



## **FREQUENTLY ASKED QUESTIONS REGARDING THE DETROIT WATER AND SEWERAGE DEPARTMENT (DWSD) EMA ASSESSMENT RESULTS AND OPTIMIZATION PLAN**

A number of questions have been asked by employees about the Detroit Water and Sewerage Department's (DWSD) assessment and optimization program. This Q&A addresses the most frequently asked questions. Some questions that were similar in nature, but applied to different positions, were answered with consolidated responses (without specifying particular jobs or work areas). Questions that were outside the scope of the EMA assessment and DWSD optimization program were not addressed in this Q&A.

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### **Questions**

- Q1. Why is the Department conducting an assessment and optimization program? What does this mean for the Department?**
- Q2. What is going to happen to me as an employee and will my seniority be considered?**
- Q3. As an employee with low seniority, does the implementation of the optimization program mean that I will be laid off?**
- Q4. What impact is the optimization program going to have on service?**
- Q5. I am a few years from retirement; will I be able to retire? What kind of severance package will be offered to employees?**
- Q6. How are we going to get from the current staffing levels to the target proposed in the EMA report? How long will it take to reach the target assessment levels? Is the number proposed by EMA final?**
- Q7. What does "highly valued jobs" mean?**
- Q8. How many jobs are being lost? How are we going to do the work with fewer employees? What are the real savings, if we have to make numerous investments and continue service?**
- Q9. Is this an attempt to break unions? Will unions be eliminated?**
- Q10. Are there going to be any incentives offered to employees to go through this process, considering the number of job losses being recommended?**



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- Q11. What does it mean if my current division is not listed on the organizational chart presented by EMA? Does that mean my job is eliminated?**
- Q12. If my job is outsourced, will I be eligible to apply for jobs with the contractor taking on the outsourced work? Can DWSD employees operate as independent vendors and compete to provide contracted services?**
- Q13. Who is fighting to protect employees? What is DWSD's policy for retaining the current workforce?**
- Q14. If we reduce employees right now, doesn't that mean that some positions won't need to be eliminated in the future?**
- Q15. If employees acquire new titles, what happens to their seniority with DWSD? Are they going to be treated as new hires?**
- Q16. Will training be provided as jobs change?**
- Q17. Will more detailed diagrams of new classifications be provided?**
- Q18. What is the Resource Group? What happens to the employees who stay after attrition occurs?**
- Q19. How do you get on a job design team? What should we do now to prepare for the changes?**
- Q20. Why is the decision being based on an average cost of budgeted positions? Where is the comparison cost of outsourcing versus DWSD employment?**
- Q21. How soon will the changes happen? How soon will the reductions be implemented?**
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### Questions and Answers

**Q1. Why is the Department conducting an assessment and optimization program? What does this mean for the Department?**

A1. DWSD is conducting the assessment and optimization program to ensure long term compliance, affordability and sustainability for the system and its customers. In addition, the project will assist the department in managing rate increases while continuing to support needed infrastructure investments. Rate increases must be kept in line with what customers can afford to pay.

Now is the optimal opportunity for organizational change. That conclusion is supported by initial interactions with employees. One objective is to staff at base levels, not peak levels. Best practices are derived from looking at the organization, its practices and its technology. Carrying out strategies to increase productivity will reduce customer wait time while increasing workforce flexibility.

**Q2. What is going to happen to me as an employee and will my seniority be considered?**

A2. The November 4, 2011, Federal Court Order addressed the employee selection process. DWSD collective bargaining agreements shall provide that promotions in DWSD shall be at the discretion of management and based upon skill, knowledge, and ability; with seniority then taken into account.

**Q3. As an employee with low seniority, does the implementation of the optimization program mean that I will be laid off?**

A3. See Q2 response. Over the next 10 to 12 months, we will be working through the details of the outsourcing recommendations, confirming the advisability of outsourcing the recommended functions, and validating the cost-reduction potentials. The process will include: the drafting of Requests For Proposal (RFPs), advertising the RFPs, and bid evaluation. Employees performing the functions considered for outsourcing will be advised during the process and will have the opportunity to submit a competitive proposal.



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In order to achieve any of the recommendations presented by EMA, there will be fewer jobs -- but the jobs remaining will be more highly valued. It is our intent to accomplish reductions primarily through attrition.

**Q4. What impact is the optimization program going to have on service?**

A4. The goal of the optimization plan is to assure compliance, improve services and reduce costs. Our intent is to reduce rate increases, reduce or eliminate federal wastewater discharge permit violations and address maintenance and capital needs with the system to the largest extent possible with the current revenue stream. This plan assists us in a future state where DWSD operates more effectively and efficiently.

**Q5. I am a few years from retirement; will I be able to retire? What kind of severance package will be offered to employees?**

A5. During contract settlement negotiations, DWSD management committed to meeting with union representatives over the next year to discuss early retirement provisions. To date, no discussions have occurred related to severance packages. The decision to retire will continue to be up to each individual employee. If you are asking if there will be a retirement incentive offered to employees, that has not yet been determined. Retirement incentive programs are extremely expensive and anything DWSD might consider will be modest in nature.

**Q6. How are we going to get from the current staffing levels to the target proposed in the EMA report? How long will it take to reach the target assessment levels? Is the number proposed by EMA final?**

A6. The first step is to redefine jobs and our business processes while leveraging technology. Once a long term staffing level is identified to the largest extent possible we will move toward that staffing level by attrition. EMA's proposed implementation outlines staff reductions over a five-year period, however we do not know how long the process will actually take.

**Q7. What does "highly valued jobs" mean?**

A7. In general DWSD's new jobs will be broader in scope with clearly defined paths for job progression. A market review of total compensation will be conducted as part of the process. Because jobs will be broader in scope, we anticipate broader salary ranges for the new classifications.



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- Q8. How many jobs are being lost? How are we going to do the work with fewer employees? What are the real savings, if we have to make numerous investments and continue service?**
- A8. DWSD is not working toward a target number. Technology, narrowly defined jobs and deferred maintenance are drivers for staffing levels. As we address each of those it will result in a staff adjustment. The investment over five years will be substantially less than a single year's savings.**
- Q9. Is this an attempt to break unions? Will unions be eliminated?**
- A9. No. Job design will not eliminate union representation. Recognizing that there will be fewer job classifications we have seen some union consolidation occur in this year's contract negotiations.**
- Q10. Are there going to be any incentives offered to employees to go through this process, considering the number of job losses being recommended?**
- A10. See Q5 response.**
- Q11. What does it mean if my current division is not listed on the organizational chart presented by EMA? Does that mean my job is eliminated?**
- A11. We will have a new DWSD organizational chart. All job classifications and titles will be new.**
- Q12. If my job is outsourced, will I be eligible to apply for jobs with the contractor taking on the outsourced work? Can DWSD employees operate as independent vendors and compete to provide contracted services?**
- A12. Yes and yes. The Department is committed to an evaluation process for outsourcing that encourages the hiring of displaced DWSD employees in the vendor selection criteria. All are welcome in the bidding process.**
- Q13. Who is fighting to protect employees? What is DWSD's policy for retaining the current workforce?**



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A13. We fully expect DWSD's employees to fill the majority of the positions. DWSD employees will have first consideration for the new positions.

**Q14. If we reduce employees right now, doesn't that mean that some positions won't need to be eliminated in the future?**

A14. All attrition works in our favor.

**Q15. If employees acquire new titles, what happens to their seniority with DWSD? Are they going to be treated as new hires?**

A15. Since positions will be new, we expect to work with labor unions to determine how seniority will be considered.

**Q16. Will training be provided as jobs change?**

A16. Yes, training is an essential piece in the organizational change process and essential to the Department's future sustainability. It is our responsibility as the employer to adequately train employees.

**Q17. Will more detailed diagrams of new classifications be provided?**

A17. Yes, the details of the organization will be formulated during the process and will be shared with the organization, stakeholders, and customers.

**Q18. What is the Resource Group? What happens to the employees who stay after attrition occurs?**

A18. For employees who commit to moving forward with DWSD's transition efforts, DWSD will make work available via the Resource Group. The concept is that employees will accept work assignments for any work for which they have been trained or qualified. There will be a need to address work backlogs, cover work assignments for others in cross-training, cover peak work periods, etc. DWSD anticipates that employees in the Resource Group will also receive training.

**Q19. How do you get on a job design team? What should we do now to prepare for the changes?**



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- A19. We are currently in the process of laying out details for job design team members' qualification and selection. In general, the job design teams will consist primarily of staff volunteers who are selected by EMA in the next phase of the process.
- Q20. Why is the decision being based on an average cost of budgeted positions? Where is the comparison cost of outsourcing versus DWSD employment?**
- A20. Actual cost savings will be calculated to support decisions made during the process. A cost/benefit analysis will be incorporated in the process, and outsourcing will only move forward if there is a minimum of 10 percent savings relative to maintaining staff for any particular function considered for outsourcing.
- Q21. How soon will the changes happen? How soon will the reductions be implemented?**
- A21. Time is of the essence, and continuing the forward movement will begin immediately. Reductions are a part of the process, and will be addressed as changes are made. Early changes will include Department restructuring or realignment. Job design efforts will begin this fall. Reductions of staffing have been ongoing; however, they will continue to occur largely by attrition. Decisions on outsourcing will begin in the fall of 2013.