

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

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SAN DIEGO WORKS PROGRAM	Effective Date August 8, 2014 – June 30, 2017		

1. PURPOSE

- 1.1. San Diego Works (SD Works) is a pilot program to encourage collaboration within and between City departments and promote group ideas that generate savings and identify efficiencies and process improvements for the Fiscal Year 2016 budget.

2. SCOPE

- 2.1 This regulation applies to all employees within any City department.

3. DEFINITIONS

- 3.1 **Acceptance Period** - August 15, 2014 through November 15, 2014.

- 3.2 **Cash Award** - an award ranging from \$50 - \$5,000 per Eligible Employee and up to \$100,000 per Proposal Team (not to exceed \$5,000 per Eligible Employee for Proposal Team awards), depending on the average annual savings or efficiencies and process improvements generated as determined by the Mayor or the Director of the Performance & Analytics Department. Cash Award may also include an additional one-time award of \$100,000 per Proposal Team (not to exceed \$5,000 per Eligible Employee on the Proposal Team), awarded to the single Proposal that offers the highest amount of average annual savings in excess of \$1 million; this additional award is defined in Section 3.10 below as Top Award.

- 3.3 **Eligible Employee** - all classified, classified unrepresented and unclassified employees.

- 3.3.1 The following employees are not eligible to receive Cash Awards for their participation in a Proposal:

- a. Elected Officials;
- b. Deputy Directors and above, or unclassified staff with equivalent responsibilities as determined by management (excluding Deputy City Attorneys Association of San Diego-represented employees);
- c. City Council Office staff and Mayor's Office staff;
- d. Unclassified Independent Budget Analyst Office staff; and
- e. Unclassified City Auditor staff.

(New Administrative Regulation 95.93, Issue 1, effective August 8, 2014)

Authorized

(Signature on File)
CHIEF OPERATING OFFICER

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- 3.4 **Net Increase In Revenue** - the estimated increase in revenue production resulting from the implementation of a proposal, as determined by the Performance & Analytics Department.
- 3.5 **Net Savings** - the estimated net cost reduction resulting from the implementation of a proposal, as determined by the Performance & Analytics Department.
- 3.6 **Paid Release Time** – approved time exclusively used during regularly scheduled work hours to develop, draft, or submit Proposal(s) during the Acceptance Period.
- 3.7 **Proposal** - a written suggestion that describes a means to improve the City’s efficiency or effectiveness, or creates Fiscal Year 2016 budgetary savings, or creates average annual savings (inclusive of one-time costs) over the period of the Fiscal Year 2017-2021 Five-Year Financial Outlook, or allows existing City staff to increase or improve delivery of any municipal service. A Proposal must be signed by all Eligible Employees who participated in developing the Proposal, and must be submitted on a PAD-01, San Diego Works Proposal Form to the Performance & Analytics Department within the Acceptance Period. The following are not eligible Proposals:
- a. Ideas contained in any Memorandum of Understanding between the City and recognized employee organizations;
 - b. Ideas concerning City employee compensation and benefits;
 - c. Ideas which substantially duplicate previously submitted Proposals;
 - d. Ideas to increase City fees or charges;
 - e. Ideas that are the result of a problem solving group initiated by management between March 1, 2014 and June 11, 2014;
 - f. Ideas that promote the removal of any City employee by name;
 - g. Ideas suggesting a contract between the City and any other named entity, when the proposed contract involves anyone on the Proposal Team.
- 3.8 **Proposal Team** – any number of Eligible Employee(s) working together to develop a proposal to be submitted during the Acceptance Period. Groups of two or more employees are encouraged to work together to develop proposals.
- 3.9 **San Diego Works Review Committee** - the Mayor may, in his sole discretion, form a Review Committee under Charter section 43(b), or other authority, to assist in the review of Proposals. It is not the intent of this committee to supplant or diminish the Mayor’s independent authority to accept or reject Proposals.
- 3.10 **Top Award** – an additional one-time Cash Award of \$100,000 per Proposal Team (not to exceed \$5,000 per Eligible Employee on the Proposal Team), awarded to the single Proposal Team that offers the highest amount of average annual savings in excess of \$1 million.

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4. POLICY

- 4.1 City employees are encouraged, but not required, to form Proposal Teams and submit Proposals.
- 4.2 Employees not eligible under Section 3.3 may participate on a Proposal Team, and should also identify themselves on the submitted Proposal.
- 4.3 Eligible Employees may participate in more than one group Proposal, but may not be awarded more than \$5,000 in total under this pilot Program, unless they are on the one Proposal Team that is selected for the Top Award.
- 4.4 Proposals are eligible for awards to be evenly shared by all participants on the Proposal Team, with the maximum Proposal Team award of up to \$100,000, not to exceed the maximum Cash Award per Eligible Employee of \$5,000, with the exception of the Top Award.
- 4.5 The SD Works Program calls for the exercise of discretion by the Mayor or the Director of the Performance & Analytics Department. In the event that an Eligible Employee(s) believes that his or her Cash Award, as formally notified by the Performance & Analytics Department, was unnecessarily delayed or not provided as notified, the Eligible Employee(s) may submit a grievance in writing, signed by the grievant(s), directly to the Director of the Performance & Analytics Department. If the grievance is denied, with or without a meeting with the grievant(s), the grievant(s) may appeal thereafter to the Human Resources Department Director or designee. The determination of the Human Resources Department Director or designee shall be final and binding.
 - 4.5.1 This abbreviated grievance procedure will follow Step 4 (to Director of the Performance & Analytics Department) and Step 5 (to the Human Resources Department) respectively under the grievance procedure covered by a ratified memorandum of understanding for all Eligible Employees in classes which are in a representation unit. For those Eligible Employees in classes which are not in a representation unit, this abbreviated grievance procedure will follow Step 4 (to Director of the Performance & Analytics Department) and Step 5 (to the Human Resources Department) as identified in Personnel Manual, Index Code K-1.
- 4.6 Management may not consider an employee's participation or non-participation in this Program for performance, discipline or promotional purposes. No employee will be subject to direct or indirect retaliation as a result of any participation or non-participation in this pilot Program.
- 4.7 No additional compensation, including but not limited to overtime or discretionary leave,

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will be provided for any work done preparing Proposals. Eligible Employees, and any other City employees, are not permitted to work on any Proposal other than during Paid Release Time. Any effort spent on Proposals outside Paid Release Time (for example, during lunch, rest breaks, or after work) is not considered work and will not be compensated.

- 4.8 In connection with the development of any Proposal under this Program, all City employees, including Eligible Employees, shall not interfere with existing contracts and must comply with the Code of Ethics and Conduct provided in the City of San Diego Personnel Manual, section G-1, the City's established contracting policies and rules, and Administrative Regulation 95.60 – Conflict of Interest and Employee Conduct.
- 4.9 To ensure the most effective implementation of this pilot Program, a Labor-Management Committee, to include all six recognized employee organizations, will meet monthly, as needed, during the effective dates of this Regulation.
- 4.10 This Regulation will sunset on June 30, 2017, unless it is revised by the Mayor to be continued beyond Fiscal Year 2017.
- 4.11 All Proposals are the property of the City of San Diego.
- 4.12 All Proposals are subject to the California Public Records Act.
- 4.13 In order to facilitate implementation of as many of the most impactful Proposals as possible, the Performance & Analytics Department may prioritize review of Proposals, particularly in the event of multiple Proposals from the same Eligible Employee(s).

5. RESPONSIBILITIES

5.1 City Departments

- 5.1.1 Administer the provision of Paid Release Time to employees in accordance with this Regulation.
- 5.1.2 Support Proposal Teams and, upon request, provide feedback on Proposals.
- 5.1.3 At the request of a Proposal Team or the Performance & Analytics Department, participate in presentations and review of Proposals to the San Diego Works Review Committee.

5.2 Performance & Analytics Department

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- 5.2.1 Tracks the development and submission of Proposals.
- 5.2.2 With the advice and assistance of the City Attorney’s Office, maintains the procurement sensitivity of all Proposals, to the extent possible, under the California’s Public Records Act.
- 5.2.3 Provides assistance to a Proposal Team upon request within available capacity at the discretion of the Director.
- 5.2.4 Follows up with a Proposal Team to obtain additional clarification or expand on Proposals and calculations as necessary.
- 5.2.5 Conducts the initial review of Proposals.
- 5.2.6 Verifies Net Savings or Net Increase In Revenue realized after implementation of a Proposal.
- 5.2.7 Summarizes Proposals and provides support to the San Diego Works Review Committee.
- 5.2.8 Reports to the Mayor regarding status of Proposal implementation.
- 5.2.9 Collaborate and solicit feedback from the Human Resources Department to determine if implementing a Proposal may require meet and confer with a recognized employee organization.

5.3 Proposal Team

- 5.3.1 Drafts and submits Proposals to the Performance & Analytics Department.
- 5.3.2 May be requested to attend, respond to questions, or make a presentation to the San Diego Works Review Board regarding the Proposal.

5.4 San Diego Works Review Committee

- 5.4.1 May provide advisory recommendations to accept Proposals made by Proposal Teams to the Mayor or the Director of the Performance & Analytics Department.
- 5.4.2 May ask verbal questions of the Proposal Teams and may make recommendations for further analysis or review in future years.

6. PROCEDURE – PROPOSAL PREPARATION

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- 6.1 Proposal Teams should follow the form instructions and complete the PAD-01 San Diego Works Proposal Form as thoroughly as possible. Proposal Teams are not expected to be experts in Proposal preparation or in estimating savings. Proposal Teams can contact the Performance & Analytics Department to arrange assistance in estimating the potential Net Increase in Revenue and/or Net Savings. The Performance & Analytics Department Director has the sole discretion to grant approval for the arrangement of additional City resources.
- 6.2 If a Proposal crosses Departmental lines, the Proposal Team must include, as a signatory on the Proposal, at least one employee from each Department impacted by the Proposal.
- 6.3 Employees may receive up to five hours of Paid Release Time, to be taken during regularly scheduled work hours, to participate in developing, drafting, or submitting Proposals during the Acceptance Period. Management may not deny Paid Release Time, but management retains the discretion to schedule Paid Release Time consistent with the operational needs of the Department, specifically:
 - 6.3.1 Paid Release Time must be pre-approved, accompanied by a leave slip, and submitted to an immediate supervisor or appointing authority, no later than five working days prior to the employee's request for release time.
 - 6.3.2 No overtime is authorized for Proposal preparation.
 - 6.3.3 Paid Release Time under this Regulation is for the sole purpose of participating Proposal Team(s) to develop, draft, and submit a Proposal.
 - 6.3.4 Employees from a Proposal Team may request additional Paid Release Time, subject to approval by the Director of the Performance & Analytics Department, when necessary to complete Proposals.
 - 6.3.5 A Proposal Team may be eligible for additional Paid Release Time to provide clarification or additional information for their Proposal to the Performance & Analytics Department.

7. PROCEDURE – PROPOSAL EVALUATION

- 7.1 The deadline to submit Proposals to the Performance & Analytics Department is November 15, 2014. Submittals in advance of the November 15, 2014 deadline are encouraged.
- 7.2 Verification of time and date for receipt of Proposal will occur as follows:

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- 7.2.1 Completed San Diego Works Proposal Forms should be submitted as attachments to an e-mail that is sent to SDWorks@sandiego.gov. Outlook automatically records the time and date for each e-mail. In the event of duplicate Proposals, this information will be used to determine the first submittal.
- 7.2.2 Proposal teams that do not have access to e-mail and who plan to submit hard copies of Proposals may send Proposals via inter-office mail or hand deliver to the Performance & Analytics Department at mail-stop 8A. Performance & Analytics staff will document receipt of hard copies using the time clock that is located near the elevator lobby of the 8th floor of the City Administration Building.
- 7.3 The Performance & Analytics Department will conduct the initial review of Proposals. This involves reviewing the Proposal in accordance with the criteria and procedures contained in the PAD-02, San Diego Works Proposal Evaluation Form.
 - 7.3.1 All Proposals submitted between the effective date of this Administrative Regulation and 5:00 p.m. on September 15, 2014, will be considered to be submitted at 5:00 p.m. on September 15, 2014. If two or more Proposals submitted by 5:00 p.m. on September 15, 2014 are substantially similar, the Performance and Analytics Department will inform the Proposal Teams that their Proposal Teams will be combined into a single Proposal Team and that the provisions regarding maximum individual and Proposal Team Cash Awards will now apply to the larger Proposal Team. The intent of this subsection is to mitigate disparate access to Paid Release Time.
 - 7.3.2 For substantially similar Proposals received after 5:00 p.m. on September 15, 2014 through the end of the Acceptance Period, the Performance and Analytics Department will contact the Proposal Teams and recommend that they combine their Proposal Teams. If the Proposal Teams choose not to combine their Proposals with other substantially similar Proposals, only the first Proposal submitted will receive consideration.
- 7.4 If necessary, Performance & Analytics Department staff will follow-up with the Proposal Team to obtain clarifications and to refine estimated Net Increase In Revenue and/or Net Savings. When any Proposal Team member is called upon by the Performance & Analytics Department to provide clarification or additional information on their Proposal they may be granted additional Paid Release Time, subject to approval by the Director of the Performance & Analytics Department in order to complete a Proposal.
- 7.5 The San Diego Works Review Committee may review proposals for cost savings and efficiencies after they have been initially reviewed by the Performance & Analytics Department.

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7.5.1 The San Diego Works Review Committee will be permitted to ask questions of the members of the Proposal Team and provide recommendations for additional areas for future review, but these ideas will not be required to be developed or considered as part of the Proposal Team's Proposal.

7.5.2 If employees from a Proposal Team are requested by the San Diego Works Review Committee to make a presentation or to respond to questions related to their Proposal, additional Paid Release Time will be provided.

7.6 The final determination regarding whether a Proposal will be selected for a Cash Award will remain at the discretion of the Mayor.

8. PROCEDURE – CASH AWARD VALUE DETERMINATION

8.1. Cash Award value will be determined as follows:

8.1.1 10% of Net Savings and/or Increase In Revenue (Cash Award not to exceed \$5,000 per Eligible Employee or - \$100,000 per Proposal Team) will be shared equally among the Eligible Employees on the Proposal Team.

8.1.2 10% of Net Savings and/or Increase In Revenue will be set aside to fund Cash Awards for Proposals that do not propose specific savings for the Fiscal Year 2016 budget, but instead propose long-term savings or other types of efficiencies and/or process improvements.

8.1.3 Up to 30% of Net Savings and/or Increase In Revenue will be provided to the relevant Department for Proposal implementation, if necessary, or for service enhancements in the Fiscal Year 2016 budget.

8.1.4 Remaining Net Savings and/or Increase In Revenue will be available for the Fiscal Year 2016 budget.

8.2 If a Proposal identifies improvements for which estimated Net Savings or Net Increases in Revenue during the first year of implementation cannot be easily identified, the approved Proposal will qualify for a minimum Cash Award of \$50 per Eligible Employee of the Proposal Team if the approved Proposal is implemented by the City in Fiscal Year 2015 or 2016.

9. PROCEDURE – CASH AWARD VALUE PAYMENT

9.1 The timing of this pilot Program is such that approved Proposals, including estimated

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savings, will be incorporated into the Fiscal Year 2016 budget or the Fiscal Year 2017-2021 Five-Year Financial Outlook. The Cash Awards will be budgeted in the Fiscal Year 2016 and Fiscal Year 2017 budget, as applicable, along with the other values in Section 8.1 of this Regulation.

- 9.2 Cash Award payments will be structured as non-pensionable compensation and will be subject to applicable provisions of federal and state law for taxable income.
- 9.3 Cash Award payments may only be made to Eligible Employees who enter City service before November 15, 2014, participate on a Proposal Team, and have maintained continuous employment with the City from the time of the Proposal development through the final submission of the Proposal, in accordance with this Administrative Regulation.
- 9.4 Cash Award payments may be made in one of the following three ways, within the discretion of the management:
 - 9.4.1 Cash Award payments will be made in one lump sum payment during the first quarter of Fiscal Year 2016 for approved Proposals that provide a Net Savings or Net Increase In Revenue in the Fiscal Year 2016 adopted budget.
 - 9.4.2 Cash Awards will be made in two payments for approved Proposals that provide certain long-term Net Savings or Net Increases in Revenue (for example, contracts, purchasing equipment or software, or some other investment that drives a longer implementation period). The initial payment will be made during the first quarter of Fiscal Year 2016 if the Proposal is included in the Fiscal Year 2016 adopted budget or during the second quarter of Fiscal Year 2016 if the Proposal is included in the Fiscal Year 2017-2021 Five-Year Financial Outlook. The second payment will be made after the implementation and verification of actual Net Savings or Net Increase In Revenue is realized, but no later than one year following implementation.
 - 9.4.3 Cash Awards will be made in two payments for approved Proposals that anticipate Net Savings or Net Increase In Revenue, but which cannot be reliably validated until implementation. The initial payment will be made during the first quarter of Fiscal Year 2016, and the second payment will be made after the implementation and verification of actual Net Savings or Net Increase In Revenue realized, but no later than one year following implementation.
- 9.5 In no event will an Eligible Employee be called upon to forfeit all or any portion of a Cash Award once paid in the event the Net Savings or Net Increase In Revenue is subsequently revised downward. However, for Proposals that are subject to two payments, the second payment may be revised before issuance based on revised estimates and/or realized Net

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Savings or Net Increases in Revenues.

- 9.6 If an approved Proposal contemplates letting of a contract, the City's established contracting policies and rules apply. The contract award must be executed and applicable savings realized before the final Cash Award payment is made to the Proposal Team.

APPENDIX

Legal References

San Diego Municipal Code Chapter 2, Article 7, Division 35, Ethics Ordinance

San Diego Municipal Code, Chapter 2, Article 2, City's Contracting Procedures

Administrative Regulation 95.60 – Conflict of Interest and Employee Conduct

California Government Code, section 1090

Forms Involved

PAD-01, San Diego Works Proposal Form

PAD-02, San Diego Works Proposal Evaluation Form

Subject Index

San Diego Works Program

Administering Department

Performance & Analytics Department