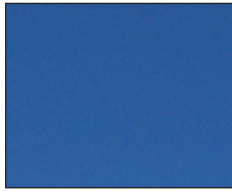


CITY OF SAN DIEGO



ADOPTED BUDGET



2015

FISCAL
YEAR

Efficiency Initiatives

Efficiency Initiatives

The City of San Diego strives to deliver public services to residents in the most efficient, effective, and productive manner. This goal may be achieved via direct outsourcing, managed competition, benchmarking, and employee incentive programs. The voters expressed their enthusiasm for competitive bidding for City services 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.

Competitive Bidding

Competitive bidding, otherwise known as 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 by the City, 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.

The City has put four functions through the competitive bidding process, leading to an estimated annual savings of \$9 million:

- The first competition was won by the Publishing Services Employee Proposal Team and was implemented in Fiscal Year 2012. This competition has resulted in approximately \$1.0 million in annual savings.
- The Street Sweeping competition was won by the Employee Proposal Team. Implementation began in Fiscal Year 2013. The proposal continues to yield \$0.5 million in annual savings.
- Landfill Operations was awarded to the Employee Proposal Team with implementation in Fiscal Year 2014. The Employee Proposal is estimated to result in up to \$3.5 million in annual savings.
- Fleet Maintenance Operations was awarded to the Employee Proposal Team with estimated annual savings of up to \$4.0 million and implementation in Fiscal Year 2015.



Efficiency Initiatives

San Diego Works

Mayor Faulconer announced a new program for Fiscal Year 2015 called San Diego Works to challenge employees, labor organizations and management to collaborate and submit cost-saving and operational streamlining ideas that will result in additional funding for neighborhood reinvestment.

San Diego Works is the next chapter in the City's recent history of government reforms that make more tax dollars available for community projects and services, such as street repairs and public safety. The initiative proposes to spur innovative ideas that reduce operational costs by offering City employees rewards and recognition for outstanding efficiency proposals that save money or allow for enhanced services to taxpayers that benefit neighborhoods.

Complementing this effort, the Mayor also announced that he will work with City labor organizations to streamline the managed competition program by implementing 24 recommendations from the Huron Consulting Group, led by Stephen Goldsmith, former Indianapolis Mayor and nationally recognized government efficiency expert.

The City's new Performance and Analytics Department, created as part of the Fiscal Year 2015 budget, will oversee implementation of San Diego Works and an improved managed competition process, as well as other efforts to improve City operations, such as performance measurement and open data.