



## Department Description

The Business Office manages three major programs that support the Mayor's top reform initiatives: Reengineering, Competitive Government, and the City Management Program (CMP). As such, the Business Office works with all of the Mayoral departments within the City to improve the efficiency and effectiveness of the City's service delivery practices and management structures.

Through the Reengineering Program, the Business Office provides the City 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 of San Diego, 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.

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 achieved via direct outsourcing, managed competition, benchmarking, and bid-to-goal processes. The voters expressed their enthusiasm for competitive government within the City of San Diego through their approval of Proposition C in November 2006.

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Accordingly, the City of San Diego is committed to delivering quality services to taxpayers, residents and visitors in the most economical and efficient way possible.

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.

The City Management Program is designed to integrate strategic planning, performance monitoring efforts, and decision-making processes in order to create more accountability for performance and transparency in our City government.

The Department's mission is:

***To achieve sustainable improvements in the fiscal soundness and efficiency of City government and the responsiveness and innovativeness of its workforce***

## Goals and Objectives

Goals and objectives have been reprinted here as they were adopted in the Fiscal Year 2010 budget. They will be revisited during Fiscal Year 2012.

***Goal 1: Assist City groups in identifying opportunities for improvement and in implementing best business practices and business reform to move toward accomplishing the City's goal of a fiscally-sound, efficient City government***

As the City continues its management reform efforts, the Department must ensure that all opportunities for improvement are identified and that best business practices are utilized. This goal is vital to the improved efficiency and effectiveness of City services. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Support the Mayor's top priorities in management reform
- Prepare employees for managed competition
- Execute the City's managed competition program successfully
- Establish and implement an impactful reengineering program

***Goal 2: Improve organizational effectiveness and cultivate a responsive and innovative workforce***

Improving organizational effectiveness and workforce responsiveness are important goals in any organization. In order to be effective, the City must plan, budget, and hold personnel and departments accountable for performance. It is of the utmost importance to continually improve and strive to become the most efficient and effective organization possible. Monitoring whether the City is achieving desired outcomes to empower leadership to make the necessary changes to achieve those outcomes is one of the tools we use to do this. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Consistently and reliably achieve results from the reengineering program to support continuous improvement in the City
- Institute accountability for performance Citywide

***Goal 3: Deliver quality support efficiently and effectively***

As the Business Office focuses its efforts on management reform, it is important to recognize the internal needs of the Department. Investing its resources effectively and supporting our employees will ensure a high-performing Business Office team. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Communicate programs and projects effectively
- Invest its resources effectively
- Set Business Office performance standards and evaluate for accountability

- Support training and professional growth to maintain a high-performing team

## Service Efforts and Accomplishments

### Reengineering Program

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.

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 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 PE 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 in 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-onfer 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.

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## 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 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.

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.

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

## City Management Program

Through the City Management Program (CMP), the City has continued to move toward strategic decision-making through strategic planning and performance management.

In July 2009, the International/City County Management Association (ICMA) recognized the City of San Diego for its performance management and measurement efforts with a Certificate of Achievement for the its effective, results-oriented management practices.

In September 2009, the City was recognized by the Association of Government Accountants (AGA) with its award of the *Bronze Certificate of Achievement in Service Efforts and Accomplishments (SEA) Reporting* to the City of San Diego for its Fiscal Year 2008 SEA Report. Attainment of the Bronze Certificate represents an important accomplishment in the area of performance reporting by a state or local government entity and its management.

These are quite significant achievements that have improved the transparency of the City's budget, the ease of communication around budget issues, and internal accountability.

# Business Office

## Department Summary

	FY2010 Budget	FY2011 Adopted	FY2010-2011 Change
Positions	9.25	7.25	(2.00)
Personnel Expenses	\$ 1,034,375	\$ 876,419	\$ (157,956)
Non-Personnel Expenses	421,682	281,264	(140,418)
<b>Total Department Expenses</b>	<b>\$ 1,456,057</b>	<b>\$ 1,157,683</b>	<b>\$ (298,374)</b>
<b>Total Department Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## General Fund

### Department Expenditures

	FY2010 Budget	FY2011 Adopted	FY2010-2011 Change
Business Office	\$ 1,456,057	\$ 1,157,683	\$ (298,374)
<b>Total</b>	<b>\$ 1,456,057</b>	<b>\$ 1,157,683</b>	<b>\$ (298,374)</b>

### Department Personnel

	FY2010 Budget	FY2011 Adopted	FY2010-2011 Change
Business Office	9.25	7.25	(2.00)
<b>Total</b>	<b>9.25</b>	<b>7.25</b>	<b>(2.00)</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Adjustment to Contracts and Equipment Outlay</b>	0.00	\$ 220,000	\$ -
Funding allocated according to a zero-based annual review of contract and equipment outlay requirements.			
<b>Total</b>	<b>0.00</b>	<b>\$ 220,000</b>	<b>\$ -</b>

### Expenditures by Category

	FY2010 Budget	FY2011 Adopted	FY2010-2011 Change
<b>PERSONNEL</b>			
Salaries and Wages	\$ 704,069	\$ 519,850	\$ (184,219)
Fringe Benefits	330,306	356,569	26,263
<b>PERSONNEL SUBTOTAL</b>	<b>\$ 1,034,375</b>	<b>\$ 876,419</b>	<b>\$ (157,956)</b>
<b>NON-PERSONNEL</b>			
Supplies	\$ 21,175	\$ 10,158	\$ (11,017)
Contracts	333,142	236,607	(96,535)
Information Technology	29,849	21,095	(8,754)
Energy and Utilities	23,017	13,404	(9,613)
Other	11,300	-	(11,300)
Capital Expenditures	3,199	-	(3,199)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>\$ 421,682</b>	<b>\$ 281,264</b>	<b>\$ (140,418)</b>
<b>Total</b>	<b>\$ 1,456,057</b>	<b>\$ 1,157,683</b>	<b>\$ (298,374)</b>

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## Personnel Expenses

Job Number	Job Class	Job Title / Wages	FY2010 Budget	FY2011 Adopted	Salary Range	Total
20000119	1218	Associate Management Analyst	1.00	1.00	\$54,059 - \$65,333	\$ 55,126
20001101	2132	Department Director	1.00	0.00	59,155 - 224,099	-
20000924	1876	Executive Secretary	0.50	0.50	43,555 - 52,666	25,447
20000634	1614	Organization Effectiveness Specialist 2	1.00	1.00	54,059 - 65,333	63,107
20001222	2270	Program Manager	3.00	2.00	46,966 - 172,744	179,451
20000015	1106	Senior Management Analyst	2.00	2.00	59,363 - 71,760	137,157
20000970	1917	Supervising Management Analyst Bilingual - Regular	0.75	0.75	66,768 - 80,891	58,840
<b>Salaries and Wages Subtotal</b>						<b>\$ 519,850</b>
Employee Offset Savings						\$ 11,491
Flexible Benefits						58,178
Long-Term Disability						4,787
Medicare						7,709
Other Post-Employment Benefits						45,884
Retirement ARC						186,587
Retirement Offset Contribution						8,820
Risk Management Administration						7,099
Supplemental Pension Savings Plan						19,027
Unemployment Insurance						1,106
Unused Sick Leave						426
Workers' Compensation						5,455
<b>Fringe Benefits Subtotal</b>						<b>\$ 356,569</b>
<b>Total Personnel Expenses</b>						<b>\$ 876,419</b>

## Budget by Program

	FY2011 Positions	FY2011 Expenditures	FY2011 Revenue
City Management Program	2.00	\$ 244,658	\$ -
Department Management	0.75	102,273	-
General Administration	1.50	139,356	-
General Administration/Management	0.00	40,169	-
IT Non-Discretionary	0.00	21,095	-
Managed Competition	0.00	220,000	-
Reengineering Program	3.00	390,132	-
<b>Total</b>	<b>7.25</b>	<b>\$ 1,157,683</b>	<b>\$ -</b>