

# 2011 BUSINESS PLAN UPDATE HUMAN RESOURCES DEPARTMENT



**ONE**  
**TEAM**  
HERE FOR YOU

The Human Resources Department (HRD) is arranged around five internal functions: Employee Benefits, Services and Support, Human Resources Administration and Employee Relations, Equal Employment Opportunity, and an internal Information Technology group. Forty-two (42) positions make up the team that is comprised of these five groups.

HRD delivers core services to the County within four key areas:

- As the Human Resources corporate leader;
- Delivering employee excellence;
- Recommending, supporting, and implementing policies and procedures to/and for the Board of Supervisors and the County Executive Officer; and
- Partnering with County agencies, departments, and other stakeholders to attract and retain a qualified workforce.

In applying these core services, the department continues to focus on advancing Orange County's strategic initiative of "Building for the Future". Each core service area is committed to proactively leading and contributing to this end.

When updating our goals, HRD continued to focus on the current economic environment and its impact upon the County. Additionally, the department weighed future requirements. At some point economic indicators will move into positive territory and the demand for recruiting new employees will move with it. An effective recruiting program must be maintained even when hiring activities are low. The County must maintain its name and image in the marketplace as an employer of choice. Further, budget reductions have an impact on those employees who remain. The department must mitigate the impact to labor. Contract negotiations on salaries and merit increases must be managed through this difficult period. At the same time the department will continue to measure its customer satisfaction rating, as well as the use of its web services by County employees and the public.

The following goals are divided across the five internal HRD groups and are being tracked along those lines. The intent is to provide department metrics that will prepare for future "Balanced Scorecard" implementation.

**HRD Goals from 2010 that are being Updated for 2011 include:**

- Conduct Request for Proposal for the Employee HMO health plans for an effective date of January 2011;
- Conduct Request for Proposal for the Retiree health plans from November 2009 through June 2010;
- Conduct Request for Proposal for a Defined Contribution Administrator for the 457, 3121, and 401(a) Defined Contribution plans from January 2010 through June 2010;
- Implement the 1.62% formula for the retirement plan and communication for new and current employees;
- Negotiate and implement OCMA labor contract and complete reopener and side letter discussions with various labor organizations;
- Ensure adherence to County Human Resources policies and procedures within the context of a decentralized structure;
- Enhance relationships and increase understanding of federal and state law by establishing a countywide methodology for departments/agencies to participate and engage in the "interactive process", thereby reducing potential County legal liability; and
- Upgrade the Advantage System.

HRD believes that completion of the outlined goals assists in delivering its core services. In turn, by delivering on these services, the department will continue to add to the County's strategic initiative of "Building for the Future of Our Community". The HRD team is committed to achieving its goals and to serving its customers and stakeholders.

## Employee Benefits

### Goal #1:

Conduct Request for Proposal for the Employee HMO health plans, from November 2009 through June 2010, for an effective date of January 2011.

### Strategies to meet Goal #1:

- Discuss with Employee Organizations the need to conduct a Request for Proposals for Employee HMO health plans
- Conduct the Request for Proposal process from November 2009 through June 2010 to select Employee HMO health plans for plans to be effective January 2011
- Submit the selected providers and Agreements to the Board of Supervisors for approval by August 2010, for plans to be effective January 2011

### PERFORMANCE MEASURE:

- Perform a Request for Proposal to select the Employee HMO health plans
- Completion of the Request for Proposal process will provide quality and affordable health care to County employees and their families

**WHAT:** Request for Proposals will include, but not be limited to the services and benefits currently being received by the County employees, and their dependents, with an emphasis on assessing the cost/savings of the current HMO Agreements as well as the services we are currently receiving and determining if the costs/savings and services can be improved. Each proposal received will be evaluated and scored by the evaluation committee. Only those proposals with the highest scores will be selected as finalists and advance to the interview phase. The providers with the highest overall scores for each program will be selected to enter into negotiations with the County.

**WHY:** To provide quality health care to employees and their families at competitive and affordable premiums.

FY 09-10 Results	FY 10-11 Plan	FY 10-11 Anticipated Results	FY 11-12 Plan	How are we doing?
New-NA	Employee HMO RFP was issued and four responsive proposals were received. The written proposals were evaluated by the RFP evaluation panel, and the panel conducted oral interviews with all four proposers. Two health plans were selected and contracts were negotiated and then approved by the Board of Supervisors in August 2010. No new health plans were added, so no implementation was required.	Selection & implementation of quality and affordable Employee HMO health plans	Goal completed	RFP process completed

**Goal #2:**

Conduct Request for Proposal for the Retiree health plans from November 2009 through June 2010.

**Strategies to meet Goal #2:**

- Discuss with Employee Organizations and the Retired Employees Association (REAOC) of Orange County the need to conduct a Request for Proposal for the Retiree health plans
- Conduct the Request for Proposal process November 2009 through June 2010 to select the Retiree health plans for plans to be effective January 2011
- Submit the selected providers and Agreements to the Board of Supervisors for approval by August 2010, for plans to be effective January 2011

**PERFORMANCE MEASURE:**

- Perform a Request for Proposal to select the Retiree health plans
- Completion of the Request for Proposals process will provide quality and affordable health care to County retirees and their families

**WHAT:** Request for Proposal will include, but not limited to the services and benefits currently being received by County retirees and their dependents, with an emphasis on assessing the cost/savings of the current retiree health plan Agreements as well as the services we are currently receiving and determining if the costs/savings and services can be improved. Each proposal received will be evaluated and scored by the evaluation committee. Only those proposals with the highest scores will be selected as finalists and advance to the interview phase. The providers with the highest overall scores will be selected to enter into negotiations with the County.

**WHY:** To provide quality health care to retirees and their families at competitive and affordable premiums.

<b>FY 09-10 Results</b>	<b>FY 10-11 Plan</b>	<b>FY 10-11 Anticipated Results</b>	<b>FY 11-12 Plan</b>	<b>How are we doing?</b>
New - NA	Retiree HMO RFP issued and nine responsive proposals were received. The written proposals were evaluated by the RFP evaluation panel, and the panel conducted oral interviews with seven proposers. Three insurance companies were selected to provide six health plans. Three contracts were negotiated and approved by the Board of Supervisors in August 2010. Four health plan options were deleted and four new health plan options were added. An extensive communication campaign was conducted to inform participants of their health plan options for 2011	Selection and implementation of quality and affordable Retiree health plans	Goal completed	RFP process completed. New plans will be implemented January 2011

**Goal #3:**

Conduct Request for Proposal for a Defined Contribution Administrator for the 457, 3121, and 401(a) Defined Contribution plans from January 2010 through June 2010.

**Strategies to meet Goal #3:**

- Discuss with Employee Organizations the need to conduct a Request for Proposal for a Defined Contribution Administrator
- Develop a Request for Proposal to select a Defined Contribution Administrator
- Begin the RFP process January 2010 with completion by July 2010, for a contract to be effective March 2011

**PERFORMANCE MEASURE:**

- Perform a Request for Proposal to select a Defined Contribution Administrator
- Completion of the Request for Proposals process will provide quality services and competitive investment fees for participants in the Defined Contribution plans

**WHAT:** Request for Proposal will include, but not limited to the plans and services currently being received by the County, with an emphasis on assessing the fees, cost/savings and revenue sharing for the current plans and determining if the fees and/or costs/savings and/or services can be improved. Each proposal received will be evaluated and scored by the evaluation committee. Only those proposals with the highest scores will be selected as finalists and advance to the interview phase. The providers with the highest overall scores will be selected to enter into negotiations with the County.

**WHY:** To provide quality services and competitive investment fees for participants in the Defined Contribution plans

<b>FY 09-10 Results</b>	<b>FY 10-11 Plan</b>	<b>FY 10-11 Anticipated Results</b>	<b>FY 11-12 Plan</b>	<b>How are we doing?</b>
New - NA	RFP issued and evaluation in process. Contract will go to the Board of Supervisors for approval in January 2011	Selection and implementation of a Defined Contribution Administrator	Implementation of Defined Contribution Administrator effective July 2011	RFP process on target for July 2011 contract implementation

**Services and Support/Human Resources and Employee Relations**

**Goal #1:**

Implement the 1.62% formula for the retirement plan and communication for new and current employees.

**Strategies to meet Goal #1:**

- Provide system changes/updates
- Updated procedures
- Development of new and current employee communication to notify employees of option and how to sign up for the retirement plan
- Develop website updates

**PERFORMANCE MEASURE:**

Updated website with information on new retirement plan; Ensures that new employees signed

up within 45 days of new hire date; Track employees understanding of new plan through surveys; Measure the County's savings with the new retirement option

**WHAT:** Implement new 1.62% retirement formula.

**WHY:** The new retirement plan will allow the County to realize savings, which facilitates the County in reducing their costs during the economic shortfalls from the State.

FY 09-10 Results	FY 10-11 Plan	FY 10-11 Anticipated Results	FY 11-12 Plan	How are we doing?
<p>Planning and negotiation regarding the 1.62 retirement formula with the labor unions</p>	<p>The option to select the 1.62 retirement formula went into effect May 7, 2010 for OCEA and other units, and in August 2010 for newly hired administrative management employees.</p>	<p>Work with OCERS and Auditor Controller on new retirement formula; Disseminate information in new employee orientations monthly/quarterly; Produce a savings initially with new employee sign ups; If offered to current employees, some employees will change retirement plans to the new formula to see an immediate increase in their current take home pay, which potentially produces savings for County by lowering the County contribution</p>	<p>The plan is to offer and implement the 1.62 retirement formula option for current employees pending IRS approval.</p> <p>The communication committee is planning and preparing for implementation for current employees – to be ready when the tax decision is issued.</p>	<p>The option to select the 1.62 retirement formula went into effect May 7, 2010 for OCEA and other units and in August 2010 for newly hired administrative management employees.</p> <p>Information regarding the 1.62 Retirement Formula was disseminated to HR Managers and staff by HRD, Auditor Controller and OCERS and placed on the HR Portal and on the OCERS website for new employees to have access.</p> <p>At new employee orientations the new hires were provided information on the new formula. OCERS presented the new information to agencies that process a large number of new hires to ensure that employees are informed in order to make a selection among the two retirement options.</p> <p>There are currently 31 new employees who have selected the 1.62 retirement formula.</p>

FY 09-10 Results	FY 10-11 Plan	FY 10-11 Anticipated Results	FY 11-12 Plan	How are we doing?
				<p>The New 1.62 Formula with a voluntary defined contribution component was approved for most new employees hired after May 7, 2010 and for newly hired managers after August 2010. The Communication Committee which consists of HRD, Auditors Office and OCERS works together to develop procedures, communication and training.</p> <p>Training was given to HR Managers and the HR Support Group that inputs the new information into the system to ensure that staff are thoroughly informed on choices between the two retirement formulas.</p> <p>The communication committee continues to meet on a weekly basis to ensure that employees are properly informed and that processing of the retirement election is handled correctly by departments.</p>

**Goal #2:**

Negotiate and implement OCMA labor contract and complete reopener and side letter discussions with the various labor organizations.

**Strategies to meet Goal #2:**

- The "Services and Support" and "Human Resources and Employee Relations" groups will work collaboratively on the negotiation and discussions effort
- Meet with various stakeholders such as County Executive Officer, Chief Financial Officer, Department Heads, and HR Managers to discuss the current OCMA contract's impact on budget,

operations, quality and productivity and discuss the impacts of salary and merit modifications on the budget

- Generate wage data from the surrounding counties and internal Orange County cities
- Review countywide merit data and merit increase practices among the surrounding counties and internal cities
- Review economic indicators regarding the current and future economic climate
- Develop proposals that reflect the current economic times and challenges facing the County
- Present recommendations to the Board of Supervisors for negotiation and discussion parameters

<b>PERFORMANCE MEASURE:</b> Labor negotiations and reopener and side letter discussions concluded before contracts expire.				
<b>WHAT:</b> Negotiate and implement OCMA labor contract and complete reopener and side letter discussions				
<b>WHY:</b> Legal requirement to negotiate in good faith with OCMA on a successor MOU. Also, in the 2009 labor negotiations both the County and the various labor organizations agreed to look at salary and merit changes during the term of the agreements.				
<b>FY 09-10 Results</b>	<b>FY10-11 Plan</b>	<b>FY 10-11 Anticipated Results</b>	<b>FY 11-12 Plan</b>	<b>How are we doing?</b>
New-NA	Complete OCMA contract negotiations	All required negotiations will be completed	Goal Completed	OCMA contract negotiations began in November 2010. Reopener and Side Letter discussions were completed with the applicable labor organizations.

## Services and Support

### **Goal #1:**

Ensure adherence to County Human Resources policies and procedures within the context of a decentralized structure.

### **Strategies to meet Goal #1:**

- Review all existing HR policies and procedures
- Determine what policies and procedures need clarification or updates to ensure consistent countywide application and understanding
- Obtain approval for and move forward to implement new Selection Rules and roll out other supporting components such as the Background Verification Guide, Recruiter Training Manual and related training
- Determine what new policies and procedures are needed to better serve the various County agencies/departments
- Meet with various stakeholders such as HR Managers and labor representatives to discuss concerns with existing policies/procedures and needs to be addressed with new ones
- Present recommendations to the County Executive Officer and Human Resources Director for approval

<b>PERFORMANCE MEASURE:</b> Review HR policies and procedures during the next two years
<b>WHAT:</b> Review existing policies and procedures and implement changes and conduct a gap analysis to determine what new policies and procedures need to be developed.
<b>WHY:</b> Important to periodically review all policies and procedures and conduct a needs assessment. Current policies and procedures are essential to the successful and proper implementation of HR processes and applications for all the various County agencies/departments.



FY 09-10 Results	FY 10-11 Plan	FY 10-11 Anticipated Results	FY 11-12 Plan	How are we doing?
New-NA	Continue monitoring	Consistent application of HR policies and procedures	Ongoing	Updated and/or developed several Countywide HR Policies/Procedures including the Temporary Promotion Policy, Working Retiree Policy, Temporary Fill Policy, Salary Increase of 15% or Greater Policy and the rollout of new Selection Rules and related training. Compliance rates have increased. Compliance tracking is ongoing

### Equal Employment Opportunity

#### **Goal #1:**

Enhance relationships and increase understanding of federal and state law by establishing a countywide methodology for departments/agencies to participate and engage in the “interactive process”, thereby reducing potential county legal liability.

#### **Strategies to meet Goal #1:**

- Ensure all County employees are aware of EEO Policy and Procedures
- Partner with and advise departments to create their own policy and procedures on how to implement process
- Increase awareness through communication on legal requirements for the interactive process

**PERFORMANCE MEASURE:** End-of-year survey to departments/agencies to determine if the interactive process is being conducted on a regular consistent basis.

**WHAT:** Demonstrating the County’s commitment to equal employment opportunity, the EEO Access Office posts labor law posters, disseminates the EEO Policy & Procedure to all employees; trains executives, managers and supervisors in EEO, provides EEO guidance to corporate human resources/department HR staff and submits required statistical reports to federal and state agencies. The office also investigates internal complaints of discrimination and coordinates county response to compliance agency complaints. The goal is to proactively resolve complaints at the lowest level, thereby precluding federal and state complaints and civil litigation.

**WHY:** Recently, an amendment to the Americans with Disabilities Act was enacted; the Americans with Disabilities Amendment Act (ADAA), which now is more inline with our state disability laws. This means that on a state and federal level the interactive process becomes more vital to conduct. When the economy is struggling and employers are reducing workforces, it becomes crucial to constantly engage and document the interactive process as disability complaints continue to rise. With this challenge the County has to continue to enhance and become more efficient to address disability discrimination issues.

<b>FY 09-10 Results</b>	<b>FY 10-11 Plan</b>	<b>FY '10 Anticipated Results</b>	<b>FY 11-12 Plan</b>	<b>How are we doing?</b>
Goal in progress	Anticipate Goal Completion	Enhance relationships and increase understanding of federal and state law by having established a countywide methodology for departments/ agencies to participate and engage in the "interactive process", thereby reducing potential county legal liability.	Goal Completed	Goal is 90% percent complete. Anticipated completion by 2010 year-end

**Human Resources IT**

**Goal #1:**

Advantage System Upgrade

**Strategies to meet Goal #1:**

- Complete hardware infrastructure set up
- Configure software modifications
- Customize user interfaces
- Develop system inbound/outbound interfaces
- Structure data conversion process
- Modify County data warehouse
- Program system/user reports
- Train the user community on the upgraded Advantage 3.x system

<b>PERFORMANCE MEASURE:</b> Completion of the milestones and tasks associated with the upgrade project's development strategies.				
<b>WHAT:</b> The current Advantage System is reaching obsolescence. Additionally, County business demands are increasing pressure to move away from the current Advantage system. The current Advantage System will be upgraded to version 3.x to meet these challenges.				
<b>WHY:</b> An upgraded Advantage System would provide the County with a system that utilizes current technologies and reduces operating expenses.				
<b>FY 09-10 Results</b>	<b>FY 10-11 Plan</b>	<b>FY 10-11 Anticipated Results</b>	<b>FY 11-12 Plan</b>	<b>How are we doing?</b>
New-NA	Early development efforts were successfully completed	All milestones and tasks associated with the upgrade project's development will be completed.	The new system will be operational	The project is tracking close to the expected schedule. Some delays have occurred; however, focus is on the functional quality of the system.