Managed Competition
Pre-competition Assessment Report

Transportation & Storm Water Department
Street Sweeping Program

March 25, 2011

The Pre-competition Assessment Report was prepared in accordance with the Managed Competition Guide dated July 26, 2010. The report was prepared by the Business Office with assistance from a PCA Team consisting of subject matter experts from the Storm Water Division.

Wally Hill

Wally Hill
Assistant Chief Operating Officer

CONTENTS

I. INTRODUCTION

Managed competition is a structured, transparent process that allows public sector employees to be openly and fairly compared with independent contractors 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, yet still compatible with public sector realities.

The first step in managed competition is to conduct a Pre-competition Assessment (PCA) to evaluate whether a function is eligible and appropriate for competition. The purpose of this report is to document the PCA of Transportation & Storm Water Department (TSW), Storm Water Division, Street Sweeping Program.

II. OVERVIEW OF FUNCTION

A. Background

The City of San Diego performs street sweeping of its entire street network comprised of over 5,230 curb miles of improved municipal roads. Street sweeping is a service provided to the residents and businesses in the City of San Diego, but is also a required activity under the Municipal Permit. The San Diego County Municipal Storm Water Permit, Final Order R9-2007-0001, 2007 (Permit), issued by the California Regional Water Quality Control Board (RWQCB), San Diego Region 9, requires each Co-permittee in San Diego County to implement street sweeping of municipal areas, defined City streets and parking lots based on the amount of trash and debris accumulated. In addition, the *Chollas Creek Dissolved Metals TMDL* also issued by the RWQCB, identifies activities to be planned, implemented, and assessed during the first five years of the 20-year TMDL compliance schedule, and includes street sweeping as a mechanism for removing fine metals from the San Diego Bay watershed.

Other special regulations addressed via street sweeping include the California Ocean Plan specific to the Areas of Special Biological Significance (ASBS). The La Jolla Shores sub-watershed drains to the two ASBS located in San Diego. Street Sweeping is a pollutant removal activity employed by the City of San Diego in response to the State Water Resources Control Board (State Board) *ASBS Special Protections* regulations. In addition to the above mentioned regulations, the City will soon be subject to two additional TMDL's which are expected to be approved by the State of California within the next two years. The *San Diego Region Bacteria TMDL* is pending final authorization (expected in the spring of 2011) with a Load Reduction Plan due in the spring of 2012. This TMDL will apply to four watersheds within the City's jurisdiction, and goals of this TMDL may include a 100% dry weather reduction of bacteria at local beaches within the next ten years. The *Los Penasquitos Lagoon Sedimentation TMDL* is pending adoption in June of 2011, with final authorization expected in June of 2012. A comprehensive Load Reduction Plan for this TMDL will be due by the end of FY2013. Street sweeping

is already being identified as an activity intended to address load reductions under both of these pending regulations.

Street sweeping is one of the City's Best Management Practices (BMP) for controlling and improving water quality. Sweeping provides neighborhood beautification as well as multiple benefits to the environment. The more obvious is the collection and removal of trash, debris, leaves, and other visible waste that accumulates in the streets and gutters. Debris left uncollected is unsightly, can breed harmful bacteria and eventually may block the storm water conveyance system and other storm water facilities (such as pumps and filters), causing localized flooding during heavy rains. Considering the current *Chollas Creek Dissolved Metals TMDL,* an equally important benefit of street sweeping is the removal of fine metal particles and other potentially hazardous waste products left by passing vehicles. Although virtually invisible, if these fine metal particles reach our creeks, rivers, beaches and bays, they can not only be harmful to fish and other wildlife, but can subject the City to fines. Street sweeping is an effective method of removing these smaller pollutants that collect in gutters and on City streets.

The Street Sweeping Program (the Program) provides motor and vacuum sweeping of municipal roadways in commercial, industrial, and residential areas on a daily, weekly, bi-weekly, monthly, bi-monthly, bi-annual and annual basis. In Fiscal Year 2010, the Program swept over 101,048 curb miles of municipal roadways, which included emergency and special sweeping that totaled approximately 5,700 sweeping miles. The program also sweeps municipal parking lots and operations yards, provides sweeping before and after special events and vehicle accidents, and sweeps a limited number of bike paths to include the beach boardwalk area. Residential streets are swept at a minimum of every other month. Commercial streets and medians are swept at least weekly, with some commercial and industrial streets being swept on a daily basis. There are approximately 395 municipal parking lots including five operation yards within the City that must also be swept at least once per year, and are currently swept either monthly or annually, as needs dictate. During FY 2010 alone, the section removed a combined total of 6,417 tons of debris, including sediment, as a result of street, parking lot and operation yard sweeping.

Administratively, the Program manages sweeping routes (creating new ones and modifying existing ones when necessary), determines sweeping frequencies, accommodates any special studies needed by the Department and coordinates with communities and Council Offices. Working closely with residents, businesses, community groups and Council Offices, the Program evaluates current routes and parking restrictions, requests and recommendations of new routes and times, and responds to customer services issues and complaints related to sweeping and parking enforcement. Other customer service responsibilities include using Global Positioning System (GPS) to verify sweeper locations (via GPS reports) to reassure residents that sweeping is being conducted and to alert communities when routes change, even temporarily (such as during storm conditions). In addition, the Program is responsible for monitoring and reporting water usage[1] for payment to various water authorities, conducting analysis and

[1] This is water usage by the Division (O&M sweeping).

self-assessment of sweeping operations, and providing activity reports on a monthly, quarterly and annual basis for inclusion into documents such as the Department Budget as required by the Mayor's office, and the Jurisdictional Urban Runoff Management Plan (JURMP) report and the Watershed Urban Runoff Management Plan (WURMP) Report, as required by the RWQCB under the Permit.

In an effort to further improve water quality, the Division recently completed a multi-year street sweeping pilot study that demonstrated the effectiveness of enhanced street sweeping as a cost effective solution for reducing pollution and meeting existing and future regulatory requirements. In order to accommodate the needs of the special study, City crews and staff were required to make multiple adjustments to staff scheduling, sweeping routes and route frequencies. The Division worked closely with the Traffic Engineering section of the Engineering and Capital Projects Department (but now a sister division in the TSW Department) to ensure proper signage and sign placement for the new study routes. In addition, staff was trained on operating several new vacuum sweepers and performed atypical duties such as building ramps and modifying dumping bins to ensure proper debris sample collection and capture. Specifically, the pilot study found that street sweeping has a direct, positive impact on water quality by providing an effective means of reducing pollutant concentrations, such as debris and fine metal particulates, in storm water runoff. Other findings included a determination that newly-acquired vacuum-assisted motorized sweepers are generally more effective at removing pollutants than conventional motorized sweepers. Opportunities exist where enhanced sweeping frequencies may have significant beneficial impacts to water quality. Additionally, residents and commercial businesses are overwhelmingly supportive of the City's street sweeping efforts. In June 2010, Action Research, Inc. prepared a report entitled, 'The Human Aspect of Street Sweeping: Understanding Public Perceptions and Reactions to Street Sweeping in the City of San Diego'. Ninety three percent of the businesses surveyed felt that street sweeping in the City of San Diego was a good use of public money. In addition, the Office of the Independent Budget Analyst (IBA) issued a report on the results of the San Diego Speaks survey issued in 2009. The survey results revealed that over 40% of the respondents rated street sweeping as an essential service. The survey also showed that 83% of respondents felt that street maintenance was essential; 63% felt that storm water compliance was essential. Street sweeping is a component of both of these programs.

Based on these findings, the pilot study was a successful and important project for the City. In addition to providing regulatory compliance, several key study questions were answered that will ultimately help improve how the City sweeps its streets. The study also made significant contributions toward improving the water quality of our beaches, bays and creeks. For example, over the course of the multi-year study, over 9,500 miles of streets were swept and 381 tons of trash and debris was collected and removed. The study allowed the Street Sweeping Program to make adjustments to sweeping routes and the types of sweepers used on those specific routes to increase efficiency and make the program more cost effective. Further efficiency studies of this type are planned for the future.

Figure 1 depicts the organizational structure of the Transportation & Storm Water Department and highlights the division(s) where street sweeping is performed.

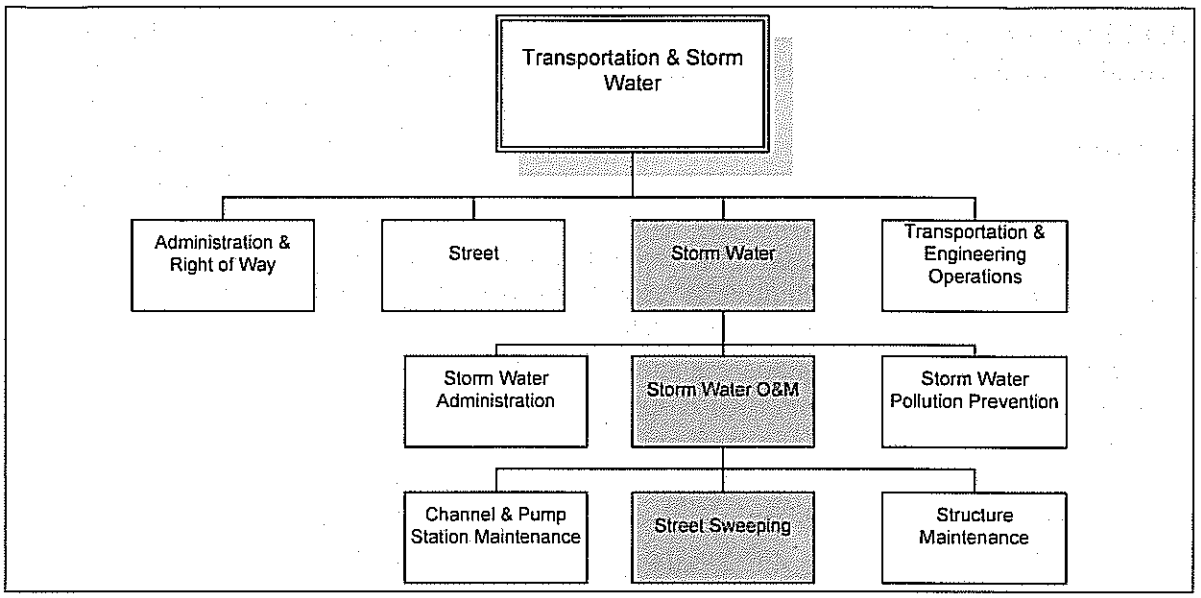

Figure 1: Organizational Chart

The Street Sweeping Program is performed by **REDACTED** full-time equivalents (FTE). The labor classifications that perform the Street Sweeping function consist of **REDACTED** Motor Sweeper Operators. The full-time equivalents that support Motor Sweeper Operators are **REDACTED** Heavy Truck Driver IIs, **REDACTED** Utility Worker Is, **REDACTED** Utility Worker II, and **REDACTED** Field Representative. Supervision and oversight of this function is performed by **REDACTED** Public Works Supervisors, and **REDACTED** Motor Sweeper Supervisors. Street sweeping enforcement is performed by **REDACTED** Parking Enforcement Officers. Table 1 displays the Fiscal Year 2011 budgeted staffing for the Program:

Job Title	Job Classification	FTE
Motor Sweeper Operator	20000658	
Heavy Truck Driver II	20000501	
Utility Worker I	20001051	
Utility Worker II	20001053	Redacted
Field Representative	20000461	
Public Works Supervisor	20001032	
Motor Sweeper Supervisor	20000646	
Parking Enforcement Officer I	20000672	
Parking Enforcement Officer II	20000663	Redacted
Total		

Table 1: Fiscal Year 2011 Street Sweeping Staffing[2]

[2] Source: City of San Diego FY2011 Adopted Budget

B. Scope of Work and Grouping of Tasks and Activities

A critical step of the PCA process involves 'scoping and grouping' defining the activities and tasks that comprise a function and determining whether they are suitable for competitive procurement together, individually, or not at all. A high-level Work Breakdown Structure (WBS) is provided as Table 2.

Street Sweeping	
1.0	Perform Street Sweeping
1.1	Perform Residential & Commercial Street Sweeping
1.2	Perform Special Event Sweeping
1.3	Perform Bike Path Sweeping
1.4	Perform Boardwalk Sweeping
2.0	Perform Manual Debris Removal
3.0	Transport Collected Debris to the Landfill
4.0	Perform Parking Enforcement Activities
5.0	Perform Minor Equipment Maintenance
6.0	Perform Emergency Support Services
7.0	Special Studies
8.0	Administrative: Assessment/Reporting
9.0	Customer Service

Table 2: Work Breakdown Structure

In summary, the City provides scheduled sweeping of all municipal roadways at least bi-monthly, provides provisional sweeping for special events and responds to emergency calls from the public as well as from multiple Departments, including the Police and Fire Departments. The Street Sweeping Program participates in special water quality studies, sweeps boardwalk and bike routes and provides other special sweeps throughout the City. Collateral tasks include removal and transport of collected debris, minor equipment maintenance (such as mechanical adjustments and lubrication), changing gutter brooms weekly, and conducting daily equipment inspections to ensure proper operations and compliance with Department of Transportation regulations. In addition, operators and other field staff frequently provide route condition reports by making note of, and reporting issues such as potholes, burned out street lights, malfunctioning stop lights and foliage concerns (i.e. trees blocking sweeper passage).

Parking Enforcement plays a significant role in the smooth operations of street sweeping. Parking Enforcement Officers (PEOs) issue citations to vehicles in violation of "No Parking" signs for the Program and appear in court to defend citations if needed. They frequently maintain signs, operate hand tools to replace missing or damaged "No Parking" signs or stickers on poles and parking meters, and utilize computer software to input sign deficiencies for repair or replacement. PEOs often remove debris and other objects from the street and curb lines for motor sweepers, which can consist of shoveling dirt and sand into the back of small pick-up trucks. Additionally, the PEOs respond to

emergency calls from Station 38[3] during storm events, assist with road closures by posting "road closed" signs at major intersections during rain events, and provide additional emergency telephone support to front office staff.

The supervisory staff consists of **REDACTED** Public Works Supervisors (**REDACTED** daytime and **REDACTED** evening supervisors) and **REDACTED** Supervising Motor Sweeper Operators. These positions are responsible for organizing day to day operations of the Street Sweeping Program, supervising Parking Enforcement Officers, Motor Sweeping Operators, Utility Workers I & II, and Heavy Truck Drivers. Additionally the supervisors track daily performance measures, answer calls from the public, and provide sweeping route information and written correspondence for citizens, City Council and Mayor's staff.

As support staff, the Field Representative is responsible for providing the public with sweeping information regarding routes and assisting the Public Works Supervisors with fielding phone calls, inputting daily sweeping work orders, and updating route information in the computer system. The Utility Workers I and II are responsible for keeping accurate daily records, removing large debris from the path of the sweepers, and responding to oil spills, vehicle accidents and sweeper breakdowns. The Utility Workers also respond to emergency calls Sunday through Friday via Street Dispatch from 6:00am - 2:30pm during the day shift, and from 10:00pm - 6:30am during the night shift. The Program handles approximately 200 emergency calls annually regarding clearing the Public Right of Way and eliminating safety hazards to reduce the City's liability for potential lawsuits.

During storm events, street sweeping personnel shift to emergency storm patrol response activities. The section responds to emergency calls within 2 hours by mobilizing the fleet to sweep impacted areas and set road closures, as needed, for flooded streets. Staff frequently works extended hours to clear roads during storm events, which may include evenings, weekends and holiday timeframes. Emergency activities also include inspection and cleaning of critical storm drain structures and removal of debris (trash, tree branches, palm fronds and other foliage) from the streets to ensure proper drainage and to reduce the potential for increased flooding.

III. ANALYSIS OF ELIGIBILITY AND APPROPRIATENESS FOR COMPETITION

The PCA report should evaluate the eligibility and appropriateness for competition according to the following criteria:

- Inherently Governmental Determination – Is the function inherently governmental or is the task "so intimately related to the exercise of the public interest as to mandate performance by City personnel";

[3] The Division uses Station 38's radio dispatchers after regular business hours. During regular hours, the Division uses the Streets Division Dispatchers.

- Legal Limitations – Are there are legal restrictions regarding a function, activity or task being competitively procured;
- Availability of Alternatives – Does a sufficient market exists and would the City be likely to receive at least two proposals;
- Efficiency & Economic Gain – Could savings be achieved through competitive procurement;
- Risks to Competition – Are there risks to competition (including service interruption, financial liability and damage to public trust or welfare) and how could the risks be mitigated (e.g., in the event of default); and
- Workload, Performance and Property Data – Do we currently have the information required to conduct a competition?

These criteria provide the framework for assessing the eligibility and appropriateness for Street Sweeping Program to proceed to competitive procurement immediately or at a later date.

A. Inherently Governmental Determination

According to the Managed Competition Ordinance, inherently governmental functions are defined as "those services so intimately related to the exercise of the public interest as to mandate their performance by City employees."

Based on research with other jurisdictions/agencies, including (among others) the U.S. Government and the County of San Diego, street sweeping functions are regularly outsourced. This is presented in more detail in the Availability of Alternatives section. In addition, the City of San Diego's Regional Consolidation of Services Survey last issued in November 2010 identified seven local jurisdictions that outsource street sweeping. They include Carlsbad, Chula Vista, Encinitas, Imperial Beach, La Mesa, Santee, and Solana Beach.

The Street Sweeping Program is not an inherently governmental function as determined by the Mayor.

B. Legal Limitations

If there are legal limitations (e.g., City Charter, State ordinances) that preclude the City from allowing an outside entity to perform a function on its behalf, this should be identified as part of the PCA.

The City Attorney's Office has not found any legal limitations on outsourcing the sweet-sweeping function. However, there remain outstanding questions related to parking enforcement.

With regard to the use of automated parking enforcement, the City Attorney found the following:

> *The Legislature has provided "a single statewide standard for the use of camera enforcement technology on street sweepers" (§ 40245(c)) under a temporary program in effect until January 1, 2016, unless extended by the legislature (§*

40249.5). "A local public agency may install and operate an automated parking enforcement system on local public agency-owned or local public agency-operated street sweepers...." § 40247(a). The processing of parking violation notices may be outsourced to a private vendor only "if the local public agency maintains overall control and supervision of the automated parking enforcement system." § 40248(e). However, the issuing of parking citations under this program must be performed by a city employee. "A designated employee for the local public agency" is responsible for reviewing photographs to determine whether a parking violation occurred (§ 40247(c)) and issuing "a notice of a parking violation to the registered owner of a vehicle within 15 calendar days of the date of the violation" (§ 40248(a)).

Separate from the provisions dealing with automated parking enforcement systems on street sweepers, the California Vehicle Code provides that a private contractor may be used "for the processing of notices of parking violations and notices of delinquent parking violations"; however, the actual issuance of a parking citation may only be done by a "peace officer or person authorized to enforce parking laws and regulations." The "processing" function requires strict oversight, and the establishment of oversight procedures.

The Attorney General has issued an opinion that a general law city may not enter into a contract with a private security company authorizing the company's employees to issue citations for Vehicle Code parking violations. 85 Ops. Cal. Atty. Gen. 83 (April 23, 2002). The Attorney General relies on Vehicle Code sections 40200.5, 40200.6, 40200.8, and 40202 in reaching this conclusion. San Diego is not a general law city; it is a charter city so the analysis may be different.

Whether this requires action by the City Council is a question that will need to be answered. The question of who may be a "person authorized to enforce parking laws and regulations" remains an open question for the City Attorney. Legal analysis on the status of the parking enforcement function continues.

C. Availability of Alternatives

Another important element of the competition criteria is identifying whether a potential market exists for the function under review. The Ordinance requires that at least two independent service providers submit proposals to a Request for Proposals (RFP) or the MCIRB shall not recommend to the Mayor that the contract be awarded to the independent contractor. Another important element of the competition criteria is identifying whether a potential market exists for the function under review. The Storm Water Division PCA team identified a few private sector companies that may be interested in participating in a managed competition process. Four of the companies are identified in Table 3. In addition, the City of San Diego's Regional Consolidation of Services Survey last issued in November 2010 identified seven local jurisdictions that outsource street sweeping. They include Carlsbad, Chula Vista, Encinitas, Imperial Beach, La Mesa, Santee, and Solana Beach. Cannon Pacific provides sweet sweeping services to the cities of Carlsbad, Chula Vista, Encinitas, and Santee while CleanStreet provides street sweeping services to the cities of Imperial Beach and Solana Beach.

Further research needs to be done to identify what external vendor the City of La Mesa is using.

Service provider	Description	History of providing services to governmental entities
Alpha & Omega Sweeping	Alpha Omega Sweeping provides services including sweeping of municipal streets, construction sites, malls, parking lots, HOA, commercial sites, residential roads, and events. Provides specialized work such as sweeping asphalt grindings, concrete remains after sandblasting, and airport runways. Also offers erosion control, power washing, event clean up services, porter services, event parking control, litter control, and recycling services.	Yes - San Diego County Regional Airport Authority; Street Scene; SDSU Aquaplex; SDSU Cox Arena selected Alpha & Omega Group to perform sweeping for construction, municipal, industrial, commercial, and special events
Cannon Pacific	Established in 1962, Cannon Pacific has been sweeping within San Diego and Southern California counties for more than four decades. Operates a fleet of more than 30 heavy-duty, regulatory compliant trucks. Covers 350,000 curb miles annually and 30 motor sweeper operators on staff.	Yes – Point Loma/San Diego Area, Naval Amphibious Base Coronado, and San Diego County Airports have selected Cannon Pacific to perform street sweeping services.
CleanStreet	CleanStreet provides services including municipal street sweeping, construction sweeping, sidewalk cleaning and storm water systems cleaning. In business for over 40 years. Provides services to 50 municipal clients. Covers 637,000 curb miles per year and 81 motor sweeper operators on staff.	Yes – City of Manhattan Beach selected CleanStreet to perform street sweeping service on an on-going basis. Also provides sweeping for Imperial Beach, Vista, Solana Beach and Poway.
Universal Sweeping Services	Founded in 1958, services include parking lot and street sweeping, pressure washing, maintenance and professional services.	Yes – San Francisco, CA selected Universal Sweeping Services to perform street sweeping for city & municipal areas on an on-going basis.

Table 3: External Service Providers[4]

D. Efficiency & Economic Gain

In some instances, there may be known industry standards for efficiency. In these instances the PCA reviews performance against standards to determine if there is opportunity for improvement. In other instances, there are no ready standards and/or the City does not have good/complete data; in these instances, economic information can serve as an indicator.

[4] Alpha & Omega Sweeping and Universal Sweeping Services did not participate in the survey conducted by the PCA team.

Industry Standards

Known industry standards from which to form the basis for further efficiency gain analysis were identified. The known industry standards for sweeping activities in San Diego County are set by the San Diego County Municipal Storm Water Permit, Final Order R9-2007-0001, 2007 (Permit) issued by the Regional Water Quality Control Board (RWQCB). As part of the Jurisdictional Program, Section 3.a.5., each Co-permittee shall implement a program to sweep improved (possessing a curb and gutter) municipal roads, streets, highways, and parking facilities. The program shall include the following measures:

a) Roads, streets, highways, and parking facilities identified as consistently generating the highest volumes of trash and/or debris shall be swept at least two times per month;
b) Roads, streets, highways, and parking facilities identified as consistently generating moderate volumes of trash and/or debris shall be swept at least monthly;
c) Roads, streets, highways, and parking facilities identified as generating low volumes of trash and/or debris shall be swept as necessary, but no less than once per year.

In addition, each jurisdiction must implement, as needed, street sweeping of roads, streets, highways and parking facilities following special events.

Standards also exist for reporting street sweeping activities, as detailed under Section J.1.a.3.e. of the Permit.

- At a minimum, each Co-permittee's Jurisdictional Urban Runoff Management Plan (JURMP) shall be updated and revised annually to contain a description of street and parking facility sweeping activities and schedules, identification of the total distance of curb-miles of improved roads, streets, and highways identified as consistently generating high, moderate and low volumes of trash and/or debris, as well as the frequency of sweeping conducted for such roads, streets, and highways.
- In addition, each jurisdiction must provide identification of the total distance of curb-miles swept, the number of municipal parking lots swept, the frequency of sweeping and the amount of material (tons) collected from street and parking lot sweeping.

The RWQCB is expected to issue a revised permit in Fiscal Year 2012 for San Diego County. Preliminary discussions indicate that due to the effectiveness of street sweeping as a BMP, requirements for municipal sweeping may increase with the issuance of the new Permit. Additional standards also exist for sweeping machines. Due to increased pollution in Southern California, the Environmental Protection Agency created a new standard that focuses on smaller particles. The South Coast Air Quality Management District (SCAQMD) established Rule 1186 to reduce air toxic and criteria pollutant emissions. This rule requires certain public and private sweeper fleet operators to acquire alternative-fuel or otherwise less-polluting sweepers when purchasing or leasing these

vehicles for sweeping operations undertaken by or for government entities. A PM10-efficient street sweeper is a street sweeper that is certified by the South Coast Air Quality Management District as meeting the testing and performance standards set forth in SCAQMD Rule 1186. All certified street sweepers in San Diego, California must be operated and maintained in accordance with manufacturer's specifications during the warranty period.

Current Service Levels

The current performance measures displayed in Table 4 are the result of Tactical Planning work that the Division has conducted in conjunction with the Business Office.

	Street Sweeping Current Measures[5]	Current Service Level
1	Number of miles and percentage of department goal (97,000 miles per year) of streets swept	101,290 (104%)
2	Percent of streets swept at permit-required levels	93%

Table 4: Current Service Levels

Economic Gain Analysis

The economic gain analysis determines whether there is a possibility that economic gains could be realized through a competitive procurement process, recognizing that actual information cannot be known until competitive procurement is undertaken. The determination is based on comparing the cost of performing the function by City forces with the cost of purchasing the same level of service from an outside entity.

The baseline cost estimate from the Budget Summary Reports for Fiscal Years (FYs) 2010-2011 served as a foundation for this assessment. Included in the baseline cost estimate are both budget and actual expenditures for each fiscal year (current fiscal year is the year-to-date expenditures which are annualized to provide a comparable frame of reference). Table 5 details the baseline costs estimate for Street Sweeping.

	Fiscal Year 2010		Fiscal Year 2011	
	Budget	Actual Expenditures[6]	Budget	Actual Expenditures[7]
Total Personnel Expenses (PE)				
Personnel Costs	Redacted		Redacted	
Fringe				
Overtime				
Administrative Expense[8]				

[5] These performance measures are taken from the Transportation and Storm Water's Fiscal Year 2012 Proposed Budget narrative.

[6] The majority of the actual costs exceeding the budgets in 2010 are reflective of a misallocation of the fleet costs and under-budgeted overtime.

[7] The Fiscal Year 2011 actual expenditures cover the period of 07/01/2010 to 03/02/2011.

	Fiscal Year 2010		Fiscal Year 2011	
	Budget	Actual Expenditures[6]	Budget	Actual Expenditures[7]
Non-Personnel				
Parking Enforcement				
TOTAL:				
Actual Revenue for Parking Enforcement	Redacted		Redacted	

Table 5: Street Sweeping Baseline Cost Estimate[9]

It should be noted that Fleet expense makes up 91% of the non-personnel budget and 44% of total budget for Street Sweeping. Since General Services Fleet Division is currently going through managed competition, the Street Sweeping Program's non-personnel budget/actual expense is subject to change outside of the scope of a potential Street Sweeping competition, which may or may not impact the potential savings associated with the Street Sweeping fleet.

The PCA team conducted research into a number of local street sweeping contracts to yield the statistics in Table 6. It appears that the City of San Diego's Storm Water Division's unit costs exceed those of the marketplace; however, it is important to remember that the City's Street Sweeping Program also represents millions in annual revenue that is not included in this comparison.

Service Provider	Source	Curb Miles	Annual Cost	Unit Cost for Routine Sweeps[10]	Unit Cost for Special Sweeps[11]
City of San Diego	Storm Water Division	100,000[12]	Redacted	Redacted	
Cannon Pacific	City of San Diego Airport Department	3,000	$76,000	$28	$171
Cannon Pacific	City of Chula Vista	22,000	$287,000	$13	Not Applicable

[8] Administrative costs are based on percentage of budgeted and actual expense estimated to be allocated to the Street Sweeping Program.

[9] Debris disposal costs are excluded as part of the baseline cost. Since the City of San Diego receives a discounted rate for disposal, it would be in the City's best interest to pay for the Debris Disposal under separate cover. Additionally, private companies do not typically include disposal costs in their estimates provided to municipalities since disposal costs are subject to change on a regular basis. Fleet costs are included in the baseline cost estimate. Motor sweepers are leased from the City's General Services Fleet Services Division. Fleet costs are inclusive of all normal maintenance, repair and fuel charges.

[10] Unit costs for Routine Sweeps are based on curb mile.

[11] Unit cost for Special Sweeps based on hourly rates. Special Sweeps are typically for emergency situations where the service provider is expected to provide service within 24 hours.

[12] The scope of work for the City of San Diego Airport Department differed greatly, so a conversion of square footage to curb miles was used in the unit cost calculation.

Service Provider	Source	Curb Miles	Annual Cost	Unit Cost for Routine Sweeps[10]	Unit Cost for Special Sweeps[11] [13]
Cannon Pacific	City of Encinitas	10,000	$124,000	$16-$20	$85
Clean Street	City of Poway	16,000	$233,652	$15	$65

Table 6: Competitive Unit Costs[14]

E. Risks to Competition

Risk analysis considers the degree to which contracting out a function would expose the City to risk or liability, including service interruption, health and safety issues, financial liability, and damage to public trust.

The Storm Water Division PCA team identified concerns that present potential risks to competition and should be considered:

- There is a high cost of re-entry into the market should a commercial provider experience a significant service interruption, such as a strike, that might cause street sweeping services to be interrupted. The level of risk for this is considered low/medium depending upon if the provider can secure alternative providers to perform the duties.
- Past experience with a contractor performing part of the street sweeping function resulted in poor performance and termination of the previous provider's contract. The City previously contracted out street sweeping services for the Mission Beach Boardwalk which resulted in repeated customer complaints so the contract was terminated[15] and Storm Water's Street Sweeping Program assumed those duties. If there is poor performance, and the City of San Diego decides to terminate the contract, service could be interrupted, which would result in poor customer service and put the City at risk for non-compliance with local clean water regulations. The level of risk is considered low/medium depending on whether or not the City has an additional contract with a secondary service provider on an as-needed basis in the event of primary contractor default. In addition, the level of risk is also mitigated by the independent service provider's quality control plan (QCP) and the City's Quality Assurance Surveillance Plan (QASP).
- The City has a substantial investment in capital equipment (motor sweepers). If a commercial provider decides to use their own equipment, the City would have to sell the current equipment at a depreciated rate.
- The City of San Diego continues to invest heavily in protecting water quality and preserving natural resources in San Diego. Street Sweeping and performance tracking is critical to reducing the amount of pollutants that can enter water bodies throughout San Diego and for maintaining compliance with various state and

[13] The City of Chula Vista did not have Special Sweeps in their contract.
[14] The table does not include offsetting revenues from citations.
[15] The City terminated service with "Night & Day Power Sweeping" in March 1, 2006.

federal regulations. There is a possibility that independent service providers or City employees would only provide the minimum services as outlined in the SOW. The Division currently responds to emergency calls during normal business hours in addition to sweeping its regular scheduled routes without additional charges. Independent service providers or City employees could potentially charge additional fees to respond to emergency calls during business hours (as this could be categorized as an emergency sweep according to SOW). The level of risk for this is considered medium and will require the contract and quality plan to include measures to mitigate this risk.

F. Workload, Performance, and Property Data Assessment

Workload, performance, and property data are critical to developing a Statement of Work (SOW), should a function move to competitive procurement. The range and depth of workload/performance/property data that are available (or not) are also important factors in determining a future competition schedule. In conducting this assessment, the following criteria were evaluated to establish the current level of data available.

Question	Explanation	Status
Does workload data exist for the function for the last fiscal year?	Indicates whether or not the annual workload for the function is available or easily obtainable. For some functions, there may not currently be a formal collection process for workload information. For those functions, a data collection mechanism and process will need to be defined and developed.	Yes
Is workload tracked using an automated system?	Identifies any records, spreadsheets, logs, or other tracking mechanisms that are currently used to collect workload data.	Yes
Has workload been tracked for at least the last three years?	Indicates whether workload is changing or is relatively consistent from year to year. Workload that is increasing, decreasing, or fluctuating from year to year might affect the amount of data and level of effort that will be required to estimate workload.	Yes
Is workload tracked consistently?	Identifies whether tracking systems are collecting workload output data in a timely and accurate fashion. A determination must be made regarding the overall reliability of the data tracked in the existing systems.	Yes
Can workload be accurately projected into the future?	Examines whether collected data is sufficient to ensure the future statement of work accurately addresses the function's true requirements and limits the potential for modifications.	Yes
Is the performance level of the City workforce actively tracked?	Identifies whether adequate performance information is available to determining the level of performance in a future competition.	Yes

Question	Explanation	Status
Is there a property tracking system?	Identifies whether government property is properly tracked in order to maintain proper inventory control and determine its disposition in a potential competitive procurement.	Yes

Table 5: Workload, performance & property data assessment

The result of the workload, performance, and property systems assessment for the street sweeping function is that a system is available for all workload, performance, and property data required.

Additionally, the data system is evaluated at Level IV according to the PCA data call, which states that A system(s) is available for all workload and workload counts are considered accurate and reliable (with very few data entry errors). There is very little effort required to validate the data.

IV. CONCLUSION

As determined through this pre-competition assessment, Street Sweeping Program is deemed to be eligible and appropriate for competitive procurement. The pre-competition assessment team determined that it:

- Is not inherently governmental;
- Is not limited, legally, from being procured from an outside source, although the City Attorney is still evaluating limitations associated with parking enforcement activities;
- Can be procured from an established competitive market;
- Does not face significant risks that cannot be mitigated through the contracting process; and
- Does have the potential for economic gain.