reporting structures. Simply put, it is difficult to describe the County's operations using a singular type of organizational model and then recommend improvements based upon that model.

Given the above observations, two changes to the Taskforce's original intentions became necessary. First, the study had to develop a methodology that focused more on the County's processes than its institutional structure. Specifically, instead of focusing on performance trends and financial analysis, the report focuses more on a description of how Cook County functions as a government. What follows is an analysis of the internal organizational and management processes that produce the services and operate the functions under the County's jurisdiction.

Second, it became evident rather quickly that the relatively narrowly defined scope of the Task Force's work would benefit from a broader point of view. Regardless of the possible explanations, it struck the members of the Task Force that there was something inherent in the fundamental dynamics of the Cook County organization that was resisting change and the implementation of past recommendations. Members of the Task Force came to this conclusion at different times and with varying degrees of difficulty and reluctance. Nevertheless, the evidence gathered and presented to the Task Force was hard to ignore. The Task Force was provided numerous illustrative examples of processes, functions and activities performed repeatedly by County employees that were inefficient, unnecessary, counterproductive and wasteful. These events or practices were discovered routinely by the research team, but more frequently than not, County employees provided the examples and shared their frustrations with the system.

As a result of these issues, the Task Force members recognized that to simply recommend that a process be eliminated or recommend a reduction in the number of steps it takes to accomplish a task would be a disservice to members of The Civic Federation and

Chicagoland Chamber of Commerce, as well as the taxpayers of Cook County. To make recommendations for cost reductions without understanding the internal dynamics—the business culture—of Cook County government appeared to members of the Task Force to be somewhat short sighted and insufficient to accomplish the overall goal, which is to make Cook County a more cost effective and efficiently run government. Furthermore, without focusing on the systemic problems, members of the Task Force believe that any recommendations contained in this report would suffer the same fate that so many of the recommendations contained in previous reports experienced.

While the Task Force is cognizant of the attractiveness of focusing on the immediate cost savings, it strongly recommends that greater attention be given to the longer-term structural and business culture problems facing County leadership. Without the appropriate focus and follow-through, members of the Task Force believe that cosmetic changes will produce only minor results. We urge the County Board to fundamentally change the way the County conducts business and ready Cook County government for the new millennium. Failing to do so will have significant consequences and do a disservice to the County and the City of Chicago and to the various cities, villages and taxing bodies that make up Cook County.

EXECUTIVE SUMMARY

The report that follows details the inner workings of Cook County government for the purpose of making recommendations to foster system-wide change that will eventually result in cost-efficiencies and overall savings to the taxpayer. Currently, 99 different departments and offices deliver County services. As one of the State of Illinois' largest governments, Cook County has two primary functions.

First, it provides direct public services. A majority of the almost 27,000 employees of Cook County either provide health care services, administer judicial proceedings or operate one of the largest jails in the country. In 1999, Cook County Hospital provided care for approximately 134,000 patient days; the Clerk of the Circuit Court handled over 74 million filings; and the Department of Corrections incarcerated an average daily population of 9,500 inmates. In addition to these responsibilities, Cook County has numerous other functions, including maintaining a highway department and housing vital records. As the second largest county in the United States, the magnitude of the public services delivered by the employees of Cook County far surpasses the services delivered by all of the area's local municipalities, except the City of Chicago.

Second, Cook County is also responsible for administering the local property tax system. There are 517 taxing districts within the boundaries of Cook County. These include school districts, municipalities, villages, park districts, etc. Cook County government is responsible for assessing and collecting property taxes from the owners of the over 1.7 million property parcels in the County. As administrator of the property tax system, Cook County is responsible for assessing the value of real estate, determining the equalized assessed valuation of taxable property, establishing tax rates, collecting tax bills and distributing tax proceeds to local governments. Cook County acts as facilitator for how taxpayers pay for the services they receive from local government. It is the government of Cook County to which taxpayers must turn to object to their property tax assessments and it is the government of Cook County to which they must pay their property tax bills. In addition, without this function, local school districts, park districts, municipalities, villages and special taxing districts would be without their primary revenue source.

The relevance of this study to the taxpayer emanates from the unique set of responsibilities Cook County has as a public agency: deliverer of public services and collector of property taxes. A breakdown of either function will result in public endangerment and the disruption of the public services delivered by local governments that are dependent on those taxes. In Cook County, the cost to the taxpayer to deliver those services has historically escalated. Past attempts to neutralize cost escalations have focused on topical problems rather than the systemic causes of the County's rising costs. In the case of Cook County, reductions in cost will only come about through a comprehensive restructuring based on a complete understanding of the government's inner workings.

The initial study was designed in four parts: Organization, Personnel, Purchasing and Cash Management. Two structural changes took place during the course of the study. First, because a new Cook County Treasurer was elected, a number of swift and important changes altered practices in that office. The project team thought that an immediate analysis of that office would be of little benefit until the new Treasurer had completed her own internal restructuring. Second, as the study proceeded, it became evident that a separate investigation concerning Cook County's "Structure and Governance" systems was needed.

Cook County government is plagued by an excessive fragmentation of authority. A total of 28 different officials are elected: the President of the County Board of Commissioners, 10 other elected officials and 17 members of the Board of Commissioners. Ninety-nine different departments and offices deliver services. The study team would be remiss if we did not at least present a brief discussion of the current structure of Cook County, problems with that structure and proposed solutions to the various problems.

What follows is an analysis of the above areas of study. Each area is divided into three sections: Process, Findings, and Recommendations.

ORGANIZATION

Process

This component of the study evaluates the management, functional structure and business culture of Cook County government. Carrying out multiple functions with such a large and complex structure could lead to a number of inefficient practices including duplication of functions and activities, fragmentation of authority and lack of coordination among departments and agencies. This section of the report provides an evaluation of the operation and efficiency of Cook County's management structure and processes by: 1) analyzing whether current County functions and practices are efficient, practical and cost-effective; and 2) based on a best practices analysis, making recommendations for structural and management reform in areas where the analysis identifies inefficiencies.

Findings

Cook County's organization, structure and processes do not maximize productivity, efficiency and cost effectiveness. Cook County is organized diffusely and operates under a business culture that stresses policies and programs that do not necessarily guarantee quality service at the least possible cost. Managers and employees, although dedicated, operate under a highly controlled work environment that emphasizes "following the rules" and "not making waves" rather than taking responsibility for producing quality work, products and services.

Recommendations

General Culture

It is imperative that the staff departments act as facilitators for the operating departments. Additionally, it is important for them to help operating departments run more efficiently so they can provide high quality, timely and cost effective service to taxpayers.

- In staffing departments, make quality of service part of the annual performance evaluation. The operating departments, as the primary receiver of staff department services, should be involved in the evaluation process.

- In operating departments, evaluate employees on how well they serve taxpayers and make the measures part of the performance management process.
- Staffing departments need to expedite decision-making by pushing it down to the lowest reasonable level. This decentralization of authority can expedite the accomplishment of key County functions and foster an improved employee work ethic.
- The Bureau of Human Resources needs to provide more advanced human resource and organizational development training to operating departments. This training should focus on recruiting, managing and promoting employees.
- To better enable staff departments to support operating departments, assign an analyst from the Bureau of Human Resources, Budget Department and the Purchasing Department to each operating department. These analysts would be responsible for understanding and servicing the various needs of their departments and expediting requests throughout the system.
- Streamline the processes that are connected with serving the taxpayer in order to more quickly and effectively serve them.

Governance and Accountability

The fragmentation of authority should be replaced by a centralized management system in which departmental leaders govern their departments and answer for their actions. Any changes resulting from these recommendations should be applied equitably across all of the departments, regardless of whether the department is under the Office of the President or is headed by an elected official.

- Departmental leaders should be given significantly greater authority to bid out a purchase requisition, raising the level several times higher than the present \$250 limit.

- The Bureau of Human Resources, Purchasing Department and the Budget Director should clearly communicate to each department leader what his/her real budget is.
- Departmental leaders should be given the discretion to decide which vacancies are most important and thus should be filled first.
- Departmental leaders should be trusted and held accountable for staying within their budgets once their actual budgets are communicated to them.

Leadership

Rather than burden departmental leaders with redundant and mundane clerical tasks, the County should allow its managers the freedom to lead their departments and hold them responsible for their actions.

- All departmental leaders (not just some elected officials) should be given significantly greater authority and discretion to actually lead their departments and bring about the results that they are commissioned to bring about.
- County processes and systems should be reviewed, revised and made more simple, efficient and timely so that leaders and key managers are given more time to focus on the strategic concerns and goals of their departments and agencies.

PERSONNEL

Process

This component examines the personnel system of Cook County government. Representing approximately 67% of the budget, human resource allocation and organization is an important starting point of any effort to realign the County's cost structure, thereby mitigating the likelihood of future structural deficits. One challenge to reducing personnel costs is to find reforms in the personnel system that cut across the various service areas, specifically the Bureau of Health Services and the public safety agencies. Past studies have

shown the need for a merit-based selection system and an updated job classification system. This section of the study follows up on recommendations made in previous studies and identifies new opportunities for cost savings.

Findings

Cook County's personnel system, under the period of review, is marked by a lack of uniformity, convoluted hiring practices, unsubstantial performance reviews, automatic merit increases and minimal employee contributions to health benefit packages. Suspicion and accusations of favoritism plague departments. Departmental leaders believe personnel issues are so severe that they hinder their ability to run departments and make it difficult to attract, hire and retain quality employees.

Recommendations

Hiring

The selection system must be changed in order to give departments the opportunity to recruit the best available talent. Given the nature of the very tight labor market, it becomes more imperative to implement a variety of processes. These processes must be in compliance with legal requirements, as well as responsive to the needs of the various departments of County government.

- A simplified and more accessible application process should be adopted; applications should be accepted at a variety of locations and hiring departments should be allowed to accept applications after they have been properly trained.
- Recruiting should be coordinated with appropriate schedules (e.g., college recruiting cycles, job fairs, etc.) to attract the best available candidates.
- Selection procedures should be reviewed to assure their validity (job-relatedness) according to Federal standards; BHR should audit the interviewing procedures applied in the hiring departments and provide the necessary support in the application of valid procedures.

- Communications between County departments, and with potential applicants, regarding the status of the processing of paperwork for a selection must be greatly improved to provide the best opportunity for successful recruiting.
- The Bureau of Human Resources should more expeditiously hire qualified candidates who have been selected by department heads.
- The County should develop a succession management plan to ensure that the acquired knowledge of long-time employees is not lost when they retire.

Classification

There are internal equity problems that should be addressed in order to have the proper compensation relationship among positions. Compensation issues have largely been ignored and, therefore, it is probable that compensation dollars are being spent ineffectively.

- Implement a classification review of all positions to assure proper classification and compensation.
- Establish a regular review process of a certain percentage of jobs to maintain the classification plan.
- Involve the departments in setting priorities in the classification process – their input is essential to supporting the delivery of services.
- Communicate clearly to the requesting departments why reclassification requests are not approved.

Health Benefits

- Employees should make larger contributions to their health insurance premium.
- The County should investigate the possibility of joining with other local governments to collectively accept bids for employee health plans.

PURCHASING

Process

This component analyzes the procurement function of Cook County government, representing between **14%-17%** of the County's annual budgeted expenditures. A well-designed purchasing function can reduce expenditures without reducing services or negatively affecting government operations. Common problems in government purchasing include large amounts of paperwork, failure to take advantage of automation and multi-stage approval processes that require participation of a large number of departments and offices. These inefficiencies require the County to devote unnecessary time to purchasing decisions that have little to do with core policy functions and can cause them to lose potential vendor bids and forgo opportunities to obtain bulk pricing and discounts. This part of the project will use a best practices approach to analyze and make recommendations for improving the County's planning and scheduling processes, vendor selection processes and administration procedures.

Findings

The Cook County purchasing and procurement process is overly complicated and burdensome to County employees. The review procedure in place focuses on details and operating procedures that do not guarantee the procurement of the best product or service at competitive prices.

Recommendations

- Ensure the full and proper installation and use of the recently purchased integrated online purchasing system. The current, obsolete computer system is a barrier to achieving real improvements in the purchasing function.
- Streamline the purchasing process to make the best use of the new computer system and adapt the purchasing ordinance accordingly. Change procedures to accommodate the requirements of the new system. Do not modify the new

software. Set thresholds at a level to ensure that the projected savings of the process, such as going out to bid, exceed costs of that process.

- Replace the redundant review process with internal controls. Eliminate County Board reviews of normal business purchases. Hold departments and elected officials responsible for managing their budgets. Use audits. Incorporate specific steps to guard against fraud. Subject only unusual and very costly procurement decisions to Board review, but require that each include a cost benefit-analysis and any other information for meaningful decision-making. Review procurements only once.
- Manage the procurement process to achieve results. Top management, i.e. the County Board, should define goals in a measurable format for each of the various missions of the County. Give Departments the authority (including authority for most normal procurement decisions) to reach those goals. Measure actual results and compare to the goals. Hold departments accountable for reaching goals. For the Purchasing function, those goals should include timeliness, efficiency and cost-effectiveness, quality, service, competitive prices and any other responsibilities such as fairness or social mandates assigned by the County Board to the purchasing function.

STRUCTURE AND GOVERNANCE

Process

This section provides an overview of several of the fundamental issues facing the County involving the current form of Cook County government, including elected officials, the exercise of authority by elected officials and the level of accountability. One of the key questions that emerged from the interviews and discussions with County officials and others was the question: “Who’s in charge?” As chief executive officer, is the President ultimately in charge of the budget and the fiscal well being of the County? Does the President share that responsibility with the Board of Commissioners? What control do the President and

County Board have over elected officials? What control should the President and Board exercise over other elected County officials? The answers to these questions are central to any understanding of Cook County government and its fiscal policy. The Task Force report provides an analysis of these questions and offers recommendations for future roles and responsibilities.

Findings

Cook County government has evolved into a highly fragmented and diffuse form of government. The fragmentation of County government has led to the fragmentation of authority and, as a result, the fragmentation of accountability. Because the decision-making process is unclear, no single person can be held accountable for the operations and actions of Cook County government.

Recommendations

- Reduce Number of Elected Officials. Two possible candidates for consolidation today would be the Offices of County Clerk and the Recorder of Deeds, both of which already maintain real estate documents. In Illinois counties with a population of under 60,000, the county clerk is also the recorder. This is also the case in many counties across the nation. Other candidates for consolidation are the Offices of Treasurer and Comptroller
- Reduce the President's Veto Authority. Only a 4/5ths majority, or 14 out of 17 votes, can override the Cook County Board President's veto. This is an extraordinarily high bar to attain. In its proposal that the executive and legislative powers be formally separated, The Civic Federation recommends that the veto power be reduced to a 2/3rds majority, or 11 votes, as is the practice in most local governments.
- Establish an Independent Board of Governors for Cook County Bureau of Health Services. An independent Board of Governors composed of health care and business professionals should govern the Bureau. A dedicated revenue stream comprised of statutory percentages of property, sales and home rule taxes would support the new Board.

- Establish a Separation of Powers: Create an Executive Presidency. The President would become an executive officer elected on a countywide basis. There would no longer be the option of also sitting as a Commissioner. An Executive Presidency would make Cook County consistent with many other county governments across the country, including Wayne and Oakland Counties in Michigan.

CONCLUSION

Only the leadership of Cook County is capable of monitoring and guaranteeing the implementation of these reforms. The preceding report outlines the problems to be addressed, and offers straightforward recommendations for improvement. A dedication to high quality government is the most important factor in bringing about these changes. With sufficient energy, the ideal models used for the purpose of comparison in the preceding chapters can become a reality. The Taskforce urges the use of both public and private resources to accomplish this goal. While the initiative for these changes must come from County leaders, outside consultants can provide the necessary training and advice.

This report exists as a benchmark to measure the County's progress toward those ideals. It should not be seen as merely a list of problems, but also as means of evaluating the County's progress. The culture of Cook County has developed out of the unique, historical circumstances of this region. Though the actions of the past have created difficulties in the present, the actions taken today can enhance the future. The Taskforce is confident in the ability of Cook County leaders to improve the present situation and take the necessary steps to prepare for the challenges of the new millennium.

FULL REPORT

The following is a detailed explanation of the findings of this report:

Chapter I Organization

During the research team's¹ interviews with key County leaders, the research team discovered a team of dedicated, professional managers and departmental leaders who were frustrated with the County's slow and cumbersome processes and systems.

In the course of the study, the research team found that staff departments (the Bureau of Human Resources, Purchasing and Finance) acted as control centers that were highly focused on minimizing errors, abuses and poor budgetary decisions by operating departments. By slowing down the approval process (and in some cases denying approval) for obtaining vital resources (human and otherwise) that have already been approved in the budget, staff departments have obstructed the operating departments' ability to effectively plan for the future, set priorities and direction for their departments, be held accountable for staying within their departments' budgets and render the results for which they are responsible.

This portion of the study was divided into three sections: General Culture, Governance and Accountability and Leadership. These categories represent three key aspects of Organizational Analysis. A summary of this portion of the study is presented below.

GENERAL CULTURE

Process

Because the Cook County government exists to serve the taxpayers of the County, the highest priority and value in the culture need to be providing high quality, cost-effective, and timely service to them. For staff departments (Bureau of Human Resources, Finance,

¹ The Hay Group was chosen by The Civic Federation to conduct a review of Cook County's organizational practices, issues and systems.

Purchasing, and Information Technology departments), this means finding ways to better serve and support operating departments (Juvenile Detention Center, Clerk of Circuit Court, etc.). Ideally, this should take the form of:

- Streamlined administrative processes, so that the time it takes to process requests from operating departments is reduced.
- Well-documented and easy-to-understand administrative processes to minimize time spent on filling out forms and resubmitting forms.
- A sense of urgency in providing excellent and timely customer service to the operating departments.
- Decision-making and approval authority being pushed down to the lowest reasonable level (empowering employees in staff departments).
- Expert advice and consulting provided to operating departments that enable them to understand their current and future needs more fully, make better and more timely decisions, function more efficiently and plan wisely for the future.

Operating departments can provide excellent customer service to taxpayers by:

- Communicating regularly with staff departments and asking their expert advice/counsel on various situations, problems and needs,
- Effectively using and working within the streamlined administrative processes and guidelines created by the staff departments,
- Focusing time and energy on creating streamlined processes that serve the taxpayer in a more efficient and timely manner, and
- Working closely with other operating departments to better integrate taxpayer's services across departments.

Findings

From our interviews, it is apparent that the present culture in Cook County departments is not close to the ideal culture just discussed. However, it is important to understand the historical context of the County government when discussing the culture the study team found. It is clear from our findings that the government has put safeguards in place to minimize abuse and misdeeds by County officials. These safeguards, though well intentioned, have created a culture that is counterproductive, cumbersome and obstructionist in an age that demands timeliness and efficiency.²

Staff departments tend to value:

- Following policies, rules and procedures to the most minute (and often insignificant) detail;
- Ensuring that others follow rules to the point of creating inefficiencies and roadblocks to processing operating departments' requests;
- Attempting to prevent department heads from making poor budgetary spending decisions by having a slow and cumbersome review and approval process of their requests;
- Controlling department heads' ability to spend budgeted money by approving requests based on a "shadow" or perceived hidden budget that is not known to department heads;
- Making sure that, in terms of process improvements, suggestions for new, innovative programs and processes do not offend key administrators.

The cultural flavor the study team got from interviewing the operating departments was more in response to the internal struggles they had with staff departments than from their day-to-day values of serving the taxpayers. Their values and activities centered on:

² It needs to be noted that we interviewed several highly qualified and ambitious departmental leaders and key managers who wanted to better their departments and the level of service they provided.

- Expediting requests through Bureau of Human Resources and Purchasing Department,
- Finding ways around the cumbersome and inefficient administrative processes of staff departments,
- Duplicating staff departments' processes and systems to track requests through the system and to keep accurate, up-to-date information that the staff departments' systems do not provide them,
- Filling out request forms (request to hire, purchase requisition, etc.) and spending too much time ensuring that every minute detail is correct,
- Resubmitting and correcting rejected forms to ensure they are 100% according to the rules and policies.

The culture the study team found in Cook County departments has definite consequences for the County and how it functions. Besides wasting valuable employee, manager and departmental leader time filling out (and often re-submitting) County forms and chasing down information regarding requests, the present culture also has several other tangible effects as delineated in the Personnel section.

Recommendations

Departmental leaders confided to us that they believe that staff departments slow down or reject their requests to garner important resources (that have already been approved in the budget) because it is believed that doing this can save money. Ironically, the study team found that not allowing departments to staff important vacancies is actually costing the County more money and are areas for potential cost savings.

It is imperative that the staff departments act as facilitators for the operating departments. Additionally, it is important for them to help operating departments run more efficiently in order that they can provide high quality, timely, and cost effective service to taxpayers.

- Staff departments should write mission statements that focus on providing excellent and timely service and support to the operating departments,

- Staff departments see themselves as knowledgeable experts or consultants who can and must advise and enable operating departments to more effectively serve taxpayers,
- Make level and timeliness of service/support to operating departments part of the annual performance evaluation process, in order to drive a service oriented culture into the lowest levels of the organization,
- To better enable staff departments to support operating departments, assign an analyst from the Bureau of Human Resources Budget Department and the Purchasing Department to each operating department. These analysts would be responsible for understanding and servicing the various needs of their departments (e.g., staffing needs, purchasing needs, training needs, etc.) and expediting requests throughout the system,
- To maintain a sense of urgency in supporting operating departments, staffing departments need to expedite decision-making by pushing it down to the lowest reasonable level (e.g., the analyst level),
- The Bureau of Human Resources needs to provide more advanced human resource and organizational development training to operating departments in:
 - Motivating employees,
 - Developing employees (i.e., creating and implementing career development plans, especially for key employees),
 - Managing employees (i.e., effective management styles and performance management skills),
 - Selecting and promoting employees (i.e., interviewing skills),
 - Developing succession management plans,
 - Recruiting employees (i.e., training operating departments how to create and implement effective recruitment strategies).

- Staff departments should evaluate which of the numerous paper-based forms that departments presently must fill out (exactly) in order to make requests (to hire, promote, requisition purchases, etc.) are truly necessary, and
- Staff departments review and streamline administrative processes (the hiring process, the promotion process, the purchasing process, etc.) to better serve and support operating departments.

It is also essential that the operating departments make the following cultural changes:

- Work within the established systems and processes put in place by staff departments (especially after the processes have been streamlined) instead of trying to work around them.
- Create on-going dialogue with staff departments, keeping them abreast of the issues and needs of their departments,
- Take advantage of the expert knowledge and skills of staff departments to help address departmental issues and needs (e.g., developing recruiting strategies, creating career development plans for employees, understanding how to make more cost effective purchasing decisions, etc.),
- Streamline the processes that are connected with serving the taxpayer in order to more quickly and effectively serve them,
- Evaluate employees on how well they serve taxpayers and make the measurement part of the performance management process, and
- Work more closely with other operating departments to better integrate taxpayer services across departments.

GOVERNANCE AND ACCOUNTABILITY

Process

The ideal system of governance is one where departmental leaders are held accountable:

- For staying within their approved budgets,
- For understanding the exact amount of budgeted monies they are allowed to spend (the approved versus the actual budget), and
- For achieving results and for the performance of their departments.

Additionally, departmental leaders should be given:

- Control over staffing decisions (i.e., which vacancies to fill and when to fill them),
- Control over purchasing decisions, and
- The flexibility to change how they spend budgeted monies on a line-item basis if conditions/priorities change during the course of the year.

Findings

The study team found that the authority and accountability for staffing decisions, purchasing decisions and other budgetary matters often do not rest with the departmental leaders but with staff departments or the Cook County Board of Commissioners. In addition, employees and key managers often spent their time getting requests through internal processes and systems and duplicating inefficient or unreliable County systems instead of focusing their time and efforts on serving the public.

- It must be noted that there was a marked difference between elected officials and offices under the President in terms of how much authority they were given to govern, with the elected officials typically being given more discretion and authority. However, the study team also found that some elected officials were given more discretion and authority than were other elected officials.

- Many departmental leaders (some elected officials and all of the offices under the President) cannot effectively set the direction and priorities for their departments because they cannot exercise discretion over their approved budgets.
- Because the Bureau of Human Resources, the Bureau of Finance, Purchasing Department and the Board of Commissioners maintain strict control over budgetary decisions, leaders cannot be held accountable for staying within budget.
- Leaders cannot be held accountable for achieving results and for departmental performance because they do not have accountability for or control over their budgets, and
- Leaders do not have the flexibility to rearrange budgeted spending priorities (within a line-item) if conditions change or special needs arise.

The study team has found that the present model of departmental governance greatly influences departmental leaders' ability to accomplish their goals, objectives, and results.

The study team has enumerated several examples below.

- Many department employees devote a large portion of their time expediting and tracking paperwork through the County's internal systems and processes. They use processes and systems, developed in their departments, to help them track requests to hire, promotion requests, and purchase requisitions (for purchases over \$250), etc. through the system. Additionally, employees spend time creating and maintaining systems that duplicate County systems.
- Because of their frustration with County processes and systems, some departments have created their own payroll systems and personnel records, thus duplicating County systems.
- Even though filling specific vacant positions has been approved in departments' annual budgets, it is ultimately the Bureau of Human Resources that decides which requests to hire will be posted and which selected candidates for a posted

position will be appointed. In other words, it is the Bureau of Human Resources, and not individual departments, that has accountability for and control over which budgeted vacancies are filled.

- The Bureau of Human Resources states that there are too many requests to hire to process and so they need to set priorities in terms of which requests to process first. This is not only a misplaced accountability, but it is an ineffective way to staff the departments because the Bureau of Human Resources makes their prioritization decisions without sufficient input from the departments regarding their most critical staffing needs.
- Additionally, departmental leaders feel that the Bureau of Human Resources is exercising authority over the hiring process as a means of cost control and of ensuring that departments stay within their budgets. This unnecessary supervision results in department heads not being sure what their real budgets are or how many vacancies they will be allowed to fill.
- Departmental leaders are not given the flexibility or discretion to use their budgeted monies in the ways that they believe will most benefit the department or help it function most effectively. Because situations change (e.g., the key manager leaves the department) and crises occur (e.g., the computer system crashes) during the year, the budget approved the previous year may not accurately reflect the ongoing needs of the department. Nonetheless, departmental leaders are not given sufficient authority and flexibility to shift spending priorities, even within a line item.
- County department purchases over \$10,000 need to be approved several times by the Cook County Board of Commissioners. In order to get these larger purchases approved, departmental leaders and key managers must attend several County Board meetings—at least once to allow the purchase to be put out for bid, at least once to have the bid approved and at least once to have payment for the product or service approved. Because these purchases have already been approved in the annual budget, these meetings are wasteful and frustrating. The authority to approve and make these larger purchases is misplaced. Board

Commissioners should not be spending their time reviewing hundreds of purchases that they have already approved in the annual budget. This problem will be discussed at length in the Purchasing Section.

- The purchasing process for larger purchases not only wastes the time of the Board of Commissioners, departmental leaders and key managers, but it also focuses these important leaders on clerical level decisions and tasks.

Recommendations

- The study team believes that the following recommendations should allow departmental leaders to more effectively govern their departments (and their departmental budgets) and be held accountable for producing results. Any changes resulting from these recommendations should be applied equitably across all of the departments, regardless of whether the department is under the Office of the President or is headed by an elected official.
- Departmental leaders should be given significantly greater authority to bid out a purchase requisition, raising the level several times higher than the present \$250 limit.
- The Board of Commissioners should no longer review purchase requisitions. Approval has already been granted through the budgeting process.
- The Bureau of Human Resources, Purchasing Department and the Budget Director should clearly communicate to each department leader what his/her real budget is.
- Departmental leaders should be given the discretion to decide which vacancies are most important and thus should be filled first.
- Departmental leaders should be trusted and held accountable for staying within their budgets once their actual budgets are communicated to them.

- Leaders should be given authority and discretion to spend budgeted monies, on a line-item-by-line-item basis, as they see fit.
- And leaders should be held accountable for their departments' results and performance.

LEADERSHIP

Process

- The ideal leadership model would allow:
- Leaders to focus their time on setting the strategy, direction and goals of the department or agency.
- Leaders to help to develop and mentor key managers in the department or agency.
- Leaders to concentrate some of their time and energy on finding ways that their departments or agencies can better serve taxpayers and other County departments.
- Leaders to work together to discover ways to integrate services across departments in order to provide better service to taxpayers and to make processes more efficient.
- Leaders to focus on garnering important, scarcer and more difficult-to-get resources for their departments or agencies.
- Leaders to spend time reassessing and possibly rearranging the priorities and direction of the department as changes, conditions and circumstances dictate.
- Leaders to hold key managers accountable for their performance and for achieving the goals of the department.

Findings

- The study team found that the present leadership situation focused leaders on the wrong priorities. That is, because they are spending time on activities that are taking them away from truly directing their departments:
- Department leaders and key managers spend substantially more time on garnering simple resources and accomplishing ministerial tasks than they believe they should.
- Departmental leaders and key managers often interview dozens of unqualified candidates for a single posted position.
- Departmental leaders and key managers spend a significant amount of time getting purchase requisitions over \$10,000 approved (several times) by the Board of Commissioners.
- Departmental leaders and key managers spend time bidding out purchase requisitions over \$250.
- Departmental leaders and key managers have to engage in getting requests to hire and requests to promote approved by the Bureau of Human Resources.
- Departmental leaders and key managers work on creating business cases for reclassifying dozen of jobs within their departments or agencies each year.
- The impact of these inefficiencies are that County leaders:
- Often do not have sufficient time to focus on setting strategy, direction and goals for the department or agency, which ultimately hurts the quality of services to taxpayers,
- Have less time to focus their energies on developing ways for their departments to better serve their customers (other departments/agencies and taxpayers) and

- Do not have as much time to develop their key managers because they and their key managers are spending more time than is necessary accomplishing clerical/ministerial level tasks and duties.
- Thousands of dollars of hidden and wasted costs--in the form of management hours, tied-up resources, time delays and lack of information sharing--are accumulated through department leaders and key managers having to work through the current procedures to produce the outcomes for which they are responsible.

Departmental leaders and key managers spend an inordinate amount of time doing clerical, routine level tasks and activities. Inefficient or inappropriate County processes and systems force them to use their valuable time in the following ways. Some examples are:

- Expediting promotions and requests to hire, and
- Devising processes and systems to get around inefficient County processes and systems.

That is, the leaders and managers unnecessarily spend large parts of their days garnering basic resources (new hires, promotions, purchases, etc.) for their departments, resources that should be much more easily obtained. Leaders and managers are often doing clerical, ministerial level work.

With their focus on taking care of the day-to-day activities and tasks of the department, leaders and managers are not as focused on setting the strategy and direction for their departments as they need to be. Additionally, this clerical focus takes time away from finding ways to better serve the public and to integrate services across departments. Finally, the day-to-day focus takes leaders and managers away from developing their employees, some of whom will be the departments' future leaders.

- One department leader had to interview 49 candidates for an Information Technology position. With a more efficient and effective application screening process (discussed in the Personnel section), the department leader could have interviewed at least 60-80% fewer candidates.

- A good number of department heads and managers talked about spending too much time doing clerical tasks and activities. Based on a sample of department heads and managers, they spend 50% to 500% more time on tasks such as requests to hire, requests to promote, interviews and purchase requisitions than they feel should be necessary if the County had efficient systems and processes in place.

Recommendations

- All departmental leaders (not just some elected officials) should be given significantly greater authority and discretion to actually lead their departments and bring about the results that they are commissioned to bring about, and
- County processes and systems should be reviewed, revised and made more simple, efficient and timely so that leaders and key managers are given more time to focus on the strategic concerns and goals of their departments and agencies.

Chapter II Personnel

This portion³ of the study was divided into three sections: Hiring, Position Classification and Benefits. These categories represent three key aspects of Human Resources. A brief summary of this portion of the study is presented below.

HIRING

This portion of the study was further divided into three sections: Application Processing, Appointment and Succession and Civil Service Lists. These categories represent three key aspects of hiring.

Process

An ideal management-centered model focuses on the delivery of quality public service in a cost-effective manner. It provides the public manager with the necessary resources (human and other) to accomplish the purposes of the agency and, thereby, makes it possible to hold the manager accountable for the desired results. In addition, the manager must have the authority to use the resources at hand in a timely, effective manner. The manager must know what budgetary resources are available and when they may be utilized.

The human resources agency must work with operating departments to accomplish governmental purposes by:

- Providing support and consulting services with less of a control mentality,
- Empowering managers in making hiring, firing & compensation decisions,
- Emphasizing service delivery and efficiency with resulting dollar savings, and
- Developing understanding on the part of managers of human resource processes.

³ The Hay Group was chosen by The Civic Federation to conduct a review of Cook County's personnel issues and systems.

The collaboration of staff and operating managers is essential in establishing a cost-effective, responsive human resources management system. Collaboration between managers is important in at least two areas of hiring: application processing and appointment and promotion processing. An additional factor complicates the hiring process: civil service lists.

Application Processing

Findings

Cook County's current personnel system is one that is plagued by a complex bureaucracy resulting in an ineffective hiring process. It is often difficult for departments within Cook County to recruit qualified applicants and hire them within a reasonable time period. In addition, the process by which applicants are hired differs by department. After applications are received on the 8th floor of the County building, BHR personnel screen the applications for purposes of placing them in a general order of competence for the position. In many cases the person reviewing the applications does not have a good understanding of the class of positions.

A common complaint among the hiring agencies is that many persons are referred for interview who are not qualified or are marginally qualified. The requirement to interview candidates who do not have a chance of being hired is costly to the County and wasteful of candidates' time. Some of the problems concerning the screening process are that:

- It creates an unnecessarily large interview pool because of an inadequate screening process,
- Candidates are processed and forwarded to the hiring departments based on when they apply as opposed how qualified they are, which results in an excessive number of interviews to find a qualified candidate, and
- A minimum of seven applicants is referred to the hiring department based on Shakman rules. This requirement should not be applied universally, for example in conducting professional recruitment there should be a way to expedite the

process so that the County can offer a qualified professional a job in a manner that will enable the County to successfully compete with other employers.

- Department heads interview candidates who have not been screened for the job for which they are applying.
- The application screening process is ineffective and causes departments to have to interview numerous candidates who are not qualified. The hiring process is excessively long and cumbersome (lasting at least 4-6 months) and causes many qualified candidates to drop out of the process.
- The application process is highly restrictive and limits the number of qualified applicants who apply for posted job openings.

Many departmental leaders interviewed complained about the typical hiring cycle time taking at least 4-6 months, from the time of the job posting to the time the selected candidate is appointed. The County's slow, lengthy hiring and promotion processes are partially responsible for the difficulty departments have attracting quality candidates and retaining employees:

- Because the hiring process takes several months to complete, qualified candidates drop out of the process because they get other job offers or they get frustrated,
- The promotions of high performing employees are often put on hold for long periods of time, which can lead to higher turnover,
- Departments are unaware of whom to contact at BHR for information regarding the status of current candidates and requests to hire/promote often get "lost in the system" for months.

County departments also have difficulty attracting qualified candidates, particularly for professional (e.g., lawyers) and technical (e.g., engineering and Information Technology) positions. Departmental leaders complained of having difficulty recruiting engineers right out of college because the County's pay ranges were not competitive with the City of

Chicago or private industry. Another departmental leader complained of having difficulty recruiting quality IT professionals.

- County's pay ranges are not competitive with private industry and the City of Chicago,
- Campus recruiting is limited and the application process is excessively restrictive,
- Departments do not have recruitment strategies in place for these high demand positions.

Recommendations

The selection system must be changed in order to give departments the opportunity to recruit the best available talent. Given the nature of the very tight labor market it becomes more imperative to implement a variety of processes that, while in compliance with legal requirements, are responsive to the needs of the various departments of County government. The County must keep its eye on the target: better, more cost-effective public service through the recruitment and retention of competent employees. To this end, the study team recommends the following:

- A simplified and more accessible application process should be adopted; applications should be accepted at a variety of locations, and hiring departments should be allowed to accept applications after they have been properly trained,
- Recruiting should be coordinated with appropriate schedules (e.g., college recruiting cycles, job fairs, etc.) to attract the best available candidates,
- Hiring strategies and processes should be developed and implemented in conjunction with hiring departments; the hiring departments know their own hiring needs and priorities and BHR has the expertise needed to develop hiring strategies,
- The departments should play an active role in recruiting, particularly for professionals,

- Selection procedures should be reviewed to assure their validity (job-relatedness) according to Federal standards; BHR should audit the interviewing procedures applied in the hiring departments and provide the necessary support in the application of valid procedures,
- The training of interviewers should be increased significantly by BHR; well-trained interviewers are essential to making the selection system work, and
- Communications between County departments, and with potential applicants, regarding the status of the processing of paperwork for a selection must be greatly improved to provide the best opportunity for successful recruiting.

Key departmental managers spend an inordinate amount of time interviewing candidates for positions. Ostensibly, the number of persons interviewed is based on compliance with the Shakman judgment. It appears that the demand for interviews goes well beyond a demonstration of non-political hiring. The excessive number of interviews delays the selection process and results in many unproductive hours for managers. In addition, delays in the posting of job opportunities cause unnecessary overtime in critical positions because of vacancies.

Appointment and Promotion Process

Findings

There were many departments that spoke of completing the entire selection process, forwarding the paperwork for the selected candidate to the Bureau of Human Resources for approval to hire and then never receiving clearance from the Bureau to hire the candidate. This results in large amounts of time, energy and money being wasted screening, interviewing and processing an application for both the Bureau of Human Resource and the hiring departments.

Even though these positions have been approved in the annual budget, it is the Bureau of Human Resources that determines whether to appoint the selected candidate. Additionally,

no reasoning is provided for not appointing a selected candidate. This gives the department the false sense that they will be able to fill vacancies approved in the budget. It also gives the selected candidate a false sense of hope of being hired.

The promotion process is also lengthy and can put departments at risk of losing high quality employees as they wait for well-deserved promotions.

The implications of this arrangement for the efficiency of Cook County government are significant. For example, department heads talked about the cumbersome and frustrating promotion process. One department head complained about trying to promote an engineer into a critical vacancy, only to have the request held up in BHR indefinitely.

Departmental leaders also discussed their people development issues with us:

- Many leaders mentioned not having clear career promotion tracks for families of jobs in their departments (engineering, IT, clerical, etc.),
- Career development plans for their key employees was almost unheard of,
- Retention could be an issue if high quality employees do not see a clear promotion path or a concern for their career development, and
- Additionally, leaders talked about not having succession management plans in place, which is important for passing on the knowledge, experience and skills of the senior employees to junior employees before they retire or leave the department.

For example, one department head was quite concerned about senior engineers retiring without being able to pass on their knowledge, skills and experience. This problem was intensified by the fact that the department also had critical vacancies below the senior engineer level, which makes succession management a truly challenging issue for them. In addition, the large number of vacant positions in the County has a negative effect on the quality and the timeliness of the services the County can provide to the public.

Recommendations

- The Bureau of Human Resources should hire qualified candidates who have been selected by department heads more expeditiously.
- The County should develop a succession management plan to ensure that the acquired knowledge of long-time employees is not lost when they retire.

Civil Service Lists

Findings

Civil Service lists are still in use for nurses, pharmacists, guards and other positions. This process requires that potential candidates sign up on the relevant list to be considered for a position in departments that are required to use Civil Service lists.

In order to start interviewing for a posted position, the hiring department must contact the first eligible name on the list. This is problematic because the lists are often outdated by two to three years. For every individual on the Civil Service list, a “bona fide search” must be conducted before eliminating that person from the applicant pool and moving to the next individual on the list. This process is time-consuming and lengthy since people have moved or are difficult to find because so much time has passed since they were first added to the list.

Recommendation

Eliminate Civil Service lists for all positions, including LPN’s, RN’s, CMT’s, ERT’s, guards and pharmacists.

POSITION CLASSIFICATION

Findings

The County has conducted its classification reviews on a patchwork basis. There is reason to believe that there are many classes of positions (titles) that are not descriptive of the duties and responsibilities of employees. For example, there are employees working in titles

that are clearly obsolete such as stenographer. A comprehensive classification review of County positions would serve to improve internal equity among the classes of positions and place the County in a position to develop the basis for fair compensation of its employees.

In addition, several other problems need attention:

- A number of clerical grades were consolidated into a single grade (i.e., grades 5-8 were collapsed into grade 9). The raising of the lower grades was probably justified (mostly to raise the pay for the jobs in these grades in order to attract candidates), but the employees in grade 9 often have greater job responsibilities. This leads to the general concern that present grade structure does not always reflect level of work being performed,
- Requests for reclassification are processed only during the budget process, which places a heavy burden on BHR and the requesting departments during this time,
- Less than 5% of reclassification requests are approved, which means that a significant amount of effort is wasted by the requesting departments and the HR staff—95% of the efforts are wasted,
- Departments are not told why specific requests are not approved and, therefore, cannot prepare a better rationale for an acceptable request, and
- Employee morale is adversely affected when they understand their department has requested a reclassification and it is rejected without explanation.

Recommendations

The following recommendations are made regarding position classification:

- Implement a classification review of all positions to assure proper classification and compensation,
- Establish a regular review process of a certain percent of jobs to maintain the classification plan,

- Involve the departments in setting priorities in the classification process – their input is essential to supporting the delivery of services, and
- Communicate clearly to the requesting departments why reclassification requests are not approved.

It is not possible to estimate the impact of classification on the cost of County programs without an additional study. However, there are internal equity problems that should be addressed in order to have the proper compensation relationship among positions. Compensation issues have largely been ignored and, therefore, it is probable that compensation dollars are not being spent most effectively.

BENEFITS

Process

Our experience in conducting studies of employee benefits practices in both the private and public sectors shows that:

- Most benefit programs have the potential to be more cost-effective,
- The general practice in the market is that employees make health care premium contributions,
- The practice in the general market indicates that employee contributions cover at least 20% of the premium cost for employee coverage and 30% for family coverage, and
- Competitive health care plans typically require employees and their families to make co-payments for certain services.

Findings

The benefits provided to County employees indicate potential cost savings. This conclusion is based on the following factors:

- County employees contribute a minimal amount for insurance,
- There may be similar issues with the point of service plan; however this would require further review,
- The County would save another 1% to 3% of health insurance costs if they would have employees make co-payments for certain medical services, and
- There was a significant increase in life insurance premium cost in 1999; the reason for this increase is not clear; further review is required to determine potential for cost savings.

Recommendations

- All employees should make greater contributions to health insurance premium.
- The County should investigate the possibility of joining with other local governments to collectively accept bids for employee health plans.

Chapter III Purchasing

The review⁴ of the purchasing procedures for Cook County was designed to provide a high level overview of the effectiveness and cost-effectiveness of the County's entire purchasing process, beginning when a department identifies a need and ending when the department has the necessary resources and the bill is paid. County Purchasing, the department reporting to the Purchasing Agent, is only one component of the larger process.

The project focused on the structure of accountability of the County's official process and on the economic incentives inherent in that structure. The study team reviewed flowcharts, timelines and other documents provided by the County, interviewed County personnel, analyzed information provided by the County and procured from other sources and researched trends in purchasing management. No findings contained in this report should be construed as criticisms of County employees. The problems identified are problems of the *system*. The study team observed conscientious, hard-working County personnel, and the Purchasing Agent and others interviewed were very helpful.

Process

In order to assess how well an organization meets its goals or mission, it is necessary to define those goals. Looking specifically at government procurement, Steven Kelman, Professor of Public Policy at the John F. Kennedy School of Government at Harvard University, notes that the government procurement regulatory process has traditionally been seen as having three goals:

- Equity—to provide fair access to bidders,
- Integrity—to reduce chances for corruption in the procurement process, and

⁴ Tactics, Inc. was chosen by The Civic Federation to conduct a review of Cook County's organizational practices, issues and systems.

- Economy and efficiency—to pay the lowest possible price for goods and services of the quality desired.⁵

Professor Kelman thinks an important additional goal that has been over-looked is “*excellence in the performance of the organization's substantive tasks.*”⁶ According to Professor Kelman, the procurement function should support the mission(s) of the organization and should be evaluated based on how well it does so. The failure to promote excellence in procurement’s role in supporting the organization has resulted in problems (including delays, price overruns, poor quality and service) in government procurements.

Findings

- Time-consuming process leaves departments waiting for resources.

The County's estimated procurement cycle (90 days) is substantially greater than the average reported by state and county governments in a recent study. Comparison with the private sector is worse.

A comparison of the County's procurement cycle times with benchmarks developed by the Center for Advanced Purchasing Studies (CAPS)⁷ indicates that the County's process is slow. CAPS' statistics for state and county governments indicate that the average purchase order cycle time is 24 days. In comparison, the County's processing time for requisitions under \$10,000 is estimated at 60 days and the processing time for all requisitions is estimated at 90 days.⁸

⁵ Steven Kelman, *Procurement and Public Management: The Fear of Discretion and the Quality of Government Performance*, (Washington, D.C.: The AEI Press, Publisher for the American Enterprise Institute for Public Policy, 1990) p. 11.

⁶ Ibid.

⁷ CAPS is a non-profit, independent research organization, affiliated with the National Association of Purchasing Management and the Arizona State University College of Business. Its mission is to help organizations “achieve competitive advantage by providing them with leading-edge research to support the evolution of strategic purchasing and supply management.” See Appendix I for more information about the study and comparisons with Cook County.

⁸ For this analysis, we have used information taken from the County Budget which indicates two goals for the County Purchasing Agent:

Reduce processing time for requisitions under \$10,000 by 10% annually from the current 60 days.

Reduce processing time for all requisitions by 10% annually from the current 90 days.

There are several factors that account for the slowness with which the County handles its procurements:

- Failure to Measure Results

The County does not systematically measure (e.g.) the total time between requisition and delivery, the time required for bidding, rebidding and Board review or the time from invoice submission to payment.

- Lack of Accountability for Timeliness

No one below the level of the President and the Board is responsible for ensuring that departments receive needed resources on a timely basis. Purchasing responsibilities are fragmented, with responsibility for various pieces of the purchasing function found in a variety of departments and with the Board. No one is responsible for monitoring the entire process and evaluating the performance of the components. Although County Purchasing has been assigned responsibility to reduce procurement cycle times, its ability to do so is significantly limited by current administrative and review processes.

- Rebidding Contracts

The County requires that contracts be rebid when the low-price vendor is non-compliant with MBE/WBE requirements and other vendors exceed its price by 10% or more. While the County does not consider rebids in its estimates of procurement cycles, rebidding builds in significant delays. It has been explained that the rebidding process ensures that the County's costs do not increase more than 10% as a result of MBE/WBE requirements.

According to the Deputy Purchasing Agent, the current processing times are based on estimates and sampling because the system cannot produce such statistics. The estimates do not consider requisitions that are returned for corrections.

- Inefficient, ineffective and costly administration.

The County relies on multiple levels of review, repeated several times, instead of a strong system of checks and balances. This type of process is time consuming, costly, tends to decrease individual accountability and undermines financial controls.

- Many Layers of Review

The Department head, Purchasing, Contract Compliance, the Finance Committee and the County Board all review certain purchases. Each review increases costs but adds little effective oversight. Each review considers much of the information already reviewed by others. It has also been shown in other contexts that such duplicative "quality control" procedures can themselves reduce quality because they systematically diminish each employee's responsibility. When everyone is responsible, no one is responsible. The resulting error rate can be high.

- Multiple Reviews

The County Board reviews items (in excess of \$10,000) to be procured several times. The Board:

- Approves the procurement in the budget,
- Gives permission to advertise,
- Approves the bid and,
- Approves payment to the vendor—even though the County had previously
- approved the contract and received the goods or services and is therefore legally obligated to pay.

This process is time-consuming and costly. Significant time, effort and expense are devoted to preparing and distributing copies of each individual transaction, and, as has already been noted, the process consumes a great deal of paper.

- Low Thresholds

The County sets the threshold for going out to bid at \$250. Small purchases (less than \$250) do not require bids. The Board reviews all procurements over \$10,000. In comparison, according to CAPS, the average state and county government sets the dollar limit for small order transactions (allowing departments to make independent purchases) at \$3,287. The State of Illinois' limit is \$10,000⁹ and a proposed amendment to the State Procurement code seeks to raise that limit to \$25,000¹⁰.

- Duplication of Effort

Throughout the purchasing process, there is significant duplication of effort. Information is recorded on and maintained in paper records and entered into both the mainframe and Purchasing QA system. Duplicate data entry invariably introduces errors that have to be resolved. This duplication also creates delays in the process and frustration among employees who know that there are more effective ways of operating. Requisitions are passed from one employee to another.

- Lack Of Information

The Board does not receive adequate information for making procurement decisions. Purchasing decisions are by nature both complex and local. The immediate costs of procuring an item should be weighed against departmental effectiveness including the effect on the department's operations, the total costs of operation (including long term maintenance), and the other options available.

Managers, for instance, might weigh the higher price of one brand of floor wax against the labor cost of applying two coats of a less expensive brand. Managers make decisions about the size, speed and warranties of photocopiers to be acquired with the needs of their departments in mind. Other managers make informed decisions based on specific technical

⁹ Illinois Procurement Code. H.B. 1633 Enrolled. Public Act 90-572. Section 20-20.

¹⁰ *Capital Assets*. The Government Relations Newsletter of the Illinois CPA Society. Vol. 11, No. 5, April 1999, p. 13.

knowledge, e.g. the surgeon knows the type of surgical clamp required. The Board is not provided with this information. It makes decisions without year-to-date procurement information, historical information, information about how the decision will affect the department's operations or cost-benefit analysis or specific technical knowledge. It makes decisions with no institutional process for seeing the big picture.

- Lack of emphasis on quality.

The County has no process to evaluate vendor performance. Contracts are awarded without systematic consideration of prior performance. Furthermore, the County has no process to evaluate departmental satisfaction with the procurement process or vendor performance.

- Dissatisfaction

During the course of this study, user departments voiced considerable complaints about quality, attributing problems to the "low bidder" requirement. Because the County does not systematically collect statistics about satisfaction, it is impossible to tell how often vendors provide less than adequate quality or customer service—or whether the complaints were aberrations rather than the norm.

- Vendor Incentives

The County does not systematically collect and evaluate information about vendor performance. According to Professor Kelman, when an organization fails to consider prior vendor performance, vendors have little or no incentive to invest in client-specific knowledge. They do not share expertise and experience nor do they “make things right” when there are problems. In addition, he found that governments generally received a lower level of service than did private sector customers.

- Lack of emphasis on customer service.

There is no assessment of how well or how quickly County Purchasing provides services to the departments. There is no emphasis on helping departments obtain needed resources as

promptly as possible and no measure of how well the procurement function provides the services and assistance needed by operating departments.

The role of County Purchasing is defined primarily as making certain that procedures are followed, forms are properly and fully completed, items to be procured are properly described, letters are properly formatted and items are properly presented for Board review and contracts are properly bid. Responding to the question "What is the primary purpose of your agency," County Purchasing responded:

To solicit bids and enter into contracts for commodities and services for all Cook county agencies. Also processes vendor invoices to the Comptroller for payment upon receipt of goods or services.

Compare that mission with that of the Purchasing Office of the University of Texas at Austin:

To procure goods and services to sustain, foster, and support the educational and research missions of this university. Our mission shall be carried out in the most efficient manner possible, while adhering to the requirements of university, state and federal laws, rules and procedures. It is our goal to serve our customers in the timeliest, efficient, and transparent means possible.

Experience has shown that this emphasis on form (soliciting bids and entering into contracts) rather than customer service (procuring goods and services to sustain, foster and support) tends to create an inefficient process. Items are returned for correction leading to delay, finger pointing and generally adversarial relationships between the service supplier and the user departments.

- No test of market prices—no emphasis on price reduction—means that prices are probably high.

The County has no information about market rates and does not know whether its policies increase prices. In addition, many contracts are issued for individual departments causing the County to forgo economies of scale.

- Insufficient Economies of Scale

Countywide procurements are the exception. The County issues large numbers of procurement contracts department by department. As a result, the County is forgoing the economies of scale and paying higher prices. The length and complexity of the procurement process serve as an incentive for users to procure items in uneconomically small quantities. In general, people tend to respond rationally to the constraints of any system. It takes more time and requires more effort to bid than to keep orders under \$250 (and there is no incentive for employees to seek lower prices). It therefore seems likely that employees will try to keep orders below \$250 in order to maintain departmental effectiveness even if the result is a higher price.

- Focus on vendors that submit bids

Prices are compared only among vendors that actually submit bids. Those vendors represent only a relatively small number of the many potential suppliers of goods and services. The risk in any small sample is that some selection bias has distorted that sample so that it is not representative of the whole population. The County has no systematic procedures to make comparisons with the market. As a result, the County does not know whether some selection bias within the relatively small circle of vendors forces it to pay higher prices than would another organization of its size.

An analysis of the October 6 and 20, 1998 Bids Reports found that the County received a fairly limited response to its announcements of contracting and procurement opportunities: 228 vendors submitted bids for 39 contracts—an average of 5.9 vendors bid per contract. When compared to the listings in the Chicago Business to Business Yellow Pages, this represents a small percentage of the market.

- Insufficient solicitation of vendors

Although some departments "check the market" and encourage vendors to submit bids, the process largely involves sending notices to registered vendors and placing a one-day notice in the Chicago SunTimes. Reaching a wider circle of suppliers is likely to result in more

competition and lower prices. Many organizations—both public sector and private sector—make efforts to notify vendors of contracting opportunities. The State of Illinois also announces its procurement needs via the Internet. Metropolitan Water Reclamation District of Greater Chicago sends registered vendors a listing of contracting opportunities planned for the next six months, with contract numbers, contact persons and phone numbers, estimated values and dates.

- Vendors are likely to view the process as less than fair.

The County makes no attempt to determine whether its procurement practices are perceived as fair, open and transparent by either potential vendors or the public. Many firms are leery of doing business with government on principal and in addition, certain County practices are likely viewed as less than fair, open and transparent.

- County contracting opportunities are advertised once in the Chicago SunTimes, in comparison with other government bodies who advertise a minimum number of times or solicit vendors via the Internet.
- Announcements are sent to registered vendors but there is no attempt to solicit new registered vendors.
- Vendors who drop out are ignored. They are never asked why they have ceased to bid.
- Vendors are paid slowly. Slow payments encourage good quality, low cost vendors to seek other customers.

Recommendations

- Ensure the full and proper installation and use of the recently purchased integrated online purchasing system. The current obsolete computer system is a barrier to achieving real improvements in the purchasing function.

- Eliminate paper and duplication of effort

Make full use of the new system. Allow operating departments to enter requisitions directly into the system. The need for hand-written requisitions combined with data entry to both the Q & A system and data entry by MIS into the County's mainframe will be eliminated. Work online—not on paper.

- Promote accuracy and ease of use
 - Make instructions and other information available online. The system should make it clear what information is required—and where and how it is to be entered. Eliminate pre-printed sources of information to be copied to requisitions.
 - Use the system's capacity to store information that is constant (for each department) from one requisition to another—Dept. No., Account, and Storeroom No., etc.—and populate new requisitions from stored information.
 - Use pull-down menus for fields with only a handful of permissible options. This reduces error due to repetitive typing.
 - Make any paper forms match computer screens.
 - Use an electronic signature for the Certificate of Necessity so that online forms need not be printed for signature. Processing should be online.

- Provide management information.

Use the new system to generate management reports to measure actual results such as average processing costs, average cycle time for each category of purchase and other information as needed. In the immediate future, plan what results the County will track and provide that information to the implementation team. The new software should be installed so as to provide necessary management reports for all levels of the organization—with

summarized information for the County Board and more detailed information for County Purchasing.

- Provide the ability to manage the purchasing process.

Working online and automatic date stamping (to provide an audit trail) will virtually eliminate the risk that a requisition will be misplaced or overlooked. Workflow can be managed, backlogs identified and work reassigned electronically.

- Streamline the purchasing process to make the best use of the new computer system and adapt the purchasing ordinance accordingly.

Change procedures to accommodate the requirements of the new system. Do not modify the new software. Set thresholds at a level to ensure that the projected savings of the process, such as going out to bid, exceed costs of that process.

- Use the re-engineering budget built into the contract for the procurement system to design in accountability, internal controls and management capability. Help County Purchasing and operating departments change their procedures to make effective use of the new system.
- Do not modify the new computer software to accommodate old procedures. Establish new procedures for both handling workflow and for management purposes. Identify and plan for training requirements. Employees must learn new procedures. Management must learn to use the capabilities of the new system to manage workflow, identify problems and electronically reassign work.
- Work online to make the best use of the new system's capacity to store and share information about a requisition's status and to measure the effectiveness of the operation.

- Replace the redundant review process with internal controls.

Eliminate County Board reviews of normal business purchases. Hold departments and elected officials responsible for managing to budget. Use audits. Incorporate specific steps to guard against fraud. Subject only unusual and very costly procurement decisions to Board review but require that each include a cost benefit-analysis and any other information for meaningful decision-making. Review procurements only once.

- Eliminate layers of review and multiple reviews for most procurement decisions.
- Instead, make full use of feedback loops—managing the County by its results. Management at all levels—with the Board acting at the broadest levels—should:
 - Define policies and set broad, measurable goals—defining desired results,
 - Assign responsibility for results,
 - Require and review management reports showing actual results—making certain that the organization has not gone off-course, and
 - Hold management accountable for discrepancies between actual and desired results.
- Increase internal controls and take steps to reduce procurement fraud.
 - Use an internal audit function to verify both accuracy and compliance.
 - Adequately segregate duties.
 - Consider specific steps to deter procurement fraud.

Some steps used by other organizations¹¹ include:

- Review vendor addresses against employee addresses (to identify employees posing as fictitious vendors).

¹¹ Various publications available from the Association of Certified Fraud Examiners.

- Send the organization's ethics policy to vendors on an annual basis. This reminds vendors of the County's policies, and returned correspondence can also identify fictitious vendors.
- Establish a procurement fraud hotline. According to statistics compiled by the Association of Certified Fraud Examiners, the majority of occupational fraud and abuse cases are discovered through tips and complaints—and hotlines can facilitate those tips and complaints. Some organizations maintain an internal hotline while others use subscriber services.
- Regularly analyze complaints and bidding patterns.

County employees or contractors outside of County Purchasing should handle such steps.

Eliminating repeated Board approval—and the preparation of documents to be sent to the Board—would simplify both the operations of County Purchasing and the Board's agenda. The newly freed-up time can (and should) be devoted to analysis, review and consideration of policy issues.

- Manage the procurement process to achieve results.

Top management, i.e. the County Board, should define goals in a measurable format for each of the various missions of the County. Give Departments the authority (including authority for most normal procurement decisions) to reach those goals. Measure actual results and compare to the goals. Hold departments accountable for reaching goals. For the purchasing function, those goals should include timeliness, efficiency and cost-effectiveness, quality, service, competitive prices and any other responsibilities such as fairness or social mandates assigned by the County Board to the purchasing function.

- Establish goals or desired results for the procurement process.

- Allow County Purchasing the authority, within established policies and within its budget, to modify and adjust its operation to achieve results desired by the County Board.
- Ensure that County Purchasing has the information needed to effectively manage its operation.
- Ensure that County Purchasing has other resources (including adequate educational opportunities) needed to manage its operation.

Set goals for results including:

- Timeliness.

Set goals for timeliness considering both the cost of delays and the example of the rest of the world (24 day average reported by state and county governments versus 1.5 days reported by MasterCard.) Use benchmark studies and averages to avoid being badly out of step with the rest of the world. Do not use them to limit progress. Most orders should be received in days, not in months.

- Efficiency and Cost-Effectiveness

While streamlining the purchasing process and attention to timeliness are likely to result in a more efficient, cost-effective operation, it is still important to measure cost-effectiveness to ensure that it is achieved.

- Re-evaluate staffing levels

This step is essential to achieving a truly cost-effective operation. The need for many purchasing-related tasks currently performed by departmental employees and others will be eliminated. Operating departments, themselves, should have the capability of checking the status of requisitions on-line and will not be dependent on purchasing employees to check for them. It will no longer be necessary to maintain logs of requisitions sent to County Purchasing.

- Re-evaluate the placement of employees.

Consolidate employees who write specifications in County Purchasing. There are several advantages. Reassigning spec-writing employees to County Purchasing would 1) allow those employees to specialize in commodities and become more knowledgeable, 2) allow better internal economies of scale, and 3) facilitate more extensive use of blanket orders, thus achieving better economies of scale in pricing.

This concept has been resisted in the past. It will be resisted until County Purchasing can become customer service-oriented—and the operating departments are confident about receiving customer service from County Purchasing. The savings are likely to be substantial.

Potential savings are difficult to quantify. First, it is difficult to identify the County's current costs and, second, many of the costs of the current process are "opportunity costs." Simply put, employees could be doing something more productive. It is likely, however, that these recommendations, if implemented, could help the County operate in a significantly more cost-effective manner.

This chapter is a brief outline of three key Cook County structural issues: 1) the Budgetary Authority of the Cook County Board President, 2) Executive Level Reorganization and 3) the Role of the County Board of Commissioners. It is derived from a summary review of written materials on the subject over the past four decades. This list of problems and proposed solutions are offered for discussion purposes only. It is by no means intended to be exhaustive.

PRESIDENTIAL BUDGETARY AUTHORITY

The President of the Cook County Board of Commissioners is both a chief executive and a legislator and shares executive authority with a number of other elected officials. This has led to confusion regarding whether or not the Cook County Board President exercises budgetary authority over all County offices and departments. He or she clearly has budgetary authority over those offices placed administratively under the President's jurisdiction. But it is often claimed that the President's authority does not extend to the various elected officials. Consequently it is argued, the executive branch can do little to control the significant spending by these officials.

Research prepared for The Civic Federation suggests that the President does in fact possess executive authority over the budgets of all County offices and departments. Whether or not authority is exercised appears to be a matter of Presidential discretion. Thus, one way to cap or control County expenditures would be for the President to actually use the authority already possessed.

- Sections 55 ILCS 5/6-240001 and 5/6-240002 of the Illinois Statutes.

These sections vest power generally in the Cook County Board of Commissioners (i.e., the "Board") in terms of matters relative to budget, appropriations and the levy of property taxes. Specifically, the provisions provide that the Board "shall appropriate such sums of money as may be necessary to defray all necessary expenses and liabilities of said Cook County..." 55 ILCS 5/6-240001 (1999). The budget process requires the estimation of assets and liabilities, which, in turn, form the basis of the tax levy. *Id.* As in the case of any other

county or any other County Board ordinance, the County Board President does have veto power that can be overridden by a four-fifths vote (55 ILCS 5/2-6008).

- Section 55 ILCS 5/3-14008 of the Illinois Statutes.

The powers and duties of the Chief Administrative Officer of Cook County are outlined in 55 ILCS 5/3-14008. By the authority of this section of the county code, the Chief Administrative Officer is given “all the powers and shall exercise all the duties granted to the Board of Commissioners of Cook County with respect to the preparation of the County budget or budget estimates and the administration of the budget appropriations . . .” Id. This section also provides the Chief Administrative Officer is under the “policy direction and control of the President and the County Board.”

It is the practice in Cook County for the Chief Administrative Officer to report to and interact directly with the Cook County Board president. Therefore, the Chief Administrative Officer plays a key role in the executive recommendation for the annual county budget.

Despite the vesting of appropriations power in the Board as a whole, once the appropriation bill is adopted, it is the Board President who controls the expenditures. The Board President has binding control over the monthly schedule for the year’s proposed expenditures. The statutory language states the following:

A monthly schedule for the year of proposed expenditure, including any limitations or conditions against appropriations for each program, sub activity, and the agency or department shall be made within 30 days of the adoption of the annual appropriation bill, and such schedule, as amended by the President of the County Board, **shall be binding** upon all officers, agencies, and departments and such schedule of expenditure or of incurring obligations may not be exceeded, provided that any such schedule may be revised after three

calendar months have elapsed since the last schedule.
(emphasis added) 55 ILCS 5/6-24007.

Therefore, the County Board President, because of the authority he or she possesses to establish binding monthly expenditure schedules, ultimately does have budgetary authority over all County officials.

EXECUTIVE LEVEL REORGANIZATION

This section presents a catalog of executive level reorganizational reforms that have been suggested over the past three decades.

- Reduce Number of Elected Officials

In 1955, Cook County voters elected 17 officials countywide, in addition to the members of the Board of Commissioners and judges.¹³ That number has since been reduced to 10, largely because various court-related offices were abolished when the County's consolidated circuit court system was created.

Since the 1950s, calls have been made proposing further reductions in the number of elected officials. Some steps have already been taken in this direction. For example, the voters approved a referendum in 1972 abolishing the elected position of Coroner, replacing it with the Office of the Medical Examiner, a position appointed by the Cook County Board President. In 1992, the Office of Cook County Superintendent of Schools was abolished. However, in the following year, the General Assembly established a new Office of Schools Superintendent for suburban Cook County only.

¹³ Ruth E. Baer. *This is Cook County*. (Chicago: Citizens Information Service of Metropolitan Chicago, 1955), p. 10.

In a 1969 study, Forde suggested that the Office of Treasurer be made appointive, as it is an administrative, not a policy-making body.¹⁴ In 1994, The Civic Federation called for an independent, nonpartisan evaluation to determine the possibility of reducing the number of elected officials and/or consolidating functions.¹⁵ Two possible candidates for consolidation today would be the Offices of County Clerk and the Recorder of Deeds, both of which already maintain real estate documents. In Illinois counties with population of under 60,000, the county clerk is also the recorder. This is also the case in many counties across the nation.

- Creating a Unified Tax Administration Office

The Clerk, Treasurer and Auditor all play a role in the preparation of tax bills and records, as well as extending, collecting and distributing property taxes. Arguing that the division of responsibilities was confusing, inefficient and costly, The Civic Federation in 1959 proposed consolidating all property tax administrative functions in an Office of Tax Administration. The County Board President, with the advice and consent of the Commissioners, would appoint the director of the Tax Administration Office.¹⁶

ROLE OF THE BOARD OF COMMISSIONERS

This section presents several proposed reforms of the operations of the Cook County Board of Commissioners.

- Establish a Separation of Powers: Create an Executive Presidency

In 1994, The Civic Federation proposed that the executive and legislative branches of Cook County government be formally separated, as is the case in the city of Chicago or the State

¹⁴ Kevin M. Forde. *The Government of Cook County: A Study in Governmental Obsolescence*. (Chicago: Center for Research in Urban Government of Loyola University, 1969), p.32.

¹⁵ Civic Federation Statement Made on the Proposed Cook County FY94 budget, November 19, 1993.

¹⁶ Civic Federation Statement on House Bill 1346, Seventy-First Session, Illinois General Assembly (1959).

of Illinois. Thus, the President would become an executive officer elected on a countywide basis. There would no longer be the option of also sitting as a Commissioner.¹⁷

The Civic Federation argued that the current electoral arrangement was a bad idea for two reasons: 1) it represented a mixing of executive and legislative powers, resulting in confusion over the powers and prerogatives of the office; 2) it raised questions of conflict of interest. As head of the executive branch, the President is responsible to the people of Cook County. As a Commissioner, he or she is responsible to constituents in a district.¹⁸

- Reduce the President's Veto Authority

Only a 4/5ths majority, or 14 out of 17 votes, can override the Cook County Board President's veto. This is an extraordinarily high bar to attain. In its proposal that the executive and legislative powers be formally separated, The Civic Federation recommended that the veto power be reduced to a 2/3rds majority, or 11 votes, as is the practice in most local governments. This proposal would also strengthen the powers of the Cook County Board of Commissioners, creating a more level "playing field" between the newly redefined executive and legislative branches of government.¹⁹

- Reduce Role of Commissioners in Purchasing Oversight

Many studies have observed that the Cook County Board of Commissioners focuses primarily on detail-oriented oversight issues rather than on broad issues of public policy, as do most other legislative bodies. A key example of this is the Board's intensive and repetitive review of purchasing requisitions for amounts over \$10,000. The Organizational Audit section of this report addresses this issue, recommending that the Board of Commissioners no longer review purchase requisitions. The Board already approves departmental purchases through the annual budgeting process. Any subsequent review is redundant and unnecessary.

¹⁷ This proposal has been made previously. See Forde, pp. 21-22.

¹⁸ Civic Federation Statement Made on the Proposed Cook County FY94 budget, November 19, 1993.

¹⁹ Ibid.

Chapter V

Conclusion

The Civic Federation and the Chicagoland Chamber of Commerce applaud the President and the Board of Commissioners for the steps already taken to bring the County out of the projected tailspin leading toward fiscal crisis. However, the members of the Task Force do not believe that the important, fundamental reforms needed for long-term fiscal stability have been implemented. The Task Force and the two organizations offer this report as a catalyst for creating an organization that operates as cost effectively and productively as possible. It includes a review of immediate steps that can be taken to reduce the cost of County government, as well as, create the structural and cultural changes necessary to institutionalize these reforms.

Only the leadership of Cook County is capable of monitoring and guaranteeing the implementation of these reforms. The preceding report outlines the problems to be addressed, and offers straightforward recommendations for improvement. A dedication to high quality government is the most important factor in bringing about these changes. With sufficient energy, the ideal models used for the purpose of comparison in the preceding chapters can become a reality. The Taskforce urges the use of both public and private resources to accomplish this goal. While the initiative for these changes must come from County leaders, outside consultants can provide the necessary training and advice.

This report exists as a benchmark to measure the County's progress toward those ideals. It should not be seen as merely a list of problems, but also as means of evaluating the County's progress. The culture of Cook County has developed out of the unique, historical circumstances of this region. Though the actions of the past have created difficulties in the present, the actions taken today can enhance the future. The Taskforce is confident in the ability of Cook County leaders to improve the present situation and take the necessary steps to prepare for the challenges of the new millennium.