



Section III – Management Review Office and Enabling Ordinances

The image shows the exterior of a modern building with large glass windows and blue-tinted panels. On the left, there is a logo for 'CITY HALL' with a circular emblem featuring a cross and the letters 'A' and 'B'. On the right, there is another circular emblem with a cross and the letters 'A' and 'B'.

Management Review Office and Enabling Ordinances

Overview

The purpose of the Management Review Office (MRO), is to provide the Office of the Mayor with a plan to help ensure that select recommendations resulting from the Strategic Review are actionable and implemented in a manner that recognizes that time is of the essence. The plan provides a tangible asset for City leadership to strategically address how, as an organization, it can enable and support the enterprise wide goal of reducing municipal operations to essential core services.

In order for City leadership to receive the full benefits of the Strategic Review, it should be utilized as a working document that is reviewed and updated periodically, as City leadership executes recommended strategies and identifies new strategies.

A key role of the MRO is to act as a guide to help ensure that the City's initiatives remain in line with the goals and objectives of the enterprise. It will be up to City leadership to ensure that the components of the transition plan recommended as part of the MRO be implemented to meet the objectives of this Strategic Review.

Specifically, the recommendations covered in the following pages will address:

- Prioritization and Approach;
- Implementation Planning;
- Staffing Recommendations for the MRO; and
- Internal and External Communication Strategy.



Management Review Office and Enabling Ordinances

Prioritization and Approach

Currently, strategic initiatives are managed on an ad-hoc basis. The MRO would allow City leadership to successfully implement key components of the Mayor's Strategic Objectives related to returning the City to core service offerings.

The recommendations resulting from this report are categorized at the highest level as either strategic or tactical opportunities. The MRO should focus primarily on opportunities that are strategic in nature, as City leadership will have to make decisions related to tactical opportunities in order to define the enterprise going forward.

Strategic opportunities are further defined as cost saving, revenue generation or preservation, and efficiency initiatives, that can be implemented over time. Each of the recommendations have then been further categorized to provide a high-level framework for prioritizing initiatives.

Cost Savings	Revenue	Efficiency
<ul style="list-style-type: none">• Strategic Sourcing / Managed Competition• Public Private Partnership• Strategic Elimination	<ul style="list-style-type: none">• Customer Expansion• Public Private Partnership• Fee Implementation	<ul style="list-style-type: none">• Shared Services / Automation• Internal Consolidation• Inter-Agency Partnership

Prioritization of the Managed Competition and Strategic Sourcing opportunities should be one of the primary activities of the MRO to begin strategic implementation of the Mayor's vision. Once prioritized, opportunities should be mapped out with an achievable timeline to create accountability.



Management Review Office and Enabling Ordinances

Implementation Planning

Implementation planning is intended to help City leadership to implement the recommendations made in this report and provide a foundation for the organizational changes that will result. The implementation plan should allow City leadership to develop a framework over the next 18-24 months, providing a pragmatic program by which the MRO can work against, and hold itself accountable as it continues to make operational and service improvements.

The overall goal of the implementation plan is to effect improvement of the City's operations by achieving the following outcomes:

- Optimize limited resources
- Enhance governance and controls
- Improve the effectiveness of services

The process begins by establishing a project team, identifying a team leader and, if applicable, a Steering Committee which is responsible for drafting a project schedule and project charter, the former articulating an expected completion date and the latter delineating the objectives for the project.

For each strategic opportunity, the project team maps processes, determines improved methods for completing those processes, benchmarks their methods and performance against other service providers, and formulates recommendations for improvement.

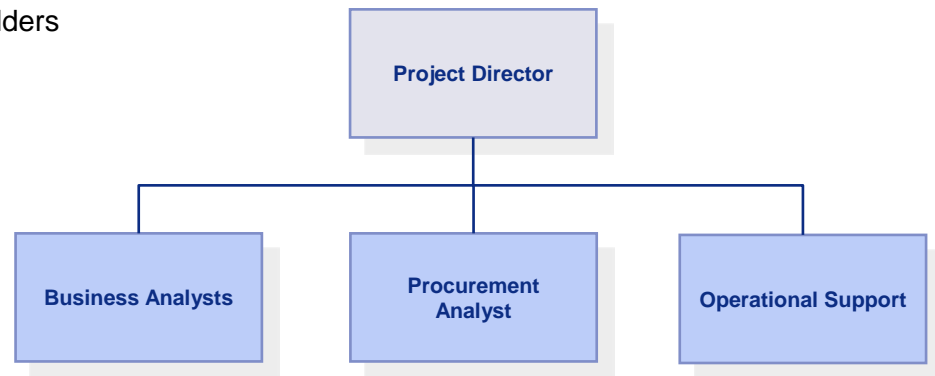
The Steering Committee may finalize the recommendation and provide a briefing summary document to the Mayor.

Management Review Office and Enabling Ordinances

Staffing Recommendations

Staffing of the MRO must be carefully considered as the MRO team will be tasked with making decisions that may have significant long-term impacts on City operations. At a minimum, the structure of the MRO should be developed similarly to a traditional Project Management Office as the MRO will be leading multiple initiatives at the same time.

- Project Director / Project Lead:
 - Daily Oversight and Operations of Team
 - Interface to City Leadership and Stakeholders
 - Manage Project Plans
- Business Analyst (2):
 - Document Customer Needs
 - Develop Business Case
 - Develop Cost Benefit Analysis
 - Document Feasibility Information
- Procurement Analyst:
 - Lead Vendor Selection
 - Develop Service Level Agreements
 - Manage Pre and Post-Award Lifecycle





Management Review Office and Enabling Ordinances

Effective Communications

Communication is critical to the successful implementation of the Management Review Office. Effective communication should be designed to enable Stakeholder buy-in. Both internal and external communication will be a critical enabler of organizational acceptance to help ensure the success of the recommendations resulting from the Strategic Review.

Effective communication helps to ensure that both internal and external Stakeholders are made aware of key initiatives as well as helping to create a sense of assurance in the continuity of core services by the City. Consistent and continuous communication will also help ensure that Stakeholders' concerns and issues can be resolved early and effectively, as well as to inform Stakeholders of anticipated outcomes related to the implementation of select opportunities.

Staff Communication

The key to effective internal communication management is to have continuous communication with City employees. It is crucial to clearly define and communicate anticipated changes and expected staff roles. Providing opportunities for the staff to express their concerns and ideas, while responding thoughtfully, also plays a significant role in successful communications management. In order to effect successful change, the City must create an environment where its employees can express their opinions openly and honestly and also establish opportunities for interaction that promote the perception that their concerns are received and considered earnestly.

Management Communication

The key to effective external communication is to have a continuous dialogue between the Mayor's Office, the MRO and City department management at various levels to convey the goal of improving the operational effectiveness and the anticipated benefits that user departments can expect to observe. The alignment of user department management with the desired outcomes of improving the effectiveness and efficiency is crucial to a successful transition. At a very basic level, these external Stakeholders must be assured that the City will maintain continuity of operations and service levels. These communications can also be used to help ensure that the steps being undertaken by the MRO are appropriately aligned with the desires and needs of the departments and the City as a whole.

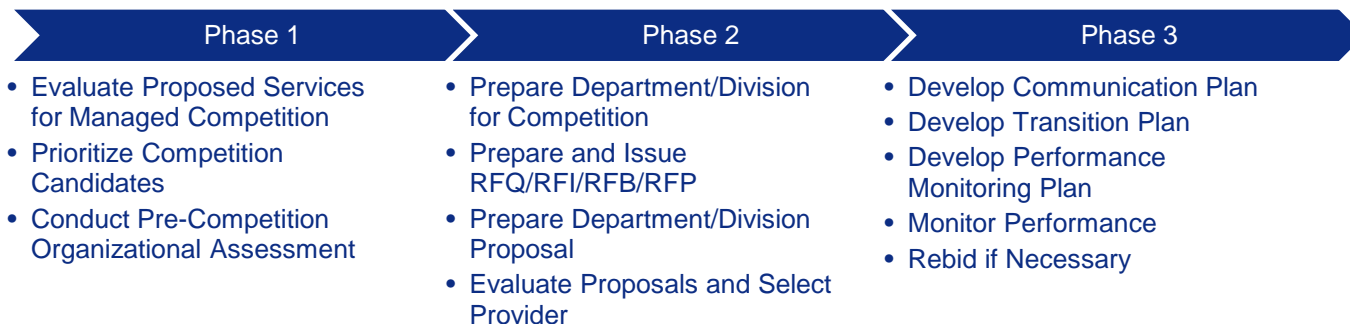
Management Review Office and Enabling Ordinances

Managed Competition Overview

The potential opportunities that have been identified throughout this report may provide City leadership with the following benefits:

- Cost Savings – cost savings may be realized through economies of scale, better technologies, or reduced labor costs;
- Quality Improvements – quality may increase as a result of competing for the work with the private sector;
- Timeliness – contracting may speed delivery of services and create opportunities to incentivize the delivery process;
- Adjusting to Peak Demands – contracting may provide added flexibility to increase or decrease staff;
- Access to Outside Expertise – contracting may allow City leadership to obtain expertise on demand;
- Innovation – contracting may encourage leading-edge solutions to help win and retain services in-house; and
- Improved Risk Management – contracting may allow for built in cost-containment and reduced liability.

The figure below illustrates the high-level process that may be implemented by the MRO:



Management Review Office and Enabling Ordinances

Enabling Ordinances

A key aspect of helping to ensure the City takes full advantage of leading edge management practices as part of the MRO, the City may consider formalizing such practices as ordinances. Formalizing practices in this way helps to enhance the durability of current initiatives across future administrations.

The following table presents references to example ordinances and methodology materials utilized by states and municipalities across the U.S. to formalize activity-based costing, managed competition, and performance measurement practices.

Ordinance/Material Type	City/State	Description/Reference
Activity-Based Costing	State of Texas	A summary of activity-based costing initiatives implemented and methodologies employed by the Texas Comptroller of Public Accounts is provided at the following link: http://www.window.state.tx.us/specialrpt/abc/ .
Managed Competition	Charlotte, NC	Managed competition program overview, including gainsharing, competition, employee placement, and optimization policies are provided at the following link: http://www.charmeck.org/Departments/Business+Support+Services/Procurement/PCAC+Main+Page.htm .
	Phoenix, AZ	Managed competition program overview of practices are provided at the following link: http://phoenix.gov/phxpresentations.html .
	San Diego, CA	Managed competition program overview of practices as well as the adopted ordinance is provided at the following link: http://www.sandiego.gov/business/mcirb/ .
Performance Measurement	Austin, TX	Ordinance proposed by the Austin City Auditor's Office.