



County of Los Alamos

Council Meeting Staff Report

January 20, 2021

Agenda No.:	7.A
Indexes (Council Goals):	DPU FY26 - 1.0 Provide Safe and Reliable Utility Services
Presenters:	Philo Shelton
Legislative File:	13588-20

Title

Consideration of Alternatives to the Baldrige Performance Excellence Program

Recommended Action

I move that the Board of Public Utilities support DPU applying for Accreditation with American Public Works Association (APWA) and use elements from the ISO program to support this APWA application for Accreditation as an alternative to applying for another Zia or Malcolm Baldrige application with Quality New Mexico in year 2025.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

This discussion is a continuation of the discussion held on November 18th. It was extended so that a representative from Los Alamos National Lab could be present to discuss their experience with the APWA accreditation process.

Background

This past fiscal year the Board of Public Utilities (BPU) choose to apply for a Zia award from Quality New Mexico (QNM) to satisfy a charter requirement that every five years an outside agency review DPU's operations. QNM administers the New Mexico Performance Excellence Awards program based on the national Malcolm Baldrige framework for performance excellence. Attached is the feedback report prepared by the QNM examiners upon review of DPU's 2019 Zia application and a two-day site visit which included interviews with staff and stakeholders, as well as an audit of various documents.

While we did not win the Zia Award, we were recognized at the Roadrunner level (just below the Zia Award) with a score ranging between 327 to 430 points. Zia Award winners score above 525 points and Malcolm Baldrige winners score above 625 out of a possible 1000 points.

The feedback report details DPU's strengths and opportunities for improvement for seven categories: 1) Leadership, 2) Strategic Planning, 3) Customer Focus, 4) Measurement, Analysis, and Knowledge Management, 5) Employee Focus, 6) Operations Focus, and 7) Results.

Steps DPU Plans to Implement

Overall, this review process identified areas we need to focus on as we continue our journey to improve DPU's operations. We learned from our executive briefing with QNM that to earn a Zia award DPU needs procedures to review trends and methods for integration of continuous improvement by review of data and metrics and finally a process to document how we adjust to help improve our trends. QNM describes this as cycles for improvement and DPU needs to have better systems for learning and integration. Therefore, staff recommends DPU needs to better document Standard Operating Procedures (SOPs) that are tied to performance metrics that can be reviewed at least annually in order to have a process for systematic evaluations to be performed.

In April 2020 after review of the attached feedback report, BPU asked staff to identify alternatives to Baldrige Performance Excellence Program. It was planned to be covered at the annual strategic planning meeting; however, we ran short of time to complete this task. The attached PowerPoint provides some review of staff's reaction to the Zia Application and then there are a review of various quality improvement programs. As part of this presentation, we have two guest speakers, one on APWA Accreditation and the other on ISO. Dawn Reed will also continue to facilitate our discussion on this topic.

Recommendation

In seeking a means to better document Standard Operating Procedures (SOPs) that are tied to performance metrics that can be reviewed at least annually, the APWA Accreditation program is a cost-effective alternative to Baldrige. This APWA Accreditation is good for four years before one needs to apply for re-accreditation. In applying for accreditation, there is a two to three-day site visit by other professionals in our industry who should offer more applicable feedback regarding our operations. Also, APWA has an accreditation manual to use for the development of SOPs and where APWA may not have applicable SOPs, staff proposes to use the ISO industry standards and benchmarks. The APWA accreditation process should fulfill the charter requirement that "every five years an outside agency review DPU's operations," and meet the desired outcome to strengthen our SOP's that are tied to appropriate industry metrics which are then reviewed by industry professionals as part of an accreditation process.

Alternatives

BPU could direct staff to continue to apply for a Zia award from Quality New Mexico (QNM) as part of the five-year management audit requirement and establishing a budget of \$100,000 for this application.

Fiscal and Staff Impact

It is anticipated to cost \$25,000 in materials, memberships and application costs. Regardless of any quality program, staff time is required for developing and updating SOPs and review of metrics in preparation for an application. Once AMI is on-line, the hiring a conservation specialist will assist with integration of the data collected, maintain and schedule review of SOP's and hence get the department on a path of continuous improvement as well as this position will help meet BPU's environmental sustainability goals.

Attachments

A - 2019 Feedback Report

B - PowerPoint Presentation