



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: May 16, 2007 REPORT NO: 07-078 REV.

ATTENTION: Council President and City Council
Docket of May 21, 2007

SUBJECT: Publishing Services Business Process Reengineering

REFERENCE: Publishing Services Business Process Reengineering Final Report

REQUESTED ACTION:

No Action on Business Process Reengineering Report requested at this time. Report provided to substantiate position reductions in the proposed FY08 Budget Submittal.

BACKGROUND

The Mayor has commenced BPR efforts to improve efficiencies, reduce the cost of City government and to maximize the services offered to our residents. BPR focuses on optimizing the efficiency and effectiveness of operational processes and functional work groups. On July 31, 2006, the City Council adopted Ordinance O-19523, establishing a policy for the implementation of Business Process Reengineering Results (Report to City Council No. 06-094).

The Publishing Services Business Process Reengineering Study

The Publishing Services BPR Study was initiated on October 20, 2006 and was a comprehensive assessment of program operations. Participation included over 22 City employees, including 11 from Publishing Services, between the main committee and the single data gathering sub-committee. Activities included a rate case analysis for major functions, benchmarking with other local service providers, agency surveying, customer feedback, business process mapping, defining core and non-core services, and the development of improvement ideas. Along with employees, labor representatives from MEA and AFMCSE Local 127 participated and contributed to this comprehensive review.

The BPR Study has resulted in a number of recommendations that will streamline operations, achieve work process efficiencies, provide a focus on providing core/competitive services with "in-house" Publishing Services staff and allow for the provision of non-core/non-competitive services through service contracts to be administered by knowledgeable staff in Publishing Services.

The recommendations from this BPR places a strong emphasis on customer service, multi-functional employees, and the utilization of service contracts where effective and reliance on “in-house” staff where proven to be competitive. Publishing Services will move from an organization with many operational “silos” to a flat organization with shared roles and responsibilities in order to improve efficiency. This BPR also realizes a variety of other efficiencies including work space and equipment consolidation, improved customer interface, and a move back to Publishing Service being a fully self-supporting and cost-effective organization.

Possibility of Managed Competition

The BPR effort identified significant cost reduction and operational improvements for Publishing Services. In Fiscal Year 2007, Publishing Services included 35.00 budgeted positions. Based on reengineering decisions it was determined that 10 vacant positions could be eliminated in preparation of the Fiscal Year 2008 budget; leaving Publishing Services with 25.00 budgeted positions. A variety of factors including local market strength and interest, as well as examples of other local agencies, make Publishing Services an acceptable managed competition candidate. Therefore, the specific additional staff and cost reductions identified through BPR, beyond the elimination of 10 vacant positions, will be withheld pending a decision regarding Managed Competition in order not to compromise the competitiveness of any subsequent employee proposal.

Service Level Impacts

Service levels are expected to be enhanced through the recommendations identified in the Publishing Services BPR. All current services will continue to be provided in the MEO, only the means by which certain services are provide may change (from “in-house” to services contracts with local vendors).

Efficiencies gained through the implementation of the BPR are expected to make for a much easier process for customers (other City Departments) to obtain their printing and publishing needs. Service level improvements are envisioned in the areas of customer service and interface; simplified ordering procedures; advertising and cost information availability; job intake, estimating, and status tracking; and in decreased turn-around time for jobs to be completed.

The current practice of Publishing Services staff providing free-pick-up and delivery service was determined to be non-core through the Publishing Services BPR and will be discontinued in the MEO. Departments will still have the option of delivery, however this is recommended to be provided either through the City Mail Room for small orders or through a service contract for larger orders with the cost passed on to the customer Department.

FISCAL CONSIDERATIONS:

Budgetary Impacts

As described above, the Fiscal Year 2008 Publishing Services budget reflects a 10 position reduction from the previous year, with very limited anticipated impacts to service levels. The impact of the additional BPR efficiency proposals on the FY 2008 Publishing Services budget will depend on a variety of factors, including decisions regarding Managed Competition of the activity and the implementation dates of the various other improvement strategies.

Minor fiscal impacts are predicted for customer departments. One fiscal impact includes the recommendation for Publishing Services to charge customer departments a surcharge for rush jobs. The decision to request a rush job is strictly made by the requesting department, so this rush surcharge would be optional and only charged when the customer approves a rush job.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

In order to assure a level playing field for Publishing Services employees in the event of a managed competition, external participation was limited in the BPR. Publishing Services, however, did involve the participation of MEA and AFSCME Local 127. Publishing Services also conducted benchmarking on many aspects of operations against other local services providers and conducted a service provision survey with other municipalities and agencies.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Given that this BPR involves position reductions and changes in working conditions, this proposal will go through Meet and Confer with MEA and Local 127. The BPR proposal is therefore tentative and subject to the outcome of Meet and Confer for Publishing Services.

Since Publishing Services is an Internal Service Fund, direct contact with City residents and constituents is minimal to none, and as such the public should expect no reduction in service levels as a result of this BPR. Regarding internal customers, this BPR will maintain or enhance all current services provided to City Departments. The only impact to City Departments will be that instead of receiving certain services through "in-house" staff, they will now be received via external vendors with service contracts. The resulting cost savings and overall efficiencies gained through this BPR will benefit the City.



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