

January 11, 1995
cellmot.doc\mms

Introduced By: Brian Derdowski

Proposed No.: 94-522

MOTION NO. 9454

A MOTION relating to implementation of
the Special Study of Cellular Phones.

1
2
3
4
5
6
7
8
9
10 WHEREAS, the special study of Cellular Phones (King
11 County auditor's office report No. 93-9) was presented to and
12 accepted by the Management, Labor and Customer Services
13 Committee on June 14, 1994, and

14 WHEREAS, the study report contained recommendations to
15 improve the controls over cellular phone use and acquisition,
16 described in the Summary of Audit Findings and
17 Recommendations attached hereto as Exhibit A, and

18 WHEREAS, K.C.C. 2.20.050 states that agency actions will
19 be taken to correct deficiencies cited by the auditor, and
20 audited agencies will establish completion dates by which
21 such actions and changes will be implemented, and

22 WHEREAS, the executive's response to the study concurred
23 with the findings and recommendations and included plans to
24 implement the recommendations, attached hereto as Exhibit B,
25 and

26 WHEREAS, the executive's response to the study concurred
27 with the findings and recommendations and included plans to
28 implement the recommendations, attached hereto as Exhibit B,
29 and

30 WHEREAS, the executive notified all department
31 directors, division managers, and agency heads, attached
32 hereto as Exhibit C, and requested that they begin
33 immediately to implement the procedures necessary to comply
34 with the recommendations;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NOW, THEREFORE BE IT MOVED by the Council of King County:

A. The executive branch, shall provide a report to the council, no later than March 15, 1995, outlining actions which demonstrate that county agencies have complied with the study recommendations.

B. The report should describe which recommendations have not been implemented and the reasons therefore; activities necessary to complete those recommendations not implemented, and dates by which implementation will occur.

C. The auditor's office shall evaluate the report prepared by the executive branch.

PASSED by vote of 13 to 0 this 17th day of January, 1995.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Kent Pullen
Chair

ATTEST:

Gerald A. Peterson
Clerk of the Council

- Attachments: Exhibit A. summary of cellular phone study findings and recommendations.
- Exhibit B. Executive Branch response to county auditor.
- Exhibit C. Memo to departments from Executive Tim Hill.

EXHIBIT A**Summary of Cellular Phone Study Findings and Recommendations**

- 1. THERE WERE SIGNIFICANT DISCREPANCIES BETWEEN THE COUNTY CELLULAR TELEPHONE INVENTORY AND A COUNTY-WIDE SURVEY OF CELLULAR TELEPHONES.**

RECOMMENDATIONS

- 1-1. The Telecommunications Section should submit a copy of the cellular telephone inventory to each department on an annual basis. The departments should determine why any discrepancies exist, reconcile their cellular telephone listing with the Telecommunications Section's cellular telephone inventory, and return the reconciled listing to the Telecommunications Section.
- 1-2. County departments should submit a "Request for Telephone Services" form to the Telecommunications Section to request telephone moves, adds or changes, and cellular telephones.

- 2. CELLULAR PHONES WERE USED TO MAKE PERSONAL CALLS. HOWEVER, THERE WAS EVIDENCE THAT THE COUNTY WAS REIMBURSED FOR SOME CALLS.**

RECOMMENDATIONS

- 2-1. The Executive should prepare procedures to implement the Employee Code of Ethics discouraging the personal use of cellular phones. The procedures should also address the monitoring of cellular phone usage and the reimbursement of personal or non-authorized calls at full cost.
- 2-2. Department directors should discourage the personal use of County cellular phones in their department and should inform employees that cellular phones should not generally be used to make or receive personal or non-authorized calls per the Board of Ethics Advisory Opinion #1078. If personal use of cellular phones must occur, employees should maintain detailed records of such use and reimburse the County at full cost.
- 2-3. County departments should control personal use of cellular phones by reviewing monthly phone bills to investigate excessive bill amounts, calls of extended length, and personal or non-authorized calls.

3. **ALTHOUGH REIMBURSEMENT FOR SOME PERSONAL AND NON-AUTHORIZED CELLULAR CALLS WAS MADE, THE CALLS WERE NOT REIMBURSED AT FULL COST.**

RECOMMENDATION

- 3-1. In the event that cellular phones are used to make or receive personal or non-authorized calls, phone usage should be reimbursed at full cost which includes all taxes and overhead charges (using percentage rates for taxes and overhead, rather than calculating them on individual phone calls). The tax and overhead rates could be reviewed annually by the Office of Financial Management.
4. **34% of CELLULAR PHONES USING US WEST CELLULAR SERVICE WERE UNDERUTILIZED RESULTING IN UNNECESSARY COSTS TO THE COUNTY.**

RECOMMENDATION

- 4-1. Each department should review the monthly cellular airtime used for their cellular phones. If cellular phones are underutilized departments should consider discontinuing cellular service. If cellular phones are serviced by US West Cellular and the monthly airtime is less than 28 minutes, departments should consider switching to Cellular One to reduce the cellular airtime costs (under the current pricing plan.)
5. **CELLULAR PHONE SERVICE COSTS HAVE INCREASED 32% FROM THE PREVIOUS YEAR.**

RECOMMENDATION

- 5-1. Before requesting cellular phone equipment or cellular service, departments should complete a needs assessment. They should consider the job duties and responsibilities of the employee using the phone; determine the benefits such as convenience, ease of use, and personal safety; estimate the equipment and service costs and monthly usage; consider alternatives to the cellular phones such as pagers or pay phones; and decide whether the benefits outweigh the costs. Cellular phone use should be monitored on a periodic basis to determine if cellular service is justified.
6. **MOST DEPARTMENTS STATED THEY HAVE POLICIES RELATED TO CELLULAR PHONE USE IN PLACE.**

RECOMMENDATION

- 6-1. Department directors should notify employees of County and departmental policies relating to personal use of County equipment. Each department should be responsible for implementing and enforcing County and department policies and the code of ethics.

EXHIBIT B

King County Executive
TIM HILL

King County Courthouse
516 Third Avenue, Room 400
Seattle, Washington 98104-3271
(206) 296-4040
FAX (206) 296-0194

December 2, 1993

RECEIVED

DEC - 7 1993

KING COUNTY AUDITOR

Don Eklund
King County Auditor
Room 402
C O U R T H O U S E

RE: Preliminary Draft - Cellular Phones Special Study

Dear Mr. Eklund:

Thank you for the draft report titled "Special Study Cellular Phones," which reviewed the policies and procedures governing usage and acquisition of cellular phones in King County government. My staff have reviewed the report and concur with the study's recommendations. The proposed changes, together with the policies already in place, will help to ensure that agency budgets remain well-managed. I have enclosed our action plan and schedule for implementing your recommendations. A letter will be sent to all department directors in December informing them of the study findings and the schedule for implementing the appropriate policies and procedures.

Please let me know if any additional information is needed.

Sincerely,

Pat Steel for

Tim Hill
King County Executive

TH:lg

Enclosure

cc: Pat Steel, Deputy County Executive
George Northcroft, Director, Department of Executive Administration
ATTN: Clif Burwell, Manager, Computer and Communication Services

EXECUTIVE BRANCH RESPONSE TO COUNTY AUDITOR
DRAFT CELLULAR PHONE STUDY DATED NOVEMBER 12, 1993

Recommendation 1-1

The Telecommunications Section should submit a copy of the cellular telephone inventory to each department on an annual basis. The departments should determine why any discrepancies exist, reconcile their cellular telephone listing with the Telecommunications Section's cellular telephone inventory, and return the reconciled listing to the Telecommunications Section.

The Telecommunications Section of the Computer and Communication Services Division will submit a copy of their cellular telephone inventory to each department by December 31, 1993. Thereafter, a cellular telephone inventory will be provided to all departments on an annual basis. Departments will resolve any discrepancies and return the corrected inventory listing to the Telecommunications Section in a timely manner and the discrepancies will be corrected.

Recommendation 1-2

County departments should submit a "Request for Telephone Services" form to the Telecommunications Section to request telephone moves, adds or changes, and cellular telephones.

All requests to acquire, delete or transfer cellular telephones to other departments will be submitted to the Telecommunications Section for processing using a "Request for Telephone Services" form.

Recommendation 2-1

The Executive should prepare procedures to implement the Employee Code of Ethics discouraging the personal use of cellular phones. The procedures should also address the monitoring of cellular phone usage and the reimbursement of personal or non-authorized calls at full cost.

By January 10, 1994, directors will provide all employees with a copy of the Board of Ethics Advisory Opinion 1078. Directors will ensure that all cellular phone usage is monitored by their supervisory staff and that reimbursement for personal or unauthorized calls is made at full cost.

Recommendation 2-2

Department directors should discourage the personal use of County cellular phones in their department and should inform employees that cellular phones should not generally

Executive Branch Response to County Auditor
Draft Cellular Phone Study
Page 2

be used to make or receive personal or non-authorized calls per the Board of Ethics Advisory Opinion #1078.

By January 10, 1994, directors will inform employees that cellular phones should not be used to make or receive personal or non-authorized calls. However, since such use is occasionally unavoidable, directors will provide all cellular phone users with a form on which to maintain detailed records of personal and non-authorized calls. Directors will provide all employees with the formula (provided by the Telecommunications Section) to determine the full cost of such calls. Directors will also provide employees with a procedure to use within their departments to reimburse the County for such calls (see Recommendation 3-1).

Recommendation 2-3

County departments should control personal use of cellular phones by reviewing monthly phone bills to investigate excessive bill amounts, calls of extended length, and personal or non-authorized calls.

Beginning January 1, 1994, directors will review monthly cellular phone bills and will investigate excessive usage and lengthy calls as well as personal and non-authorized calls.

Recommendation 3-1

In the event that cellular phones are used to make or receive personal or non-authorized calls, phone usage should be reimbursed at full cost which includes all taxes and overhead charges (using percentage rates for taxes and overhead, rather than calculating them on individual phone calls). The tax and overhead rates could be reviewed annually by the Office of Financial Management.

The reimbursement formula to be used by County employees in 1994 is as follows:

Calls made during peak hours:	\$0.37 x number of minutes
Calls made during off-peak hours:	\$0.10 x number of minutes

These rates include taxes and the prevailing Telecommunications overhead rate of 16% for 1994.

Example: A three-minute peak hour call will be reimbursed as follows:

$$\$0.37 \times 3 \text{ minutes} = \$1.11$$

Executive Branch Response to County Auditor
Draft Cellular Phone Study
Page 3

Recommendation 4-1

Each department should review the monthly cellular airtime used for their cellular phones. If cellular phones are underutilized departments should consider discontinuing cellular service. If cellular phones are serviced by US West Cellular and the monthly airtime is less than 28 minutes, departments should consider switching to Cellular One to reduce the cellular airtime costs (under the current pricing plan).

By March 1, 1994, departments will review their US West Cellular phone usage and will switch those phones which have less than 28 minutes of usage to Cellular One. The Telecommunications Section will coordinate this review. Departments will be allowed to keep underutilized phones with US West Cellular if this is determined to be part of their disaster recovery plan to ensure phone availability.

Recommendation 5-1

Before requesting cellular phone equipment or cellular service, departments should complete a needs assessment. They should consider the job duties and responsibilities of the employee using the phone; determine the benefits such as convenience, ease of use, and personal safety; estimate the equipment and service costs and monthly usage; consider alternatives to the cellular phones such as pagers or pay phones; and decide whether the benefits outweigh the costs. Cellular phone use should be monitored on a periodic basis to determine if cellular service is justified.

Effective immediately, directors will ensure that all requests for new cellular phones will receive a careful needs assessment. By March 1, 1994, as part of Recommendation 4-1, departments will review existing phones to determine if lower cost alternatives are possible and that no unnecessary features have been ordered.

Recommendation 6-1

Department directors should notify employees of County and departmental policies relating to personal use of County equipment. Each department should be responsible for implementing and enforcing County and department policies and the code of ethics.

By January 10, 1994, directors will notify in writing all employees of County and departmental policies relating to the personal use of County equipment. Departments will implement and enforce the spirit and intent of these policies.



King County Executive
TIM HILL

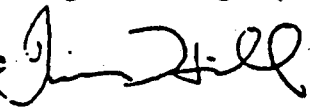
King County Courthouse
516 Third Avenue, Room 400
Seattle, Washington 98104-3271

(206) 296-4040
FAX (206) 296-0194

EXHIBIT C

December 27, 1993

TO: Department Directors, Division Managers, and Agency Heads

FROM: Tim Hill, King County Executive 

RE: Cellular Phone Acquisition and Use

The King County Auditor has completed a draft audit report titled "Special Study Cellular Phones," dated November 12, 1993. The report reviews the existing policies and procedures for acquisition and use of cellular phones at King County and contains recommendations to further ensure that agency budgets remain well-managed. Enclosed for your review is a summary of the report's recommendations and my response. Although the final audit report has not been distributed, I would like you to begin immediately to implement the procedures necessary to comply with the recommendations.

To summarize briefly, the auditor made the following recommendations:

1. An inventory of cellular telephones should be conducted annually to correct errors and discrepancies. Enclosed is a list of your agency's cellular telephones. Please review this list, noting any corrections, and return the list to the Telecommunications Section of Computer and Communication Services Division, Mail Stop 2-C, no later than January 21, 1994.
2. Employees should be discouraged from using cellular phones for personal use and should reimburse King County for the full cost of all personal calls. To achieve that, you shall provide copies of the Board of Ethics Advisory Opinion 1078 to all employees by January 10, 1994. A copy of the opinion is enclosed for your convenience. On page 2 of my response to the Auditor, Recommendation 3-1 outlines the 1994 reimbursement formula for personal calls. This formula will be reviewed annually to adjust for rate and inflation changes.
3. Departments should review their cellular phone use for length and number of calls and, if warranted, seek lower cost communications alternatives. In addition, departments should complete a needs assessment before submitting requests for cellular phone service or equipment. Effective immediately, directors will complete needs assessments for all new cellular equipment and service. By March 1, 1994, departments will review their cellular phone usage and will seek lower-cost alternatives, where possible.

The Telecommunications staff are available to assist you in reviewing your cellular phone usage and identifying potential cost savings. If you are interested in their assistance, please call 296-4357 to schedule a meeting.

TH:lg