

Reengineering and Competitive Government

Through the Reengineering Program, the Business Office provides the City of San Diego with internal consulting services that center on supporting management reforms and making effectiveness improvements. This is primarily done by conducting both efficiency and business process reengineering (BPR) studies.

Efficiency studies aim to improve efficiency and effectiveness, but are more flexible in their approach to problem solving. The Reengineering Program staff serves as in-house consultants to review practices and policies to determine the most efficient way to conduct business, to help multiple departments determine how to consolidate the delivery of redundant services, and to realize the maximum potential of new technologies that the City has implemented.

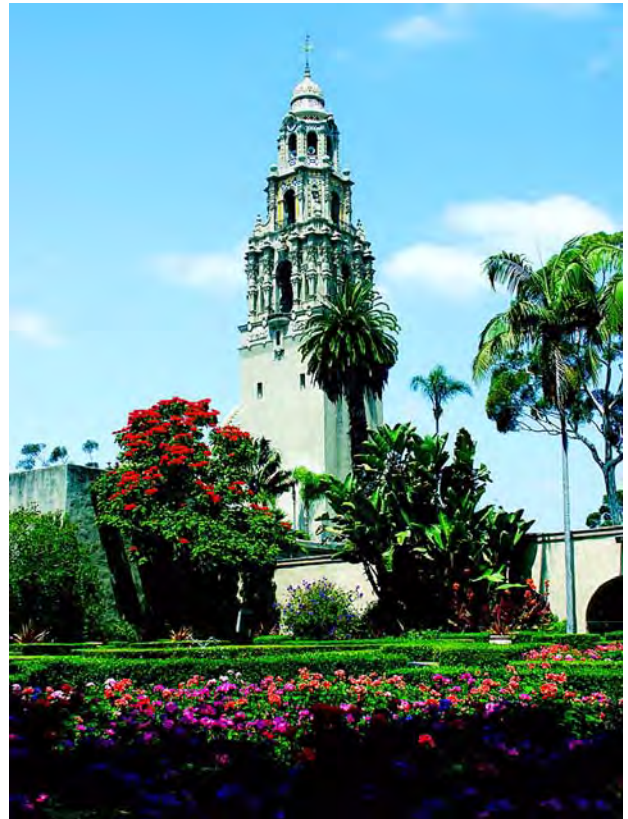
Business process reengineering studies involve the redesign of work processes (activities, services, or functions) for substantial improvement. In the City, these work processes occur within or between divisions and departments, and BPR studies are conducted in accordance with the BPR Guide. Business process reengineering focuses on rethinking from the ground up, finding more efficient ways of working and eliminating work that is unnecessary.

In this time of decreasing revenues, the Reengineering Program helps identify efficiency gains that can permit "smart" budget reduction proposals and works to improve efficiency to support organizational success, even in an environment of fewer resources.

Accomplishments

The City has completed, or is in the process of completing, 25 BPR studies and ten efficiency studies. From Fiscal Year 2007 through Fiscal Year 2010, reengineering has resulted in reductions of over 400 full-time equivalent (FTE) positions and produced savings of nearly \$39.5 million in personnel and non-personnel expenditures. In addition, reengineering has resulted in over \$6.1 million in cost avoidance (effectiveness savings), which—while not actual budget reductions—are efficiencies that permit staff to focus on other productive work.

In the course of conducting these studies, City employees have researched industry benchmarks, conducted internal and external customer surveys, mapped existing processes, and proposed organizational structures that streamline processes, deliver better service, and save money.



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The following paragraphs describe a few of the more recent accomplishments that have resulted from the Reengineering Program.

The **Airport Operations BPR** is expected to result in improved service delivery and reduced liability to the City's General Fund. This study was reviewed by the City Council's Committee on Budget & Finance on July 22, 2009 and is currently in the meet-and-confer process queue.

The **Communications BPR** resulted in the following: an improved understanding of the cost structure for the Communication Division's core functions, streamlined processes, the removal of non-value added activities, new performance metrics, and \$285,458 in personnel expense savings with \$221,801 saved annually in the General Fund. This study was reviewed by the City Council's Committee on Budget & Finance on July 22, 2009 and approved by Council with the Fiscal Year 2011 budget on December 14, 2009.

The **Publishing Services BPR** is expected to make for a much easier process for customers (City departments) to obtain their printing and publishing needs. Service level improvements are envisioned in the areas of customer service and interface; simplified ordering procedures; cost information availability; job intake, estimating, and status tracking; and through decreased turn-around time for job completion. This study was reviewed by the City Council's Committee on Budget & Finance on July 22, 2009 and is currently in the meet-and-confer process queue.

The **Park Maintenance BPR** was designed to bring about more streamlined park maintenance functions that are provided in a cost-effective manner. This study is expected to result in a reduction of 7.97 full-time equivalent staff at an annual savings of \$423,545 in personnel expenses (total savings from the crew concepts at all four locations) and a savings of \$176,763 in non-personnel expenses for a total ongoing annual savings of at least \$600,308. This study was approved by Council with the Fiscal Year 2011 budget on December 14, 2009, but final results are pending meet-and-confer.

The **Central Stores Efficiency Study** consolidated three departmentally-run satellite Central Stores storerooms into Central Stores 1 and 2, permitting greater control over inventory and a reduction of \$237,530 in personnel expenses. This study concluded meet and confer in time to be included in the Mayor's May revision to the Fiscal Year 2011 budget.

The above-mentioned reengineering efforts are intended to improve efficiencies, reduce the cost of City government, and maximize the services offered to residents and customers.

Future Expectations

Some projects that the Reengineering group is currently working on include studies in the following areas: business tax and permit processing, photocopier/printer utilization, Citywide fleet optimization, Citywide delivery efficiency, and Animal Control Services costs and fees. These studies are expected to yield improved processes, increased efficiencies, and potential cost savings.

In Fiscal Year 2011, the Reengineering group will continue to assist the City in developing efficient processes and organizational structures to deliver services in the most efficient and effective manner in accordance with the City's strategic goals and adopted budget. This is expected to realize additional cost savings and improve the services that the City provides to its residents in Fiscal Year 2011 and beyond.

Competitive Government

Competitive government is 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. This may be

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achieved via direct outsourcing, managed competition, benchmarking, and bid-to-goal processes. The voters expressed their enthusiasm for competitive government within the City through their approval of Proposition C in November 2006. Accordingly, the City is committed to delivering quality services to taxpayers, residents and visitors in the most economical and efficient way possible.

Managed competition is a process to determine when City services can be provided more economically and efficiently by an independent contractor than by persons employed in the Classified Service while maintaining service quality and protecting the public interest. 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.

Current Status

Since 2006, the City has been negotiating with several labor unions regarding a Proposition C implementing ordinance and a corresponding administrative regulation, known as a guidebook.

During Fiscal Year 2008, the Managed Competition Independent Review Board (MCIRB) was established. The MCIRB will review proposals received through competitive procurements and will advise the Mayor on the proposal that provide services more economically and efficiently while maintaining service quality and protecting the public interest. The Mayor will accept or reject the recommendation of the MCIRB; the Mayor's recommendation will be taken to Council for its acceptance or rejection.

Future Expectations

In Fiscal Year 2011, the City looks forward to further implement Competitive Government.



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