CITY OF SAN DIEGO
FISCAL YEAR
2008 ANNUAL BUDGET

Business Process Reengineering

Business Process Reengineering in the City of San Diego

The Business Process Reengineering (BPR) program was initiated by the Mayor to improve the efficiencies and effectiveness of City government and maximize the services offered to our residents. Through BPR efforts undertaken to date, the City has begun to realize significant cost savings and efficiencies and City staff have identified methods to improve the effectiveness of services provided to the public.

Background

In December 2005, City management and staff began a study of the City's contracting processes. The City has now adopted a standard methodology for BPR studies on the functions within the following departments:

- Development Services
- Engineering and Capital Projects
- Environmental Services
- Fire-Rescue
- General Services (Street Division, Publishing Services Division, Fleet Services Division, and Facilities Maintenance Division)
- Labor Relations/Personnel
- Information Technology
- Library
- Metropolitan Wastewater
- Park Maintenance
- Purchasing and Contracting
- Police
- Water

In addition, BPR studies have been initiated and/or completed for the following functions or processes:

- Grants and Gifts
- 1472 Processing
- Records Management
- Reservoir Recreation

Business Process Reengineering

Value of BPR

An organization creates value through its processes. BPR provides a method for work groups to identify and prioritize issues and concerns in work processes. It also provides a structure for employees for all levels in the organization to have open dialogue regarding those issues and concerns. BPR causes an organization to become introspective and assess how it does its business and utilizes its staff. BPR also helps City departments to begin preparing for managed competition by streamlining processes and optimizing the use of employees.

The purpose of the Contracts reengineering study was to review and reengineer the City of San Diego's procurement processes and procedures, develop recommendations to improve the efficiency and effectiveness contracting service delivery, and to improve the quality and accountability of the procurement process. The City of San Diego's contracts for goods, services, consultants, and construction have historically been handled using a decentralized approach, with authority spread across all levels of the organization. This resulted in a system that was duplicative in efforts, lacked a centralized tracking system, and had inconsistent levels of oversight.

To address the findings delineated above, the BPR team recommended creating a centralized contracts department to consolidate and streamline into one department procurement resources and processes associated with contract pre-award operations for commodities, services, consultant support, and construction. During the Fiscal Year 2007 budget process, the City Council approved the creation of a centralized contracting department. This new department, Purchasing & Contracting, provided the framework to consolidate contracting staff and to implement contracting reforms.

The realignment of pre-award contract administration into a centralized contracting department eliminated redundancies in both processes and staffing, resulting in the net reduction of 11.00 positions that will save the City over $907,000 annually in personnel expense.

BPR Implementation Process

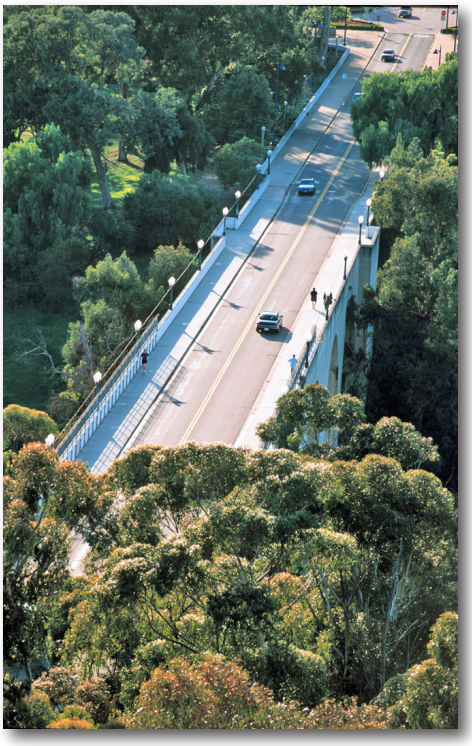
The process used by the City for its BPR efforts has been standardized and documented through a Guidebook. The process begins by establishing a team lead and Steering Committee, which is responsible for drafting a project schedule and project charter, the former articulating an expected completion date and the latter delineating the objectives for the project. Through the BPR effort, the project team maps processes, determines improved methods for completing those processes, benchmarks their methods and performance against other jurisdictions and service providers, and crafts recommendations for improvement. The Steering Committee finalizes the BPR report and briefs the recommendations to the COO and Mayor before they are taken to the City Council for approval.

In April 2006, as part of a citywide effort, Environmental Services Department (ESD) began the BPR process to improve efficiencies, reduce costs, and maximize the services offered to our residents. This comprehensive assessment of the Department's six divisions included the participation of over 100 ESD employees as well as outside stakeholders. Taking approximately three months to complete, the BPR effort included process mapping, cost analysis, brainstorming of improvement ideas and benchmarking with other agencies.

The BPR Study has resulted in a number of efficiencies and cost savings to the City, some of which have already taken effect and some of which were implemented in July 2007. The BPR is consolidating the Department's six divisions into three operating divisions with centralized administrative functions. A total of 31 positions are being eliminated and eliminating unnecessary management overhead and obsolete or inefficient processes has increased the span of control for managers and supervisors. Customer service and work order management processes are being standardized across the Department, enabling transition to new technologies to produce even greater efficiencies going forward. The BPR had resulted in reduced requirements for non-personnel expenses.

An example of an increased efficiency in the Department is the consolidation and reassignment of duties in the Solid Waste Code Enforcement section. Field crews, instead of Code Enforcement Officers, have become the first responders for most illegal dumping service requests, and Code Enforcement Officers in two separate sections have been reorganized into one work group to allow for more efficient supervision as well as accommodating for fluctuations in work load. Additionally, sector-based response teams as well as a portable field data management system will reduce response time and drive time. These efficiencies have allowed the Department to eliminate one Code Enforcement Officer position. Through other efficiencies and staff cuts such as these, the Department will save an expected $3 million annually while maintaining all core services.

BPR and Managed Competition



The City of San Diego is committed to delivering quality services to taxpayers, residents and visitors in the most economical and efficient way possible. This commitment can also be expressed as delivering services through "competitive government," defined as a government with processes in place to validate that service quality and costs are as good as, or superior to, any legitimate provider available.

Managed competition is a structured process that allows public sector employees to compete openly and fairly with independent contractors (normally private sector firms) for the right to deliver services. This strategy recognizes the high quality and potential of public sector employees, and seeks to tap their creativity, experience and resourcefulness by giving them the opportunity to structure organizations and processes in ways similar to best practices in competitive businesses, while still being compatible with public sector realities. (Inherently governmental[1] services are not considered for this strategy.)

[1] Inherently governmental services are those so intimately related to the public interest as to require performance by government employees. The threshold question is normally: "Does the service in question obligate the government in some way such as policy setting, contracting or resource allocation?" The City of San Diego has included police officers, firefighters and lifeguards in this definition.

Business Process Reengineering

BPR studies are one mechanism that will help to prepare the City's departments for their competition with the private sector. Through BPR, departments identify best organizational structures, policies, and procedures. Based on a comprehensive understanding of the efficiency and effectiveness of departmental processes, employees will be able to create proposals that reflect lean, effective, and cost-efficient organizations that engage only in core functions and that deliver exceptional services.

Accomplishments to Date and Success Stories

The City has completed or is the process of completing BPR studies for 23 functions and/or departments. These studies began with reengineering the contracts process, have included a reengineering study of the facilities maintenance function within the City, and are continuing with on-going studies of the Police Department, the Fire-Rescue Department, the Development Services Department, and the Library Department. In cases where BPR studies have identified efficiencies or methods to improve effectiveness that can be realized by reengineering a process without making changes to organizational structures or staffing models, these changes have been implemented immediately with quick results. In cases where significant organizational restructuring and/or budget adjustments are required to implement efficiencies and best business practices, an implementation plan is developed and associated tasks are carried out as quickly as possible.

During the BPR for Neighborhood Code Compliance, the Volunteer Program was evaluated. What became clear was how efficient the process was. The cost of the program in staff time could not be lower, while the value added to the community was immense. The recommendation was to continue, and if possible, expand the program. In this case, the benefit that BPR provided the City was to identify and detail an existing best practice. Without BPR, the true value of this program might have remained in obscurity.

Future Expectations

All major functions within the City will be evaluated through the BPR process. The BPR process is expected to realize additional cost savings and to improve the services that we provide to our citizens in fiscal years 2008 and beyond.