



**MAYOR KEVIN L. FAULCONER
CITY OF SAN DIEGO**

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NEWS RELEASE

Mayor Faulconer Announces “San Diego Works” Initiative
*New Efficiency Program Challenges City to Increase Productivity,
Reduce Costs*

San Diego, CA – Today Mayor Kevin L. Faulconer announced a new initiative that builds upon the successful voter-approved competitive bidding program. Under the new *San Diego Works* initiative, Mayor Faulconer will challenge employees, labor organizations and management to collaborate and submit cost-saving and operational streamlining ideas in time for next year’s budget.

“The competitive bidding process has already saved us millions of dollars and now it’s time to take another step forward. I’m calling on the City’s 10,000 workers to come forward with innovative ideas that boost productivity and save money so that we can increase the amount of work the City does in our neighborhoods,” said Faulconer. **“I believe we must start with empowering employees, who know what needs to change so they can be more effective at their jobs. When City Hall works smarter and faster, we save time and money that can be directly spent on serving San Diego residents.”**

San Diego Works is the next chapter in the City’s recent history of government reforms that make more tax dollars available for community projects and services, such as street repairs and public safety. The initiative proposes to spur innovative ideas that reduce operational costs by offering City employees rewards and recognition for outstanding efficiency proposals that save money and/or allow for enhanced services to taxpayers that benefit neighborhoods.

Complementing this effort, Faulconer also announced that he will work with City labor organizations to streamline the competitive bidding program – also known as managed competition – by implementing recommendations from the Huron Consulting Group, led by former Indianapolis Mayor and nationally recognized government efficiency expert Stephen Goldsmith.

“My approach is to bring people together and end gridlock, and that’s a different way of doing things,” said Faulconer. **“By combining the power of cooperation with the accountability of competition, employees will have a hand in streamlining their duties and taxpayers will receive City services at a lower cost. That’s good for City Hall and for San Diego neighborhoods.”**

The competitive bidding program, approved by voters in 2006, allows private businesses to compete with City employees to provide City services. It has identified about \$9 million in cumulative annual savings since its implementation.

But the current process can take years to complete due to a complicated bidding process for both City workers and businesses, and State law that requires complex negotiations with labor unions. The four competitive bids to date took an average of approximately 29 months from initiation to completion, including time to negotiate with labor unions even after a winner is announced. The [Huron report](#), released today, makes 24 recommendations to improve the program, such as looking to the County of San Diego’s competitive bidding process, which has 10 distinct steps versus the City’s 22 steps.

“This is the next generation of reform,” said Jerry Sanders, President and CEO of the San Diego Regional Chamber of Commerce. **“As a supporter of competitive bidding to reduce government costs, I applaud Mayor Faulconer for seizing this opportunity to streamline the competition process. And his San Diego Works initiative will make common sense business practices part of the culture at City Hall.”**

“It’s refreshing that Mayor Faulconer has taken an inclusive approach and will give employees a voice in making our city better,” said Mike Zucchet, General Manager of the San Diego Municipal Employees Association. **“Collaboration like this is the foundation of a productive organization, and we’re ready to work with him to move San Diego forward.”**

The City’s new Performance and Analytics Department, part of Faulconer’s Fiscal Year 2015 budget, will oversee implementation of *San Diego Works* and an improved competitive bidding process.

Fact Sheet: Mayor Faulconer's Announcement on City Efficiency Programs

Launching *San Diego Works*

- New efficiency program to complement competitive bidding for City services
 - Challenging City employees to develop proposals that deliver savings and enhance service levels
 - Working with labor organizations to create a program that incentivizes employee groups for ideas that lead to the best combination of savings and service enhancements
 - Aims to incorporate proposals in FY 2016 budget, prioritized by ease of implementation

Streamlining competitive bidding

- Four competitions to date have identified approximately \$9 million in annual savings
- Simplify the process and reduce negotiation time with labor organizations, benefitting employees and taxpayers
 - Current process takes an average of approximately 29 months from initiation to conclusion
- Enact 24 recommendations from government efficiency expert Stephen Goldsmith
- Reconstitute the Managed Competition Independent Review Board with expanded authority

Creating Performance and Analytics Department

- New department responsible for improving efficiency and effectiveness of City operations, performance measurement and management, long-term strategic initiatives, operational excellence initiatives, managed competition and open data
 - Works with efficiency experts to support streamlining of the competitive bidding process
 - Works with reformed Managed Competition Independent Review Board to review employee efficiency proposals under the *San Diego Works* program