



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: May 13, 2011 **REPORT NO:** 11-065
ATTENTION: Honorable Council President Tony Young and Council Members
SUBJECT: Preliminary Statement of Work for Landfill Operations
REFERENCE: Adopted Managed Competition Guide

REQUESTED ACTION:

Approve the Preliminary Statement of Work for the Landfill Operations.

STAFF RECOMMENDATION:

Approve the Preliminary Statement of Work for Landfill Operations to serve as the foundation of the Landfill Statement of Work.

SUMMARY:

The City of San Diego is committed to delivering quality services to taxpayers, residents, and visitors in the most economical and efficient means possible. This commitment can also be expressed as delivering services through "competitive government," defined as government with processes in place to validate that service quality and costs are comparable to those offered by any legitimate available provider.

Managed competition provides a structured, transparent process that allows an open and fair comparison of public sector employees and independent contractors in their ability to deliver services to our citizens. 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.

A Preliminary Statement of Work is the first step in the managed competition procurement process. The Preliminary Statement of Work documents service specifications and is presented to the City Council for consideration and public comment to assure all parties that no degradation of service levels will occur as a result of the competition. Once approved, the Preliminary Statement of Work forms the foundation for the complete Statement of Work which will be included in the solicitation. We are describing all current functions, but judgments will

be made in the final SOW as to what is “in-scope” vs. “out of scope”, based on our market assessment and legal analysis. Attachment (A) provides the Preliminary Statement of Work for the Landfill functions for consideration by the City Council.

FISCAL CONSIDERATIONS:

None.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This item will be heard at the May 18, 2011 Rules Committee meeting.

ENVIRONMENTAL REVIEW:

The City currently operates the Miramar Landfill on Marine Corps Air Station Miramar. The proposed action would provide an opportunity for private companies to compete with City staff for a contract to provide certain services. The services to be opened to managed competition are described in the Preliminary Statement of Work. As a result of managed competition the City would either continue to provide the described services directly, with City employees, or else it would provide that service via contract with a private company. If a private company were to win the right to provide the service, it would not have the ability to set disposal rates or otherwise change the level of service provided to the community. Services such as Load Check would continue to be overseen by the Local Enforcement Agency, which ensures that such programs meet state minimum standards. The intent of managed competition is to ensure that whether the work is provided by the private sector or by City crews, the level of service is constant. Private operators would be overseen both by regulation and by contract.

According to CEQA Guidelines Section 15378(a), "Project" is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment..." Section 15378(b)(2) further states that a project does not include "[c]ontinuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy and procedure making (except as they are applied to specific instances covered under 15378(a))." Section 15378(b)(4) states that projects do not include funding mechanisms or other government fiscal activities that will not involve any commitment to a specific project that may result in potentially significant physical impacts on the environment. Section 15378(b)(5) states that a project does not include "[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment." Based on the CEQA definitions above, the activity does not meet the definition of a project and would therefore not be subject to CEQA pursuant to Section 15060(c)(3) of the State CEQA Guidelines.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

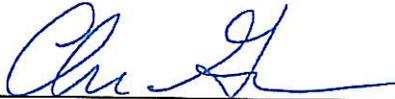
The managed competition program was initiated with the citizens of the City voting to approve Proposition C in November 2006. Staff has spent considerable time working with the labor

unions (AFSCME Local 127 and MEA) to receive input on program plans. In addition, we have established a Labor Advisory Committee to facilitate continued work with the unions.

With the passage of Proposition C and the amendment/addition of subsection (c) to City Charter section 117, the Managed Competition Independent Review Board was established to advise the Mayor on whether the proposal of City employees or that of an independent contractor will provide services more economically and efficiently while maintaining service quality and protecting the public interest.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Given that the competition has yet to take place, it is premature to speculate on precise impacts. However, key stakeholders in this process are City employees, the City's recognized labor unions and the residents and visitors of the City of San Diego.



Chris Gonaver
Environmental Services Director



Wally Hill
Assistant Chief Operating Officer