



SENT TO COUNCIL:

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City Manager's Office

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Edward K. Shikada

SUBJECT: PRELIMINARY ALTERNATIVE
SERVICE DELIVERY PROPOSALS

DATE: February 28, 2011

Approved:

Date

2/28/11

INFORMATION

BACKGROUND

City Council Policy 0-41 Service Delivery Evaluation establishes a decision-making framework for evaluating service delivery model changes that meet certain criteria. For changes that are to be considered a part of the City's annual budget process, the Policy requires the Administration to inform the Council of such proposals no later than the release date of the "City Manager's Budget Request and Five-Year Forecast and Revenue Projections for the General Fund and the Capital Improvement Program" which is scheduled to be released on February 28, 2011.

At the City Council's November 18, 2010 Organizational and Budget Planning Session staff provided a list of alternative service delivery candidates to be potentially included as cost reduction proposals as part of the 2011-2012 Proposed Budget. This memorandum provides an update on the service delivery evaluations and identifies the services for which business cases are being further analyzed as part of the 2011-2012 Proposed Budget.

ANALYSIS

Council Policy 0-41 requires a business case analysis to be undertaken to evaluate service delivery changes that meet certain criteria. The purpose of the business case analysis is to determine the feasibility of alternative service delivery and to develop the Administration's recommendation to the City Council regarding the applicability of Council Policy 0-29, Public-Private Competition Policy. A business case analysis must be undertaken if a proposed service delivery change is expected to result in the addition, deletion, or reclassification of four or more full time equivalent positions. The process does not apply to budgetary service reductions/eliminations or episodic, one-time, and temporary work. To the extent feasible, it is the intent of the policy to advance concepts of service evaluations prior to the formal annual

budget process in order to maximize the opportunity for careful consideration of the potential effects of service delivery method changes.

In accordance with Council Policy 0-41, the service areas that are undergoing a business case analysis as part of the 2011-2012 Proposed Budget are identified below. The preliminary business cases will be posted on the City's web-site via the following link <http://www.sanjoseca.gov/budget/FY1112/ServiceDeliveryEvaluations.asp> as they are completed. The Administration will continue to analyze these proposals and conduct stakeholder outreach over the next few months to determine whether to include the proposals as part of the 2011-2012 Proposed Budget. The business cases will be updated periodically as new information becomes available and the analysis is refined. Stakeholder meetings that are being held to discuss the preliminary business cases will also be noticed on the City's web-site.

Department	FY2011-12 Service Delivery Evaluation
Airport	Airport Law Enforcement
Airport	Airport Rescue and Fire Fighting
PRNS	Small Parks Landscape Maintenance and Custodial Services
PRNS	Graffiti Eradication Services
ESD	Recycle Plus Billing and Customer Service*

* Multi-year work plan that will not have budgetary implications for 2011-2012.

For each of the alternative service delivery evaluations identified above, the Administration will meet and confer with affected City employee bargaining units, as applicable. Recommendations will be presented and considered by the City Council as part of its review of the 2011-2012 Proposed Operating Budget in May and early June, 2011.

Other Services

On-going evaluations are underway for several other concepts presented at the November 18, 2010 Budget Planning Session. Evaluations are continuing for alternative ways to provide: 1) other airport terminal and maintenance services, 2) document imaging services, 3) 911/311 dispatch operations, 4) fleet services, 5) crossing guard program, and 6) landscape maintenance services (provided by the Department of Transportation). Any service delivery changes anticipated in these areas will extend past the 2011-2012 Budget preparation timeframe or will not trigger the threshold for a service delivery evaluation under Council Policy 0-41.

HONORABLE MAYOR AND CITY COUNCIL

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For questions regarding this memorandum please contact me at (408) 535-8190.

A handwritten signature in black ink, appearing to read 'E. Shikada', with a stylized flourish at the end.

EDWARD K. SHIKADA
Assistant City Manager