



CITY OF SAN DIEGO

ADOPTED BUDGET



FY: 2016

Efficiency Initiatives

Efficiency Initiatives

The City of San Diego is committed to providing high quality public services to taxpayers, residents, businesses, and visitors in the most economical and efficient manner. This goal may be achieved via benchmarking, employee incentive programs, insourcing, outsourcing, and managed competition. The Performance & Analytics Department (P&A) oversees implementation of initiatives that drive the City's success in fulfilling this goal such as the managed competition process, the San Diego Works program, and other operational excellence efforts.

Managed Competition

Managed competition is a process, authorized by voters in 2006, to determine when City services can be provided more economically and efficiently by a contractor than by City employees, 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 to date has implemented four managed competitions: Publishing Services (Fiscal Year 2012), Street Sweeping (Fiscal Year 2013), Landfill Operations (Fiscal Year 2014), and Fleet Maintenance (Fiscal Year 2015). All four competitions were won by City employees and identified a cumulative total of approximately \$9.0 million in annual savings.

In February 2015, Mayor Faulconer initiated efforts to streamline the managed competition process based upon the recommendations of the Huron Consulting Group, led by nationally recognized government efficiency expert Stephen Goldsmith. In Fiscal Year 2016, the Mayor will meet and confer with recognized employee organizations with the goal of creating a more efficient managed competition process for both City employees and potential contractors.

San Diego Works

In Fiscal Year 2015, Mayor Faulconer announced the new San Diego Works program 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 a new chapter in the City's recent history of government reforms. The initiative proposes to spur innovative ideas that reduce operational costs or improve customer service by offering City employees rewards and recognition for outstanding proposals that save money or allow for enhanced services to taxpayers, with an emphasis on incorporating the improvements into the Fiscal Year 2016 budget.

Employees responded enthusiastically with over 550 employees involved in submitting over 250 San Diego Works proposals by the November 15, 2014 deadline. Initial evaluation results of proposals to be implemented in Fiscal Year 2016 and beyond were compiled and presented in May 2015 to the City Council's Budget and Government Efficiency Committee. The initial batch of 100 approved proposals represents a total of about \$1.3 million in average annual net savings over the period from Fiscal Year 2016 through Fiscal Year 2021. The budgetary reductions included in the May Revision to the Fiscal Year 2016 budget total \$476,000. In Fiscal Year 2016, P&A will evaluate the remaining proposals and monitor implementation.