THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED: October 11, 2006 REPORT NO: 06-139

ATTENTION: Council President and City Council
Docket of October 16, 2006

SUBJECT: Human Resources/Personnel Business Process Reengineering (BPR)

REFERENCE: Final Report on the HR/Personnel Reengineering Study

REQUESTED ACTION:

1. Accept the Report from the Mayor on the Human Resources/Personnel Business Process Reengineering Study.
2. Authorize the City Auditor and Comptroller and the City Attorney to prepare the necessary documents to implement the BPR recommended organizational changes:
   - Authorizing the Auditor and Comptroller to adjust expenditure appropriations to reflect the creation of three Group Human Resources Manager positions in Public Safety, Public Works, and the Neighborhood and Cutromer Services Group.
   - Authorizing the Auditor and Comptroller to adjust revenue appropriations associated with the creation of these Group HR Manager positions.

STAFF RECOMMENDATION:

1. Accept the Report on Human Resources/Personnel Reengineering and authorize implementation of the organizational changes described therein.

SUMMARY:

Background

The Mayor has commenced Business Process Reengineering (BPR) efforts to improve efficiencies, reduce the cost of City government and to maximize the services offered to our residents. BPR focuses on significantly streamlining work processes (activities, services or functions) for substantial improvement and reorganizing functional work groups and positions. 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).

Every City department utilizes the services of the Personnel Department, Labor Relations, and Risk Management. Some departments have departmental human resources personnel as well. Various departments have developed human resource documents, forms, and policies which support all phases of personnel processes, discipline, recruitment, hiring, and employee performance evaluation.

The City's Chief Operating Officer and members of the Executive Team were concerned about the lack of consistent application of labor and personnel standards and procedures as well as with the perceived duplication of processes for human resources throughout City government.

The Human Resource/Personnel Reengineering Study

To address this inconsistent application of policies and processes across the City, a diverse group of individuals were pulled together to evaluate ways to improve consistency and service. Employees and managers from various departments as well as representatives from labor unions met to discuss various approaches to provide human resource services in the City of San Diego. The team was fortunate to have the additional insights of a private industry leader, Phil Blair from Manpower, Inc., as well as those of various individuals from human resource and personnel areas with the County.

The action before you today is the reorganization plan which will create three Group Human Resources Manager positions that will assist with continuing improvements in human resources policies and procedures City-wide.

Evaluating the existing structure providing human resources services became the guiding factor of the team as they reviewed existing processes and organization. The initial determination was that a structured reorganization had to occur prior to moving toward any of the process improvements identified in the evaluation. This reorganization provides initially for the relocation of three existing positions to create the Group Human Resources positions for Public Safety, Public Works and Neighborhood and Customer Services Groups which have been identified as an essential step to move forward.

These Group Human Resource Managers will evaluate the existing departmental Human Resource Analyst staff across the City to ensure that the support is properly allocated among departments.

Recommendation before you today:

- Create Group Human Resources Manager positions reporting directly to the Deputy Chief Operating Officers in the key business groups (Public Works, Public Safety and Neighborhood & Customer Services) to provide consistent direction to department human resource analysts related to human resources, labor and personnel processes.

Additional Recommendations

The reorganization will enhance efforts to develop more effective human resources functions, (e.g. discipline, recruitment and hiring, injury management, training administration, and payroll) develop an on-line human resources documents library, and a new information technology system.

The attached chart of additional recommendations (Attachment A), and their implementation status is provided for your review. There are five categories of recommendations: 1) Before Council for Approval Today; 2) Under Development/Final Proposal May Require Council Action, 3) Under Development/Mayoral Implementation, 4) Being Implemented under Mayoral Authority, and 5) Mayor does Not Recommend At This Time. Further evaluation and input is required to proceed with the additional recommendations.

FISCAL CONSIDERATIONS:

The transfer of existing positions and cost of the proposed Human Resources Manager positions will be allocated across all departments they serve based on full time equivalent positions. See Attachment B for the budgetary detail.

The positions being cut from the Fire-Rescue and Water Department are currently unclassified positions with working titles of Human Resources Manager; one of the positions is vacant (Program Manager position in the Water Department), and the other is currently filled (Assistant to the Fire Chief position in Fire-Rescue).

The current workload of the Fire-Rescue position will be partially absorbed by existing employees or will continue to be carried by the Public Safety Group Human Resources Manager until a more complete evaluation of Departmental Human Resource Analyst staffing can be completed.

The Water Department Human Resources Manager position has been vacant since the incumbent's retirement in late 2005. Reassignment of workload has already occurred.

The position being cut from Special Operations is a vacant unclassified Program Manager position with a working title of Assistant Corporate Partnership Program Manager. The decision has been made to eliminate this position and transfer it to the Neighborhood & Customer Services with a working title of Group Human Resources Manager position.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Extensive Business Process Reengineering effort and study has been conducted to date, however much more work lies ahead to complete the entire study. Interviews were held with key internal and external stakeholders, as well as benchmarking with other similar municipalities. Future

work will include input from employees and managers from various departments as well as representatives from labor unions who will continue to discuss various approaches to provide human resource services in the City of San Diego.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

City employees and managers, labor unions will have improved, more efficient and effective human resource services more equitably distributed across the city.

Rick Reynolds
Assistant Chief Operating Officer

A COPY OF THE FINAL REPORT OF THE HR/PERSONNEL REENGINEERING STUDY IS AVAILABLE FOR PUBLIC VIEWING AT THE OFFICE OF THE SAN DIEGO CITY CLERK.

Attachment A - Human Resources Business Process Reengineering Study Recommendations
Attachment B - Summary of Budgetary Impacts Human Resources BPR Changes