




**OFFICE OF INTERIM MAYOR TODD GLORIA
CITY OF SAN DIEGO**

M E M O R A N D U M

DATE: September 12, 2013

TO: Walt Ekard, Chief Operating Officer
Scott Chadwick, Assistant Chief Operating Officer
Kip Sturdevan, Director, Transportation and Storm Water Department

FROM: Interim Mayor Todd Gloria 

SUBJECT: Street and Sidewalk Maintenance Managed Competition

Last October, the Mayor awarded the Street and Sidewalk Maintenance Managed Competition to the Employee Proposal Team. At that time, it was acknowledged that a backlog existed for the City and labor organizations' negotiators, and that the meet and confer activities required prior to implementation would not occur until after a number of other meet and confer activities, including the now agreed-to five year labor contracts.

In April 2012, the Office of the City Auditor issued an Audit Report on the Transportation & Storm Water Department's Street Division's pothole repair operations. The Auditor's recommended approach to conducting pothole repair conflicts with the approach to organizing street maintenance work that was included in the Managed Competition Statement of Work. In its memorandum included with the Auditor's report, the Transportation & Storm Water Department's Street Division agreed with all of the recommendations in the report and pointed out a conflict between the Managed Competition Scope of Work approaches and the recommended regional approach to filling potholes.

Given that the City Auditor has correctly identified a similarly efficient approach to organizing the street and sidewalk maintenance work and that the administration agrees with the Auditor's recommendations, the City will not implement the approach included in the winning Employee Proposal. The Fiscal Year 2014 budget includes savings as a result of this Managed Competition. However, staff will analyze the potential savings that may result from the new approach and propose other organizational efficiencies to better support the City Auditor's recommendations. The Street Division would recommend other efficiencies at mid-year in lieu of the estimated Managed Competition savings. It should be noted that the meet and confer activities have not yet begun for the implementation of the Managed Competition, so announcing this decision at this time avoids incurring the costs associated with conducting that meet and confer; however, it is anticipated that meet and confer will be required to support implementation of the Auditor's recommendations.

Further information about the future of this competition and the Managed Competition program in general will be provided to the City Council's Budget and Finance Committee at a future meeting.

cc: Honorable City Councilmembers
Andrea Tevlin, Independent Budget Analyst
Joan Dawson, City Attorney's Office
John Helminski, Transportation and Storm Water Department
Barbara Lamb, Office of the Assistant Chief Operating Officer
Judy von Kalinowski, Director, Human Resources
Cathleen Higgins, Municipal Employees Association
Carlos Mejia, Local 127