

**Office of the Assistant COO**



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# Office of the Assistant COO



## Department Description

The Office of the Assistant COO Department consists of the Assistant Chief Operating Officer who reports directly to the Chief Operating Officer.

The former Business Office staff now resides in the Office of the Assistant COO and manages three major programs that support the improvement of City operations: 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 Office of the Assistant COO 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 and are more flexible in their approach to problem solving. The Reengineering Program staff serves as in-house consultants to review department 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.

The Reengineering Program helps identify efficiency gains to maximize the level of services that can be provided with existing 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, and benchmarking processes. The voters expressed their support for competitive government within the City of San Diego through their approval of Proposition C in November 2006. Accordingly, the City of San

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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 City government.

The Department's mission is:

*To support the City's mission to provide a fiscally-sound city government that provides effective services to our residents and visitors*

## Goals and Objectives

The following goals and objectives represent the action plan for the Office of the Assistant COO:

***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, effective City government***

As the City continues its management reform efforts, it 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
- Execute the City's Managed Competition program successfully
- Implement an impactful reengineering program
- Promote efficiencies through regional service delivery

***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. 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
- Assist in developing strategic direction for 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 its internal needs. Investing its resources effectively and supporting its employees will ensure a high-performing Business Office team. The team 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

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## Key Performance Indicators

Performance Measure	Actual FY2012	Actual FY2013	Target FY2014
1. Cumulative number of reengineering and efficiency studies and audit recommendation implementations completed	46	47	53
2. Cumulative cost savings achieved from reengineering and efficiency studies and audit recommendation implementations	\$40.0M	\$40.3M	\$42.0M
3. Amount of cost savings resulting from Managed Competition	\$1.0M	\$1.5M	\$12.2M <sup>1</sup>

1. Projected Fiscal Year 2014 savings result from the implementation of five functions: Publishing Services, Fleet Services, Street Sweeping, Landfill Operations, and Street and Sidewalk Maintenance.

## Service Efforts and Accomplishments

### Reengineering Program

The City has completed, or is in the process of completing, 27 BPR studies and 20 efficiency studies. From Fiscal Year 2007 to date, reengineering has resulted in reductions of over 415<sup>1</sup> full-time equivalent (FTE) positions and produced annually recurring savings of over \$40.3 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 Delivery BPR examined departmentally-operated functions that deliver mail, library materials, and supplies throughout the City. Recently implemented, this BPR centralized the City's delivery functions from Central Stores/Mail Room, the Fire-Rescue Department, Police Department, Library, and Publishing Services into a single delivery organization under Central Stores and co-located with the Central Stores operations at 20th and B Streets. This BPR has begun to yield several hundred thousands of dollars in annual savings starting in Fiscal Year 2013.
- The Fleet Warehouse Efficiency Study examined state-of-the-art parts management practices and resulted in a confidential report that was provided to the Fleet Services Employee Proposal Team for its use during their Managed Competition.
- The City-wide Park Maintenance Efficiency Study brought together representatives from the Citywide Park Maintenance function and from its internal Park & Recreation Department customers to review processes and procedures and to make recommendations for efficiency improvements.

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.

### 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, or benchmarking. The voters expressed their enthusiasm for competitive government within

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1. Many reductions involved vacant positions; others resulted in retirements and placement of personnel elsewhere at the City

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the City through their approval of Proposition C in November 2006 which authorized a managed competition process. 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 negotiated with several labor unions regarding the Proposition C implementing ordinance and corresponding policies and procedures known as the Managed Competition Guide. In Fiscal Year 2011, the City and labor organizations reached agreement, and the City Council approved the Proposition C implementing the ordinance and the Managed Competition Guide which permitted the re-start of Managed Competition activities.

During Fiscal Year 2008, the Managed Competition Independent Review Board (MCIRB) was established. The MCIRB reviews proposals received through competitive procurements and advises the Mayor on the proposal that will provide services economically and efficiently while maintaining service quality and protecting the public interest. The Mayor accepts or rejects the recommendation of the MCIRB; if it results in award to an outside contractor, the Mayor's recommendation will be taken to Council for its acceptance or rejection.

## **Publishing Services**

The first competition was won by the Publishing Service Employee Proposal Team and was officially implemented on July 1, 2011. This competition has resulted in approximately \$1.0 million in annual savings starting in Fiscal Year 2012.

## **Fleet Maintenance**

Fleet Maintenance Operations was awarded to the Fleet Maintenance Employee Proposal Team with an implementation date originally scheduled for January 1, 2012. Due to the time required to carry out mandated processes such as meet and confer, procurement, reduction-in-force, and other necessary processes to implement the proposal, the revised estimated completion date is September 1, 2013. Initial annual savings were projected to be up to \$5.3 million beginning in Fiscal Year 2013. As a result of a negotiated agreement with the impacted labor organizations in July 2012, 12.50 FTE positions and \$1.3 million in expenditures have been added back to the Fleet Services Fiscal Year 2014 Proposed Budget which may result in an updated annual savings of up to \$4.0 million as it relates to the Employee Proposal Team's Alternate Proposal. The processes stated above remain ongoing at the time of this publication and could impact the projected savings which will be revised appropriately.

## **Street Sweeping**

The third competition was won by the Street Sweeping Employee Proposal Team. The implementation began December 1, 2012. The employees' proposal has already begun to result in cost savings for Fiscal Year 2013 and will continue to yield \$0.5 million in annual savings in subsequent years.

## **Landfill Operations**

Landfill Operations was awarded to the Landfill Operations Employee Proposal Team with an implementation date scheduled for July 1, 2013 pending the outcome of required processes such as the meet-and-confer obligations with the impacted labor organizations. Upon full implementation, the Employee Proposal may result in up to \$3.5 million in annual savings which is planned to begin in Fiscal Year 2014.

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## **Street & Sidewalk Maintenance**

The fifth competition was won by the Street & Sidewalk Maintenance Employee Proposal Team. The likely implementation will be in Fiscal Year 2014 pending the outcome of meet-and-confer and may result in up to \$0.8 million in annual savings.

## **City Management Program**

The City Management Program (CMP) integrates strategic planning and performance monitoring efforts with the budget decision-making process. Its goal is to create a more strategically-oriented organization that optimizes its operations to serve the City's residents in the most effective and efficient way possible. Founded on Balanced Scorecard principles, the CMP is designed to infuse accountability for performance into City services at every level of the organization. In addition, the CMP is intended to improve communication throughout the City, instill accountability, and support data-based decision-making.

## **The Strategic Planning Process**

Being strategic and proactive in its approach to governance is integral to achieving the City's goals. The CMP is intended to ensure that the City creates and adheres to its goals and priorities. The use of strategic planning enables the City to map its goals and manage the tools and resources necessary for achieving them. The strategic planning process takes a top-down approach beginning with the formulation of the City Strategic Plan at the citywide level and subsequent development of tactical plans at the department level.

## **The City Strategic Plan**

The City Strategic Plan charts the strategic direction of the City. It contains the City's mission, vision, goals, objectives, and performance measures. The City Strategic Plan was a product of collaboration between City leadership and subject matter experts from across all departments. It defines the direction for the City and provides a strategic framework for the strategies and activities of the departments.

For Fiscal Year 2014, the City's Strategic Plan goals and objectives have been reprinted as they were originally adopted. A complete, in-depth review of the current City Strategic Plan, department tactical plans, and all performance measures will be done during Fiscal Year 2014 for inclusion in the Fiscal Year 2015 budget. These future efforts will result in new City and department goals, objectives, and outcome-based performance measures.

## **Department Tactical Plans**

Another part of the overall strategic planning process involves the development and maintenance of department tactical plans for all Mayoral departments. These plans include the following elements: mission and vision statements, goals, objectives, performance measures, and targets. Tactical plans are designed to be reviewed and updated for each budget cycle. The annual review enables departments to determine the strategic direction for each fiscal year and ensure that it is aligned with the City's overall strategic direction and departments' resource requests. This annual review of department tactical plans did not occur as part of development of the Fiscal Year 2014 Proposed Budget due to the recent change in Mayoral administration.

The City Strategic Plan, department tactical plans, and the performance measure development processes will be evaluated during the course of Fiscal Year 2014 for inclusion in the Fiscal Year 2015 budget to reflect the new administration's priorities and areas of focus.

For Fiscal Year 2014, Volume II of the Proposed Budget continues to feature the section entitled 'Key Performance Indicators'. These performance measures include ones handpicked by each department based on one or more of the following reasons: they reflect the priorities of the department; they are considered useful in achieving the City's Strategic Plan goals and objectives; they demonstrate department responsibilities highlighted as a result of Mayoral

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responses to audit, Grand Jury, and Independent Budget Analyst (IBA) reports or Council action; or they best reflect the results or outcomes of the department's primary responsibilities.

In addition, there are Managed Competition-related measures that represent the performance standards outlined in the Preliminary Statements of Work (PSOWs) approved by City Council.

Actual figures for Fiscal Year 2012, actuals for Fiscal Year 2013, as well as targets for Fiscal Year 2014 have been included for each performance indicator. This performance data enables the reader to understand how each department is using the resources it has been given. Having this type of information available for budget readers is a result of the work achieved through the City Management Program.

All of the above-mentioned efforts have improved the transparency of the City's budget, the ease of communication around budget issues, and internal accountability.



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## Department Summary

	FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013–2014 Change
FTE Positions (Budgeted)	1.00	1.00	8.00	7.00
Personnel Expenditures	\$ 297,517	\$ 286,190	\$ 1,042,683	\$ 756,493
Non-Personnel Expenditures	12,892	27,846	248,356	220,510
<b>Total Department Expenditures</b>	<b>\$ 310,409</b>	<b>\$ 314,036</b>	<b>\$ 1,291,039</b>	<b>\$ 977,003</b>
<b>Total Department Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## General Fund

### Department Expenditures

	FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013–2014 Change
Office of the Assistant COO	\$ 310,409	\$ 314,036	\$ 1,291,039	\$ 977,003
<b>Total</b>	<b>\$ 310,409</b>	<b>\$ 314,036</b>	<b>\$ 1,291,039</b>	<b>\$ 977,003</b>

### Department Personnel

	FY2012 Budget	FY2013 Budget	FY2014 Adopted	FY2013–2014 Change
Office of the Assistant COO	1.00	1.00	8.00	7.00
<b>Total</b>	<b>1.00</b>	<b>1.00</b>	<b>8.00</b>	<b>7.00</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Department Restructure</b> Transfer of the Business Office to the Office of the Assistant Chief Operating Officer.	7.75	\$ 1,029,196	\$ -
<b>Assistant to the Director</b> Addition of 1.00 Assistant to the Director in the Office of the Assistant Chief Operating Officer.	1.00	96,273	-
<b>Position Transfer</b> Transfer of 0.25 Supervising Management Analyst to the Office of the Assistant Chief Operating Officer.	0.25	35,397	-
<b>Non-Discretionary Adjustment</b> Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	33,807	-
<b>Equipment/Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	17,063	-
<b>Salary and Benefit Adjustments</b> Adjustments to reflect the annualization of the Fiscal Year 2013 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	0.00	(57,684)	-

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## Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
<b>Executive Secretary</b> Reduction of 1.00 Executive Secretary transferred from the Business Office.	(1.00)	(81,944)	-
<b>Associate Management Analyst Transfer</b> Transfer of 1.00 Associate Management Analyst transferred from the Business Office to the Purchasing & Contracting Department to support the EOC Program.	(1.00)	(95,105)	-
<b>Total</b>	<b>7.00</b>	<b>\$ 977,003</b>	<b>\$ -</b>

## Expenditures by Category

	FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013-2014 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 195,230	\$ 185,001	\$ 636,983	\$ 451,982
Fringe Benefits	102,287	101,189	405,700	304,511
<b>PERSONNEL SUBTOTAL</b>	<b>\$ 297,517</b>	<b>\$ 286,190</b>	<b>\$ 1,042,683</b>	<b>\$ 756,493</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 253	\$ 4,130	\$ 8,594	\$ 4,464
Contracts	3,518	8,000	179,017	171,017
Information Technology	2,896	4,209	31,577	27,368
Energy and Utilities	506	4,477	18,973	14,496
Other	5,719	5,600	8,355	2,755
Transfers Out	-	1,430	1,840	410
<b>NON-PERSONNEL SUBTOTAL</b>	<b>\$ 12,892</b>	<b>\$ 27,846</b>	<b>\$ 248,356</b>	<b>\$ 220,510</b>
<b>Total</b>	<b>\$ 310,409</b>	<b>\$ 314,036</b>	<b>\$ 1,291,039</b>	<b>\$ 977,003</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2012 Budget	FY2013 Budget	FY2014 Adopted	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20001080	Assistant Chief Operating Officer	1.00	1.00	1.00	\$73,008 - \$291,595	\$ 182,688
20001233	Assistant to the Director	0.00	0.00	1.00	46,966 - 172,744	50,000
20000119	Associate Management Analyst	0.00	0.00	1.00	54,059 - 65,333	-
20001222	Program Manager	0.00	0.00	2.00	46,966 - 172,744	182,689
20000015	Senior Management Analyst	0.00	0.00	2.00	59,363 - 71,760	141,726
20000970	Supervising Management Analyst	0.00	0.00	1.00	66,768 - 80,891	79,880
<b>FTE, Salaries, and Wages Subtotal</b>		<b>1.00</b>	<b>1.00</b>	<b>8.00</b>		<b>\$ 636,983</b>

	FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013-2014 Change
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### Fringe Benefits

Employee Offset Savings	\$ 5,571	\$ 5,550	\$ 16,463	\$ 10,913
Flexible Benefits	7,731	7,701	51,419	43,718
Long-Term Disability	1,086	1,055	3,448	2,393
Medicare	2,962	2,682	9,345	6,663
Other Post-Employment Benefits	2,591	6,327	43,687	37,360
Retiree Medical Trust	-	-	462	462
Retirement ARC	74,571	68,802	218,681	149,879
Risk Management Administration	1,043	1,042	6,629	5,587

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	FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013-2014 Change
Supplemental Pension Savings Plan	5,388	5,643	40,848	35,205
Unemployment Insurance	618	537	1,830	1,293
Workers' Compensation	726	1,850	12,888	11,038
<b>Fringe Benefits Subtotal</b>	<b>\$ 102,287</b>	<b>\$ 101,189</b>	<b>\$ 405,700</b>	<b>\$ 304,511</b>
<b>Total Personnel Expenditures</b>			<b>\$ 1,042,683</b>	



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