



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

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GERALD R. MILLER
CITY MANAGER

March 22, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a contract with Weidner Consulting, Inc., for the development and implementation of a comprehensive performance management system, including the acquisition and implementation of the Performance Information Management Software, for a period of three years in the amount of \$945,050, which will be absorbed within existing budget resources. (Citywide)

DISCUSSION

Since 1999, with the initiation of the Long Beach Plan, the City of Long Beach has been working to implement a comprehensive performance management system to better align City operations around the City Council's and community's priorities. The goals of this effort are to improve the efficiency and effectiveness of City operations and to increase accountability throughout the City by developing an integrated performance management system focused on results. It is anticipated that improved efficiencies and productivity will result in reduced costs for City services. Integration of this system into the daily operations of the City represents a monumental change in the way the City conducts business and is critical to developing a high-performing organization.

Full development of a comprehensive performance management system in Long Beach will incorporate a number of key components.

Strategic Business Planning

The departmental strategic business planning process is essential to the development of an effective performance management structure. The strategic business plans will look out 2 to 5 years to identify issues and priorities, strategic goals to be achieved, alignment of departmental programs around those

identified goals, and ultimately the development of performance measures to evaluate the department's success in meeting the desired results. This planning process will include all levels of the organization and will ensure City employees are working in a common direction to achieve the City Council's and community's priorities.

Performance-Based Program Budget

The City has committed to restructuring the Fiscal Year 2006 budget to reflect a City program structure. The City will migrate away from the traditional format, which presents budget information organizationally by department and bureau. The new structure will present information in a more detailed, program structure, which should aid understanding of where City resources are being allocated. Once fully built out, performance data for the programs will facilitate more informed decision-making on resource allocation.

Performance Data Analysis and Reporting

As noted above, performance measures will be developed as part of the strategic business planning process for every City program. The performance measures will provide timely, accurate, and meaningful information for policy makers, staff, and the community. Policy makers will be aided in complex policy discussions, such as the allocation of the City's scarce resources, by timely and accurate program performance data. City management will utilize the data to better manage day-to-day operations, improve delivery of services, and enhance communications with our employees and community. Performance objectives will also be integrated into annual employee performance objectives, with a focus on achieving City Council's priorities and the community's desired results.

With these goals in mind, City staff underwent an extensive search to identify the best models in use by high-performing local governments. Resulting from this initial research, staff released a Request for Qualifications (RFQ) to identify firms that had the interest, qualifications, and most importantly, experience, in developing and implementing a comprehensive performance management system. City staff conducted interviews with the most qualified responders to the RFQ and selected Weidner Consulting, Incorporated (Weidner).

Weidner is nationally recognized as a leader in performance management and has assembled an experienced team with extensive government experience to work with the City. Weidner has conducted similar projects in such cities and counties as: Austin, Texas; Seattle, Washington; Tacoma, Washington; District of Columbia; Metro Nashville-Davidson County, Tennessee; and, Franklin County, Ohio.

In Long Beach, Weidner will take all City Manager-directed departments through the entire performance management system development process over the next two to three years. The first phase of the project is the development of a new program

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structure for all City Manager departments. These departments will migrate from the traditional budget format reflecting organizational structure to a program structure budget with emphasis on community priorities. It is estimated that this work will be completed by late Spring 2005 for inclusion in the FY 06 budget.

The second phase of the project will be the development of department Strategic Business Plans over the next two years, or sooner, depending on resource availability. Full development of these plans will focus departments on identifying and achieving strategic objectives and will result in the development of performance measures for City programs. It is anticipated that six City Manager departments will complete the full Strategic Business Plans this calendar year and the remaining eight departments in 2006.

Included in the proposed contract with Weidner is the licensing and implementation of their web-based Performance Information Management System (PIMS). The implementation of a reporting system is critical to this project as it will allow City staff to begin inputting, tracking, analyzing, and reporting the performance data upon commencement of this project. The ongoing tracking and reporting of performance data is integral to the performance management system in that it provides for continuous, informed feedback to improve City operations.

The City is also currently in the process of evaluating the feasibility of implementing a 3-1-1 citizen relationship management program. A 3-1-1 system is a way to manage citizen requests for non-emergency services and information. The City is interested in evaluating the system as a means to improve interaction with, and service delivery to, the community. Future integration of a 3-1-1 system into the comprehensive performance management system would enhance organizational performance and accountability.

This matter was reviewed by Senior Deputy City Attorney Donna Gwin and by Budget Management Officer David Wodynski on February 23, 2005.

TIMING CONSIDERATIONS

In order to ensure that the Fiscal Year 2005-2006 City budget reflects a program structure, City Council action is requested at the March 22, 2005 City Council meeting.

FISCAL IMPACT

The recommended contract amount for the project totals \$945,050 and will be absorbed in existing budget resources. It is anticipated that the project may span three fiscal years (FY 05, FY 06 and FY 07), though may be completed sooner depending on available resources. Although this activity is not budgeted, the City will fund it through savings realized over the course of the project. Because this project spans all City

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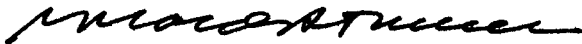
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Manager-directed departments, the cost for this project will be allocated across all those departments and funds. Approximately 30 percent of this cost will impact the General Fund over the three years. It is anticipated that as the comprehensive performance management system is fully implemented, improved efficiencies and productivity will result in reduced costs for City services.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



GERALD R. MILLER
CITY MANAGER