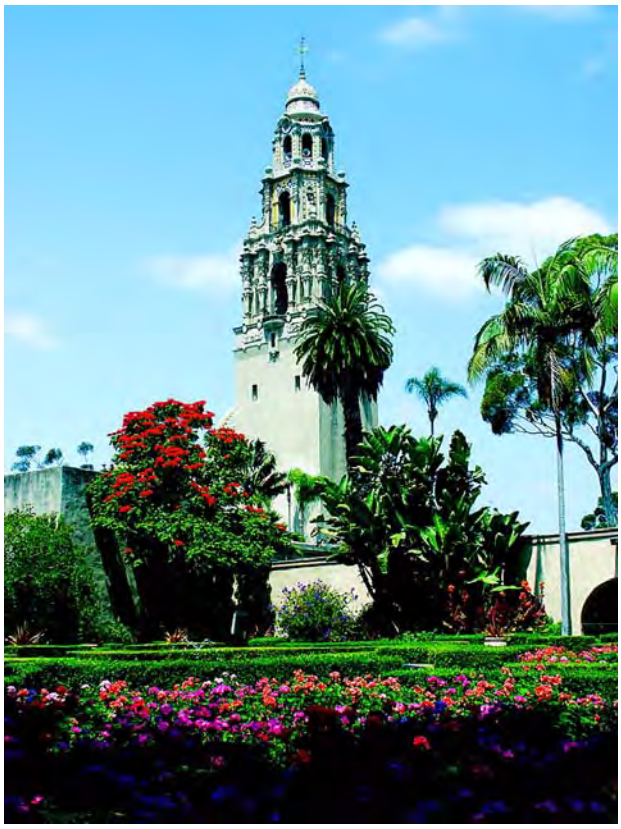
Reengineering and Competitive Government

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.



Accomplishments

The City has completed, or is in the process of completing, 25 BPR studies and six efficiency studies. From Fiscal Year 2007 to the present, BPRs have resulted in reductions of over 400 full-time equivalent (FTE) positions and have produced savings of over $32.0 million in personnel expenditures. In addition, BPRs have resulted in millions of dollars in non-personnel savings and nearly $4.6 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.

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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 Budget and Finance Committee on July 22, 2009, and is currently in the meet-and-confer process queue.

The **Communications BPR** will likely result in the following: an improved understanding of the cost structure for the Communication Division's core functions, streamlined processes, the removal of non-value added activities, and new performance metrics. This study was reviewed by the City Council's Budget and Finance Committee on July 22, 2009, and is currently in the meet-and-confer process queue.

The **Facilities Maintenance BPR** is expected to result in decreased costs, including reduced travel time and fuel, higher volume service contracts, and decreased emergency repairs resulting from increased preventive maintenance. Key to achieving these efficiencies is consolidating Citywide functions for facilities maintenance and improvement under the Facilities Management Division; organizing City facilities into regional zones that are served by multi-trade crews; and prioritizing work requests based on the category of the facility and the nature of the call. This study was reviewed by the City Council's Budget and Finance Committee on July 22, 2009, and is currently in the meet-and-confer process queue.

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 Budget and Finance Committee on July 22, 2009, and is currently in the meet-and-confer process queue.

The **Park Maintenance Efficiency Study** 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.

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. Potential dollar savings include a one-time net revenue increase of $48,000 and an annual savings of about $915,000.

Collectively, these final numbers are subject to the completion of the meet-and-confer process with the labor unions.

Future Expectations

Some projects that the Reengineering group is currently working on include studies in the following areas: citywide warehouse consolidation/distribution, business rental unit licensing fees, photocopier/printer utilization, citywide fleet optimization, citywide delivery efficiency, and animal control services costs and fees. These studies are expected to yield improved processes, increased efficiencies, and potential cost savings.

In Fiscal Year 2011, the Reengineering group will continue to assist the City in developing efficient processes and organizational structures to deliver services in the most efficient and effective manner

in accordance with the City's strategic goals and adopted budget. This is expected to realize additional cost savings and improve the services that the City provides to its residents in Fiscal Year 2011 and beyond.

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 of San Diego through their approval of Proposition C in November 2006. 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.

Current Status

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 recommendation will be taken to Council for its acceptance or rejection.

Future Expectations

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