

**OFFICE OF INDEPENDENT BUDGET ANALYST
CITY OF SAN DIEGO
M E M O R A N D U M**

No. 06-5

DATE: March 24, 2006

TO: Council President Peters and Council Members

FROM: Andrea Tevlin, Independent Budget Analyst

SUBJECT: RE: IBA REPORT 06-13 AND MAYOR'S OFFICE CLARIFICATION OF
MANAGED COMPETITION BALLOT LANGUAGE

After reading this week's IBA report on the Managed Competition Ballot Measure, the Mayor's Office through Jeff Gattas, contacted me to clarify that Version G language does *not* require "City Council approval when determining a service should be submitted for competition" as we had interpreted and stated in our report. Between Versions D and E (and remaining in current Version G), the following language in the first sentence of the proposition language was amended as highlighted below:

"The City may employ any independent contractor when the City Manager determines, **SUBJECT TO CITY COUNCIL APPROVAL**, City services can be provided more economically and efficiently by an independent contractor than by persons employed in classified service while maintaining service quality."

The Mayor's Office has clarified that this insertion - "subject to City Council approval" - was *not* intended to refer to the City Manager's determination process at the beginning of the process, but rather the contract award process at the end. They noted that this language was inserted to confirm the City Council's role, and that it was intended to tie specifically to the following language, which has been in from the start of discussions:

"The City Council shall have the authority to accept or reject in its entirety any proposed agreement with an independent contractor submitted by the City Manager upon recommendation by the Managed Competition Independent Review Board."

This issue of upfront City Council approval to begin the process for a specific service, in addition to the authority to accept or reject the contract award, was important to some Council Members and less important to others. That being said, the language, as it stands now, is not clear and is subject to differing interpretations. The final language should be revised to clearly reflect the wishes of the City Council.

[SIGNED]

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March 17, 2006

Andrea Tevlin
Independent Budget Analyst