

San Diego Housing Commission
POLICY

Subject: **COMPETITION PROGRAM**

Number: **PO211.000**

Effective Date: **04/23/96**

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1. BACKGROUND

In an environment of declining revenues and increasing demand public agencies must continually review its procedures and processes to ensure that resource use is maximized in its provision of services to the public. The San Diego Housing Commission desires to evaluate its service delivery programs to determine the best models for providing selected services based upon service quality, cost efficiency and effectiveness, and maintenance of essential public services.

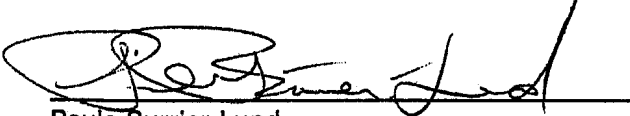
2. DEFINITIONS

- 2.1 San Diego Housing Commission (also, "Housing Commission" or "Commission"): The housing agency for the City of San Diego which operates programs pursuant to powers delegated by the City Council and Housing Authority of the City of San Diego, and California statute.
- 2.2 Board: The Board of Commissioners; the decision-making body overseeing the San Diego Housing Commission.
- 2.3 Housing Authority of the City of San Diego ("Housing Authority"): The Public Housing Agency, or "PHA", which body has final authority over matters decided upon or recommended by the Housing Commission.
- 2.4 Executive Director: The chief executive officer of the Housing Authority and Commission.
- 2.5 Staff: The employees of the Housing Commission, who also serve as staff to the Housing Authority.
- 2.6 Alternative Service Delivery Models: Provision of services by organizations and methods other than those used by the Housing Commission. Potential providers include, but are not limited to: Housing Commission staff, other public agencies, private businesses, nonprofit organizations, volunteers, interagency or joint powers agreement agencies, and public-private organizations.


Authorized:


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5-13-96
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2.7 Competitive Procurement Process: A process used to solicit proposals, qualifications and bids from service providers, and select the best provider from whom services will be procured. Including, but not limited to, Requests for Proposals, Requests for Qualifications, formal and informal Competitive Bids.

3. GOAL/PURPOSE

The San Diego Housing Commission is committed to providing the highest quality service for the lowest feasible cost to the taxpayer, consistent with the Commission's Vision, Mission and Goals and Core Values. It is the goal of the San Diego Housing Commission to deliver services through the most effective and efficient means available. The Competition Program is one process the Housing Commission uses in an effort to achieve this goal.

4. POLICY

4.1 To assure that services are provided in the most effective and efficient means available, the Housing Commission will:

- A. Benchmark its performance in selected service areas against other providers, public, private or nonprofit, of comparable services;
- B. Review and analyze operating performance measures;
- C. Evaluate how the Housing Commission could become more competitive and implement changes to reduce costs and/or increase service delivery and quality;
- D. Evaluate alternative service delivery models, determine the most appropriate model which assures the provision of program benefits, and;
- E. Implement program and organizational changes based upon the results of the process.

4.2 This Policy is not intended to apply to all service areas provided by the San Diego Housing Commission. Where applied, it is intended to assure that services are provided with the highest quality of service for the funds expended. It is the responsibility of the Executive Director to identify and recommend to the Board and Housing Authority those areas which should be candidates for evaluation and consideration for alternative service delivery models as part of the annual Budget process.

4.3 The Competition Program will be implemented in a phased manner, with a limited number of areas selected for evaluation annually. This will conserve resources and reduce program disruptions during the evaluation process and program implementation period.

5. POLICY GUIDELINES

The following provisions will guide the application of this Policy. The Executive Director may establish administrative regulations consistent with this Policy.

5.1 The Housing Commission will directly deliver those services where effectiveness and efficiency is equivalent to or greater than that of alternative delivery service models and where the potential

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savings of the alternative would be less than ten percent for the same level of service. Variations may occur depending on the circumstances, including the program cost and savings or service quality.

- 5.2 The Housing Commission may propose to provide services which are currently provided contractually. The Housing Commission may propose to provide services to other public agencies if there is a benefit to the Housing Commission, the taxpayers and/or the recipients of those services in reduced cost and/or improved service quality. In circumstances where Housing Commission forces are consistently productive and cost effective, and it is of benefit to the Housing Commission or would provide a regional benefit, the Executive Director has the option of submitting proposals for the provision of those same services to other public agencies.
- 5.3 The Executive Director will be responsible for identifying Housing Commission services and programs to be considered for competition, review and evaluate proposals, provide periodic reports to the Board and Housing Authority regarding progress and accomplishments of the program. The number of programs and services to be evaluated annually will be determined by the capacity of the Housing Commission to administer multiple processes and an evaluation of the potential gain or reduction in costs. Areas to be evaluated for alternative service delivery may include entire programs, portions of programs, discrete program activities or projects.
- 5.4 The Executive Director shall consult with labor organizations representing Housing Commission employees regarding these matters. The Executive Director may establish advisory committees as appropriate to assist in the competition process. These advisory committees may include Housing Commission staff, other public and private sector and labor organization representatives.
- 5.5 The Housing Commission staff will be given the opportunity to develop and implement efficiency and effectiveness improvements in their operations before services are opened to the competitive procurement process.
- 5.6 The Housing Commission will make every reasonable effort to assure continuing employment for its employees when change is contemplated in as a result of this Policy. Where alternative service delivery results in a reduction in force, alternatives to address the status of Housing Commission employees may include, but are not limited to: reduction through attrition, transfer, hiring of qualified Housing Commission employees by a new provider, training and cross-training, or layoff. Every effort will be made to assist public employees in transition situations.
- 5.7 After Housing Commission staff have been afforded a reasonable opportunity to develop and implement efficiency and effectiveness improvements and cost reductions in their operations, the Executive Director shall perform a preliminary evaluation of the possibility of further improving the quality or reducing the cost of providing the service. If it is shown that further improvement is achievable, the Executive Director shall initiate a competitive procurement process.
- 5.8 All contracts for services remain subject to all applicable federal, state and local laws and regulations.

6. PROPOSAL REQUIREMENTS

Every competitive procurement process initiated as a result of this Policy shall include and be evaluated using the following components:

- 6.1 Any proposal to open Housing Commission service delivery to the competitive procurement process will include a plan for service interruption and the assignment of mandated administrative expenses.

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- 6.2 Service delivery options will be evaluated using uniform agencywide criteria plus specific criteria related to the service under review.
- 6.3 Where public capital is invested in equipment, real property or other capital assets, the Housing Commission shall evaluate appropriate measures to assure the ability to resume operations in the case of default, changed circumstances or other eventuality which would result in later transfer of the responsibility for service provision to another provider, including reversion to the Housing Commission.
- 6.4 Every service considered for competitive procurement must be evaluated for potential cost savings versus impact on the public good, especially in the areas of service quality, reliability, safety, public health, employee compensation, economic benefit, and potential liability. Cost savings will not be the sole determining factor. Real improvements to efficiency and effectiveness will also be considered.
- 6.5 Comparison of proposals for alternative service delivery will be based upon a published basis for comparison, including evaluation of the quality of service and the ability of competing providers to assure maintenance of existing standards of quality without increasing costs. This may be accomplished by specific performance standards and financial penalties for nonperformance. Proposals will include performance and workload standards, including the ability of service providers to guarantee a consistent level of quality, uninterrupted provision of services and flexibility to adjust service delivery in response to programmatic requirements, including regulatory mandates. Providers must be able to respond to increased service delivery demands or changing service needs quickly and effectively.
- 6.6 Comparison of alternative service delivery cost estimates will be based upon a published basis of comparison, including but not be limited to direct and overhead costs, costs for administering and monitoring contracts, transition costs and liability estimates in the competitive procurement process.
- 6.7 Alternative service delivery providers will be encouraged to make efforts to the extent permitted by law to assure that their work force reflects the gender and ethnic makeup of the available work force in the community at large throughout their provision of services.
- 6.8 Comparison of alternative service delivery models will be based upon "best practices" criteria including but not limited to value analysis and an assessment of providers ability to provide the services with the resources detailed in the proposal.
- 6.9 In preparing proposals, the Housing Commission staff may propose organizational models different from those currently utilized. These may include, but are not limited to, "enterprise fund" business units, subsidiary business units wholly owned by the Housing Commission, and publicly chartered independent business units with management and/or boards appointed by or interlocking with the Housing Commission.