



City of San Diego

San Diego Works Performance & Analytics Dept.

**Budget & Government Efficiency
Committee Meeting – Item 1**

May 20, 2015



Background (June-August 2014)

- **Huron Consulting Group recommended adding employee gain-sharing to complement other efficiency and competitiveness initiatives**
- **Mayor Faulconer announced San Diego Works initiative**
- **Council approved agreements with all six recognized employee organizations on 8/7/2014**
- **P&A charged with implementation of Administrative Regulation 95.93**



San Diego Works Purpose

Purpose: San Diego Works is a pilot program to encourage collaboration within and between City departments and promote ideas that generate savings and identify efficiencies and process improvements for the Fiscal Year 2016 budget and beyond.



Program Roll-Out (August-Sept. 2014)

- **Mayor Faulconer addressed employees in a video message on 8/13/2014**
- **P&A conducted 50 information sessions/tailgate meetings with employees**
 - Directly addressed 2,000 employees
 - Received strong support from Human Resources and from recognized employee organizations

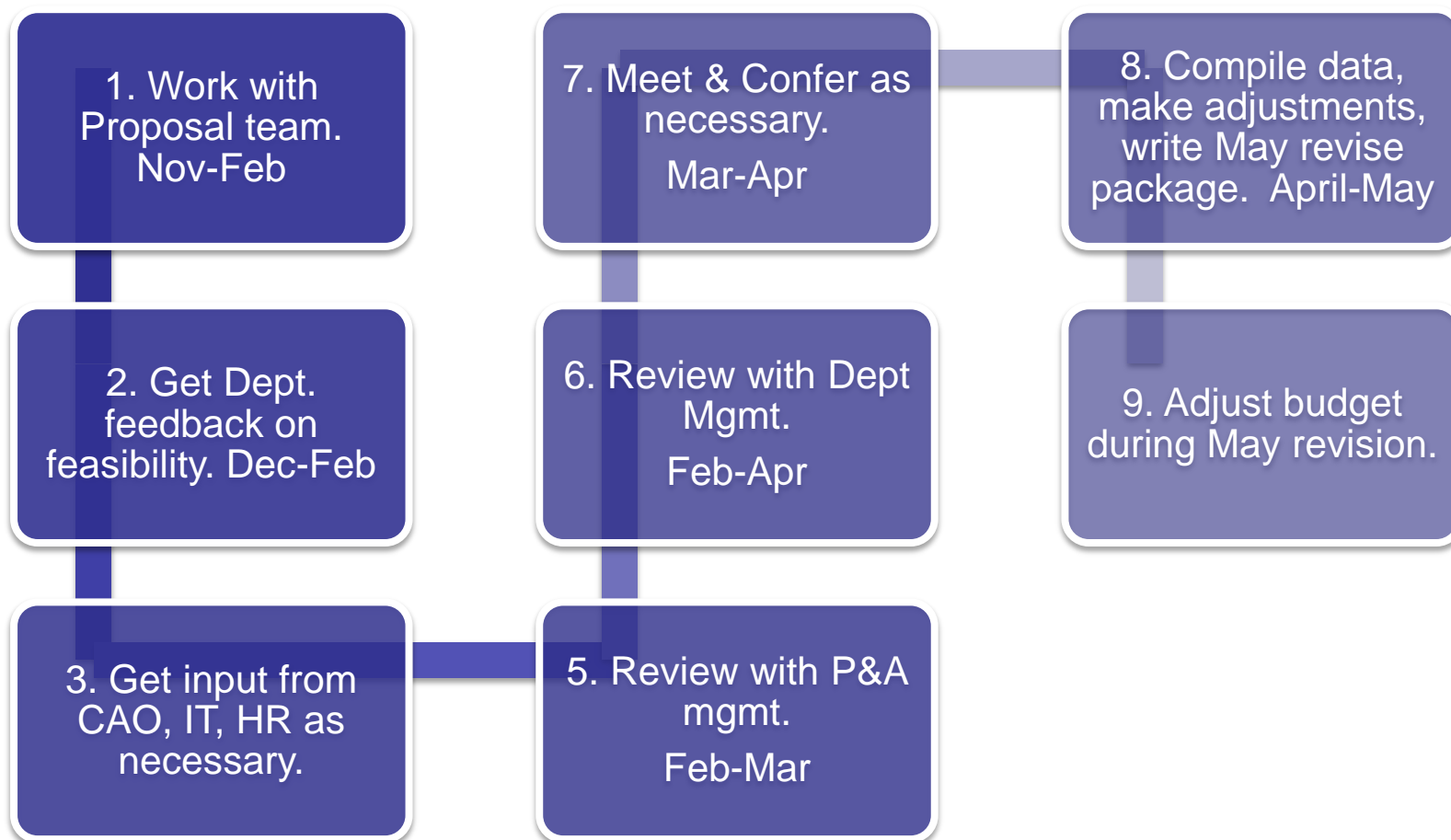


Proposal Receipt (8/15-11/15/2014)

- **262 proposals received**
 - More than half of proposals received from Public Utilities (41%) and Public Works (17%)
 - Proposals arrived at an average of four per day with the most arriving on last two days
- **550 employees participated in the 262 proposals**



Proposal Evaluation Process





Results to Date

- **100 proposals currently recommended for award and accounted for in the May revision to the FY2016 budget**
 - 55 recommended for implementation
 - 37 recommended for additional study
 - 8 recommended for pilot
- **3 of the 100 proposals have completed required meet & confer process**
- **Represent 306 individual employees**



Award Sources and Allocations

Award Source	Award allocation
10% of idea's savings	paid to employees: maximum \$5,000 per employee
10% of idea's savings	fund a pool used to pay for ideas that don't generate readily quantifiable savings
30% of idea's savings	go back to department
50% of idea's savings	reinvested into City services



Savings from the 100 proposals

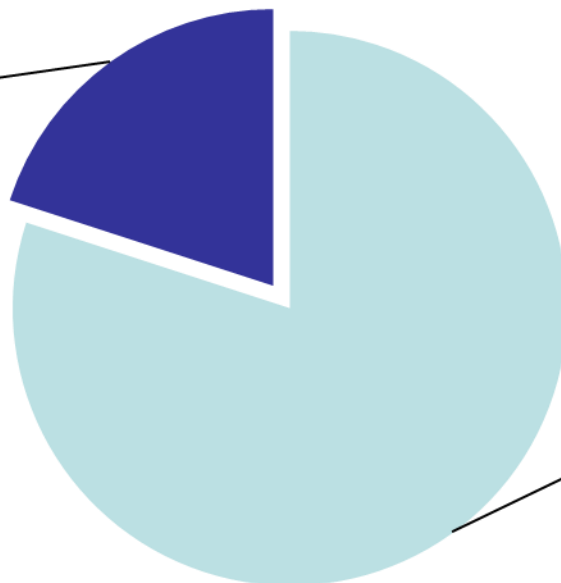
- **Average annual net savings over FY2016-21: \$1.3 million**
- **FY2016 May revise reductions: \$475,613 with \$244,144 in General Fund**
- **Difference due to:**
 - One-time amounts set aside for cash award payments (20%)
 - Amount returned to departments (30%)
 - Initial investment and six-year averaging



Awards for the 100 proposals

FY2016 award payments: \$162,000

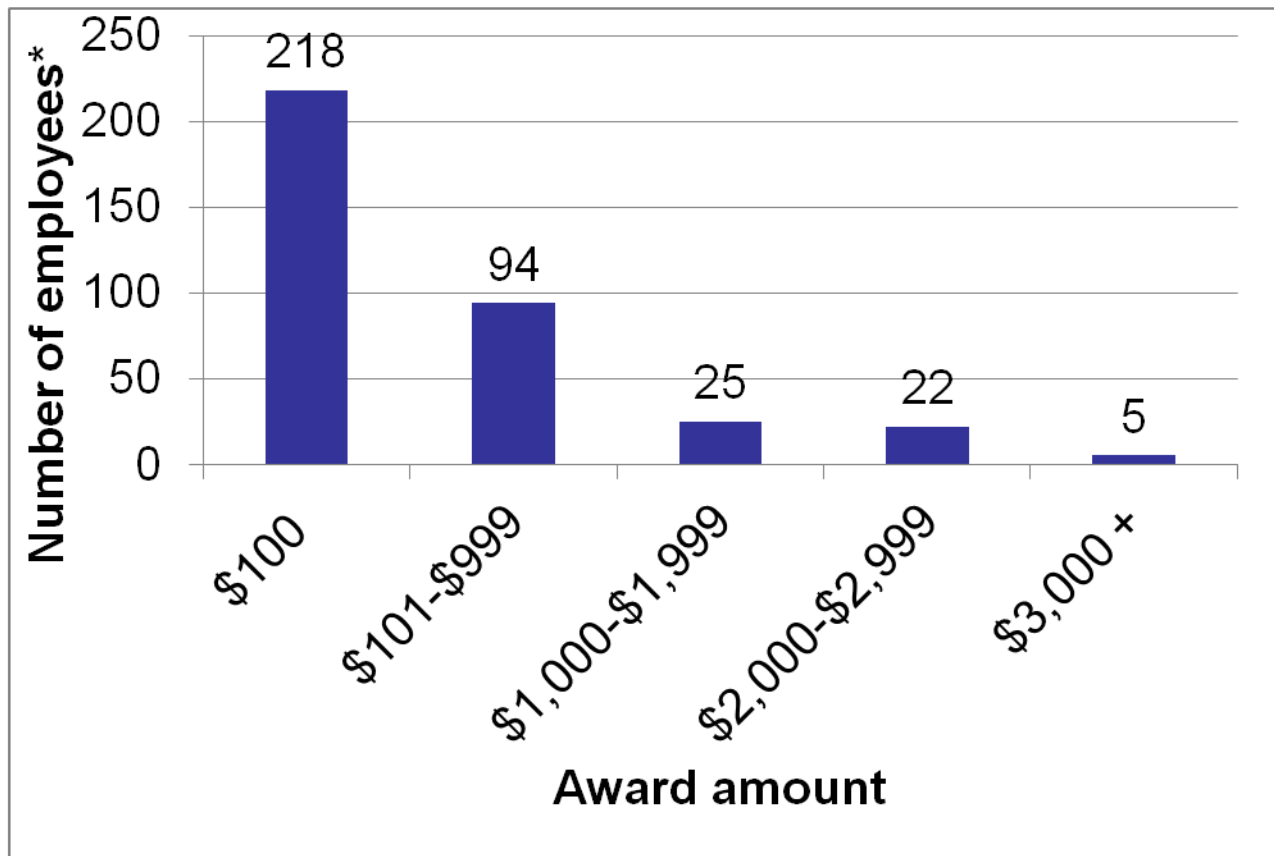
For ideas
where
savings are
hard to
identify or
validate
20%



For ideas with
actual
budgetary
savings
80%



Awards for the 100 proposals



***306 employees to receive 359 awards**



Highlights

- **Modify refuse collection routes (\$366,000)**
- **Save on chemicals and water by installing deaeration equipment (\$68,000)**
- **Replace aeration equipment at wastewater plants to save energy (\$43,000)**
- **Reduce overtime costs by shifting schedules for aquatics staff (\$40,000)**



Highlights

- **Reduce printing costs by discontinuing blue ink on City stationery (\$23,000)**
- **Save on postage by using only standard envelopes (\$22,000)**
- **For one month waive 50% of outstanding library fees for returned materials (TBD)**



Next Steps

- **Internal communication to City employees**
- **By 5/31/2015 - award notification letters to employees for the 100 proposals recommended for award**
- **By 7/1/2015 - notify remaining employees of status**
- **In first quarter FY2016 - issue award payments**



Questions?

Almis Udrys, 236-5929

or

Barbara Lamb, 236-7789