



# Business Office





## Department Description

The Business Office manages three of the Mayor's top reform initiatives: Business Process Reengineering (BPR), Managed Competition, 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 its management structures.

BPR is 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. Reengineering focuses on rethinking from the ground up and finding more efficient ways of working, including eliminating work that is unnecessary.

Managed Competition is a structured and transparent process that allows public sector employees to be openly and fairly compared with independent contractors (normally private sector firms) for the right to deliver services. Competition enables a determination of the most cost-effective and efficient manner for the delivery of City services.

The City Management Program is designed to integrate strategic planning, performance monitoring efforts, and decision-making processes. As a result of the CMP, the City's Fiscal Year 2009 budget includes goals, objectives, and performance measures for each Mayoral department.

The Department's mission is:

*To achieve sustainable improvements to the City of San Diego's management structures and practices and the efficiency and effectiveness of service delivery within the City*

## Goals and Objectives

The following goals and objectives represent the action plan for the Department.

***Goal 1: Assist City groups in identifying opportunities for improvement and in implementing best business practices and business reform***

As the City continues its efforts in management reform, we 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.

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- Support the Mayor's top priorities in management reform
- Prepare employees for managed competition

## ***Goal 2: Improve organizational effectiveness***

Improving organizational effectiveness is an important goal in all organizations. In order to be effective, we must plan, budget, and hold personnel and departments accountable for performance. It is of the utmost importance in the City to continually improve and strive to become the most efficient and effective organization possible. Monitoring whether we are achieving desired outcomes to empower leadership to make the necessary changes to achieve those outcomes is one of the tools we use to do this. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Consistently and reliably achieve results from the BPR program to support continuous improvement in the City
- Institute accountability for performance City-wide

## ***Goal 3: Deliver quality support efficiently and effectively***

As the Business Office focuses its efforts on management reform, it is important to recognize the needs of the Department internally. Investing our resources effectively and supporting our employees will ensure a high-performing Business Office team. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Communicate programs and projects effectively
- Invest our resources effectively
- Set Business Office performance standards and evaluate for accountability
- Support training and professional growth to maintain a high-performing team

# Service Efforts and Accomplishments

## **Business Process Reengineering**

The Business Office anticipates that at the close of Fiscal Year 2008, it will have completed 16 BPR studies in excess of 35 functions, representing significant progress toward the Mayor's goal of reengineering all major City functions to improve the City's efficiency and effectiveness.

In the course of conducting BPR studies, City employees have researched industry benchmarks, conducted internal and external customer surveys, mapped existing processes, and proposed Most Efficient Government Organizations (MEGOs) that streamline processes, deliver better service, and save money. Examples of the results of some BPR studies follow.

- The Engineering and Capital Projects BPR standardized core engineering and management processes and made project delivery methodology more consistent and efficient while improving customer service. The BPR consolidated divisions and centralized engineering functions to enable the elimination of positions at all levels of the organization. Savings were realized from this BPR in Fiscal Year 2008.
- The MWWD BPR/Bid-to-Goal effort consolidated support functions into a single division, streamlined many specific processes to improve efficiency and effectiveness, reduced the number of management and supervisory positions, and modified shifts and schedules to lower overtime and increase efficiency.
- The Grants & Gifts BPR determined that establishing a centralized, coordinated system is critical for maximizing success in obtaining grants and gifts, effectively managing and tracking grants and gifts City-wide, and improving efficiency and effectiveness related to governmental audits. The team also found that the existing processes for grants and gifts were unnecessarily time-consuming and identified many opportunities for improvements, including streamlining, instituting tracking systems using technology, and developing a Grants & Gifts Resource Center.

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## Managed Competition

The voters expressed their enthusiasm for a managed competition program within the City of San Diego through their approval of Proposition C in November 2006. During Fiscal Year 2008, significant progress was made to move the Managed Competition program forward. The *Managed Competition Guide* was developed and meetings were held with labor organizations to get their input on the Guide. A Labor Advisory Committee was established to provide a regular means for receiving input from the City's labor organizations. In addition, the Managed Competition Independent Review Board (MCIRB) was established. The MCIRB will review proposals received through competitive procurements and will advise the Mayor on whether the proposal of City employees or that of an independent contractor will provide services more economically and efficiently while maintaining service quality and protecting the public interest. The Mayor will accept or reject (in total) the recommendation of the MCIRB. If the recommendation is to secure the services of an outside entity, the recommendation will be taken to Council for their acceptance or rejection (in total).

The first step to moving a function into managed competition is to determine whether that function is eligible and appropriate for competition. This is done through a pre-competition assessment. The pre-competition assessment evaluates questions such as whether a function is inherently governmental, whether there are legal limitations to competitively sourcing a function, and whether there are opportunities for improved economic advantage. Pre-competition assessments were completed for 16 functions and initiated for another ten functions. Those functions deemed eligible and appropriate will move from pre-competition assessments into competitive procurement by developing Statements of Work and Requests for Proposals.

## City Management Program

Through the City Management Program (CMP), the City has moved toward strategic decision making by instituting strategic planning and performance management.

As a result of the CMP, this Fiscal Year 2009 budget contains tactical plans and performance measures for the majority of City departments (and all Mayoral departments). A total of 38 tactical plans (for departments or, in the case of General Services, divisions) are currently monitoring their performance as a result of the CMP. A large portion of City employees and stakeholders have been educated on strategic planning and the importance of performance measurement and management. This is quite a significant achievement that is expected to improve the transparency of the City's budget, the ease of communication around budget issues, and internal accountability.

## Budget Dollars at Work: Performance Expectations

### Goal 1: Assist City groups in identifying opportunities for improvement and in implementing best business practices and business reform

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent of major City functions reengineered <sup>1</sup>	25%	28%	47%

### Goal 2: Improve organizational effectiveness

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent of Mayoral departments with tactical plans in place and performance data reporting underway	N/A	100%	100%
2. Frequency with which City Balanced Scorecard is updated and made public	N/A	N/A	Bi-annually
3. Percent of departments providing departmental scorecard reports bi-annually	N/A	N/A	100%

<sup>1</sup> The City's major functions have been estimated to include 68 major Mayoral functions. These may not be 100% consistent with functions reviewed through reengineering or for competition (e.g., Dead Animal Pick-up is being reviewed for competition, but is not a major function of the City).

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## Goal 3: Deliver quality support efficiently and effectively

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Results of internal stakeholder satisfaction survey	N/A	N/A	TBD

## Budget Dollars at Work: Sizing and Workload Data

	FY2005	FY2006	FY2007	Estimated FY2008	Target FY2009
<b>Workload Data</b>					
Number of BPR studies completed	N/A	N/A	6	10	12
Number of BPR sessions facilitated	N/A	N/A	N/A	400 <sup>2</sup>	480
Number of pre-competition assessments completed	N/A	N/A	N/A	26	TBD
Number of FTEs competed through managed competition	N/A	N/A	N/A	TBD	TBD
Number of City Management Program training/information sessions offered	N/A	N/A	N/A	25	25
Number of tactical plan sessions facilitated	N/A	N/A	50 <sup>2</sup>	380 <sup>2</sup>	152
Number of tactical plans completed	N/A	N/A	N/A	38	38

<sup>2</sup> This is an estimate – data will be collected beginning in Fiscal Year 2009.

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## Department Summary

Business Office				
	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED	FY 2008-2009 CHANGE
Positions	8.00	19.25	<b>11.25</b>	(8.00)
Personnel Expense	\$ 861,563	\$ 2,221,457	\$ <b>1,319,596</b>	\$ (901,861)
Non-Personnel Expense	\$ 206,851	\$ 161,634	\$ <b>1,035,404</b>	\$ 873,770
<b>TOTAL</b>	\$ 1,068,414	\$ 2,383,091	\$ <b>2,355,000</b>	\$ (28,091)

## Department Staffing

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
<b>GENERAL FUND</b>			
<b>Business Office</b>			
Business Office	8.00	19.25	<b>11.25</b>
<b>Total</b>	<b>8.00</b>	<b>19.25</b>	<b>11.25</b>

## Department Expenditures

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
<b>GENERAL FUND</b>			
<b>Business Office</b>			
Business Office	\$ 1,068,414	\$ 2,383,091	\$ <b>2,355,000</b>
<b>Total</b>	\$ <b>1,068,414</b>	\$ <b>2,383,091</b>	\$ <b>2,355,000</b>

## Significant Budget Adjustments

### GENERAL FUND

Business Office	Positions	Cost	Revenue
<b>Salary and Benefit Adjustments</b>	0.00	\$ 23,735	0
Adjustments to reflect the annualization of the Fiscal Year 2008 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and other benefit compensation.			
<b>Support for Managed Competition Consulting</b>	0.00	\$ 900,000	0
Increase in support for consulting services related to the Managed Competition Program.			

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## Significant Budget Adjustments

### GENERAL FUND

Business Office	Positions	Cost	Revenue
<b>Purchasing &amp; Contracting Department Transfer</b> Transfer of 2.00 Senior Management Analysts, 1.00 Associate Civil Engineer, 1.00 Managed Competition Program Manager and associated non-personnel expenses from Purchasing and Contracting Department due to Managed Competition Program.	4.00 \$	525,542 \$	0
<b>Support for Resident Satisfaction Survey</b> Adjustment will standardize the collection of residents' opinions on the level and quality of services being delivered by the City.	0.00 \$	40,000 \$	0
<b>Non-Discretionary</b> Adjustments to expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.	0.00 \$	10,536 \$	0
<b>Support for Information Technology</b> Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00 \$	691 \$	0
<b>Community Services Department Transfer</b> Transfer of non-personnel expense to the Community Services Department.	0.00 \$	(5,000) \$	0
<b>Vacancy Savings</b> Adjustments in personnel expense from positions that are projected to be vacant for a period of time in Fiscal Year 2009 due to personnel transition and salary differentials for new employees.	0.00 \$	(34,543) \$	0
<b>Administration Department Transfer</b> Transfer of personnel and non-personnel expenses, and associated revenue to the Administration Department.	(12.00) \$	(1,489,052) \$	(25,000)

## Expenditures by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
<b>PERSONNEL</b>			
Salaries & Wages	\$ 578,117	\$ 1,471,987	\$ 875,727
Fringe Benefits	\$ 283,446	\$ 749,470	\$ 443,869
<b>SUBTOTAL PERSONNEL</b>	\$ 861,563	\$ 2,221,457	\$ 1,319,596
<b>NON-PERSONNEL</b>			
Supplies & Services	\$ 152,560	\$ 126,021	\$ 1,009,339
Information Technology	\$ 34,097	\$ 9,173	\$ 2,129
Energy/Utilities	\$ 18,223	\$ 22,890	\$ 20,657

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## Expenditures by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
<b>NON-PERSONNEL</b>			
Equipment Outlay	\$ 1,971	\$ 3,550	\$ 3,279
<b>SUBTOTAL NON-PERSONNEL</b>	<b>\$ 206,851</b>	<b>\$ 161,634</b>	<b>\$ 1,035,404</b>
<b>TOTAL</b>	<b>\$ 1,068,414</b>	<b>\$ 2,383,091</b>	<b>\$ 2,355,000</b>

## Revenues by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
<b>GENERAL FUND</b>			
Transfers from Other Funds	\$ -	\$ 25,000	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ -</b>

## Salary Schedule

### GENERAL FUND

#### Business Office

<i>Class</i>	<i>Position Title</i>	<i>FY 2008 Positions</i>	<i>FY 2009 Positions</i>	<i>Salary</i>	<i>Total</i>
1106	Sr Management Analyst	1.00	<b>2.00</b>	\$ 71,273	\$ 142,546
1107	Administrative Aide II	1.00	<b>0.00</b>	\$ -	\$ -
1221	Assoc Engineer-Civil	0.00	<b>1.00</b>	\$ 80,375	\$ 80,375
1614	Org Effectiveness Specialist II	3.00	<b>3.00</b>	\$ 64,734	\$ 194,203
1746	Word Processing Operator	1.00	<b>0.00</b>	\$ -	\$ -
1776	Public Information Clerk	1.00	<b>0.00</b>	\$ -	\$ -
1876	Executive Secretary	1.00	<b>0.50</b>	\$ 52,010	\$ 26,005
1917	Supv Management Analyst	0.00	<b>0.75</b>	\$ 80,127	\$ 60,095
2111	Assistant Chief Operating Officer	1.00	<b>0.00</b>	\$ -	\$ -
2132	Department Director	1.00	<b>1.00</b>	\$ 117,275	\$ 117,275
2213	Council Representative II	4.00	<b>0.00</b>	\$ -	\$ -
2257	Grants Coordinator	0.25	<b>0.00</b>	\$ -	\$ -
2270	Program Manager	5.00	<b>3.00</b>	\$ 95,000	\$ 285,001
	Vacancy Savings	0.00	<b>0.00</b>	\$ -	\$ (29,773)
	<b>Total</b>	<b>19.25</b>	<b>11.25</b>	<b>\$</b>	<b>875,727</b>
<b>BUSINESS OFFICE TOTAL</b>		<b>19.25</b>	<b>11.25</b>	<b>\$</b>	<b>875,727</b>