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**MAYOR BLOOMBERG, DEPUTY MAYOR GOLDSMITH AND SPEAKER QUINN
ANNOUNCE NEW PLAN TO CONSOLIDATE AND MODERNIZE BACK-OFFICE
OPERATIONS TO SAVE \$500 MILLION OVER FOUR YEARS WHILE IMPROVING
SERVICES TO NEW YORKERS**

First Stage in Overall Effort to Empower Employees, Reduce Costs and Improve Services

Mayor Michael R. Bloomberg, Deputy Mayor for Operations Stephen Goldsmith and City Council Speaker Christine C. Quinn today announced a new plan to consolidate and modernize the City's back-office operations that will save taxpayers a total of \$500 million over the next four years – with savings of \$500 million in each subsequent year – while improving services provided to New Yorkers. The plan announced today is the first stage of a comprehensive initiative to stretch every dollar spent by City government and continue to bring government into the 21st Century by empowering employees to be more productive, reducing costs, and delivering better and more efficient government services. Today's announcement builds on the Mayor's State of the City Address and the Council and Mayor's joint Regulatory Review Panel and will target five key areas: human resources management – implementing processes for supporting City workers that are cost effective and more responsive to customers; real estate management – ensuring the City owns and leases only the necessary amount of property and better utilizes space; fleet operations – improving management, maintenance and fueling of the City's 26,000 vehicles; collections – designing a more efficient and productive revenue collection process; and information technology – making the City's IT infrastructure and development more efficient and a model for modern cities. The Mayor also was joined by Human Resources Administration Commissioner Robert Doar, Department of Finance Commissioner David M. Frankel, Department of Citywide Administrative Services Commissioner Martha K. Hirst, Department of Information Technology and Telecommunications Commissioner Carole Post, Chair of the Finance Committee Council Member Dominic M. Recchia, Jr. and Chair of the Committee on Governmental Operations City Council Member Gale A. Brewer at the announcement at a Human Resources Administration back-office facility in Manhattan that will be consolidated as a part of the savings effort.

“We produced an on-time, balanced budget with no new taxes for this year only a few short weeks ago, but we are not going to waste any time in attacking next year's deficit,” said Mayor Bloomberg. “Even as we've made eight rounds of budget cuts, we've continued to drive down crime, increase graduation rates, and keep our streets and parks clean. The only way we're going to be able to preserve these frontline services in the years ahead is to further reduce the size and cost of government. This the first stage of an effort to create a smaller, smarter, and fiscally sustainable City government. The initiatives we are detailing today will save the City \$500 million

over the next four years, and billions more in the long-term, while improving the quality of the services provided to New Yorkers.”

“By taking a coordinated approach, we can root-out administrative inefficiencies across City government – reducing costs and delivering a better product to the taxpayers,” said Deputy Mayor Goldsmith. “This is the first step in a process to re-imagine City government and continue to bring it into the 21st Century.”

“Focusing our efforts on saving money through innovation is the right thing to do for our hard-pressed taxpayers, and for every New Yorker who counts on us for safe streets, good schools, and many other critical services,” said Speaker Christine Quinn. “While I am pleased with some of the successes we have had to date, notably with our work around streamlining how government interacts with small businesses, there is much more work to do. Making City government more efficient is imperative as we face ever more daunting budgetary challenges. Next year will bring deeper cuts to services unless we start now on reducing the cost of operating government. I want to thank Deputy Mayor Goldsmith for taking on the unglamorous task of bringing New York City’s back-office operations into the 21st Century, and we will work with him and the rest of the Bloomberg Administration to share the insights we have gained and to help make New York City government the most cost-effective municipal government in the nation.”

“Government needs to be able to do more with less, and this important initiative will help us to modernize and streamline operations so that we can cut unnecessary bloat while continuing to provide the level of service New Yorkers have come to expect,” Council Member Domenic M. Recchia, Jr., chairman of the Finance Committee. “I would like to thank Speaker Quinn, Mayor Bloomberg and Deputy Mayor Goldsmith for working together on this important program, so that we can ensure the long-term viability of this city by making the smart spending decisions that will help us weather this economic storm.”

Areas where efficiencies will be achieved in the first stage of this process, which will allow the City to reduce the number of employees serving back-office functions by approximately 3,000 via attrition:

Human Resources Management: New York City will spend \$410 million on human resources this year – with one human resources professional for every 38 City employees.

- Human resources operations and policies will be largely centralized, increasing accountability and efficiency, eliminating redundancies and enhancing internal customer service.
- Many human resources operations will be relocated from agencies into a Human Resources Shared Service Center, where transactional aspects of personnel management, benefits, leaves and separations will be managed, with payroll, time keeping and training also moving eventually to the Shared Services Center.
- The 311 Call Center will be expanded to include a human resources call center.
- Human resources employees at agencies will be redirected to focus on workforce development, such as training and better testing.
- The Mayor will appoint a Chief Human Resources Officer who will set citywide human resources strategy.

Savings to be realized: \$107 million.

Real Estate Management: City government currently has 8,000 vacant desks occupying more than 400,000 square feet – the equivalent of 7 football fields or three times the footprint of Grand Central Terminal.

- A total of 40 relocation, consolidation, and space termination projects are underway, with additional projects under consideration.
- A real estate services center will be established to help shed unwanted space and assist agencies with consolidation.
- New metrics will be created for agencies to track rentable square feet per employee and vacancy to hold agencies accountable for space usage and to identify trends and opportunities within the real estate portfolio.
- Agency facilities managers will have online access to City real estate data, including vacancies by floor and detailed information on occupancy levels.
- On-site storage of records at agencies will be limited by developing off-site storage management plans.

Savings to be realized: \$50 million.

Fleet Management: Nine agencies employ more than 1,500 employees who work on fleet management, and who repair vehicles at 126 shops, each with their own set of equipment, staff and parts inventory.

- Agency maintenance shops will be consolidated, utilizing a more centralized agency shop and/or transferring certain types of repair work to outside vendors.
- Existing maintenance contracts will be consolidated into citywide requirements contracts.
- The use of more car-share programs will be explored.
- Fueling operations will be consolidated and some fueling stations will be eliminated.
- Using commercial repair shops for passenger vehicles will be explored. A competitive market already exists and by introducing a level of competition within the City for the provision of maintenance services, agencies are encouraged to innovate and improve operations.
- A Committee for Fleet Management will be responsible for developing and codifying citywide fleet policies and standard operating procedures.
- Standard performance metrics for fleet maintenance and fueling operations will be created through a citywide database to improve accountability and transparency of fleet operations and help agency managers easily identify trends in their agency's vehicle use, reduce downtime, decrease the number of vehicles, reduce fuel use, and avoid expensive breakdowns by providing preventative maintenance on a regular basis.
- The City will explore privatizing the auto auction in order to leverage nationwide buying power and online services of well-established auto retailers.
- A pilot to outsource parts management will be evaluated.

Savings to be realized: \$71 million.

Collections: More than 25 City agencies assess fines, fees or taxes and accept payments; five administrative tribunals adjudicate fines, and four agencies have their own collections operations.

- The Department of Finance will handle accounts receivable citywide, including payments and collections.
- Citywide standards and operating procedures for collecting payments will be implemented.
- Collections of delinquent debt will be coordinated across City government.
- Some payment processing will be considered for outside contractors to handle to reduce internal resources required to build, deploy, maintain and update payment processing systems across the City.
- The hearing processes for fines and tickets will be expedited by providing more opportunities for online, mail-in and telephone hearings; limiting the number of summonses that require a court appearance to plead guilty; and creating clear guidelines to ensure timely conclusion to all court matters.
- Enforcement against delinquent debtors will be enhanced, including reporting debtors to credit reporting bureaus, expanding the withholding of permits and licenses for applicants with unpaid City debt, and explore mechanisms for greater enforcement for additional property debt types.
- More outside collection agencies will be used to create higher levels of competition and greater incentive to collect, commission rates will be structured to reward for optimal collection and all debt collections contracts will be centrally managed by the Department of Finance.

Savings to be realized: \$183 million

Information Technology: The City's information technology network consists of more than 80 data centers that support approximately 3,000 applications in more than 50 different locations.

- The Department of Information Technology and Telecommunications will be the central provider of consolidated IT infrastructure and set IT standards, with an Executive Order codifying the department's role and authority to lead the citywide IT agenda.
- The City's IT infrastructure will be consolidated into a centralized environment, lowering existing costs of data center operations, reducing energy consumption and emissions, strengthening security, and improving overall IT service quality.
- The City's network backbone (CityNet) will be upgraded and additional agency applications and devices will be deployed onto the New York City Wireless Network, producing annual savings by broadening the network and enhancing the existing infrastructure with solutions to sense, analyze and integrate data more efficiently. More programs similar to the City's wireless water meters and Advanced Traffic Control systems will have the opportunity to be created.
- A mobile application development platform will be created for agencies to create mobile applications and benefit from the cost savings from leveraging economies of scale and utilizing reusable development solutions.

Savings to be realized: \$98 million.

For more details on each area targeted for consolidation and savings in the first stage of the Mayor's plan, go to www.nyc.gov.

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