[Performance and Review Ordinance]

AMENDING PART I OF THE SAN FRANCISCO MUNICIPAL CODE (ADMINISTRATIVE CODE) BY ADDING CHAPTER 88, SECTIONS 88.1 THROUGH 88.11, TO REQUIRE AN ANNUAL DEPARTMENTAL EFFICIENCY PLAN, INCLUDING A CUSTOMER SERVICE ELEMENT, A STRATEGIC PLANNING ELEMENT, AN ANNUAL PERFORMANCE ELEMENT, AND A PERFORMANCE EVALUATION ELEMENT, AND PROVIDING FOR A PILOT PROGRAM AND TRAINING.

Note: This entire section is new.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The San Francisco Administrative Code is hereby amended by adding Chapter 88, Sections 88.1 through 88.11, to read as follows:

SEC. 88.1. TITLE.

This Chapter shall be known and may be cited as the "San Francisco Performance and Review Ordinance of 1999."

SEC. 88.2. FINDINGS AND PURPOSES.

(a) Findings. Waste and inefficiency in City programs undermine the confidence of San Francisco residents and reduce the City's ability to adequately address vital public needs. The City is seriously disadvantaged in its efforts to improve program efficiency and effectiveness because of insufficient articulation of program vision, mission and goals, including inadequate information on program performance. And the Board of Supervisors'
policy making, spending decisions, and program oversight are seriously handicapped by insufficient attention to program performance and results.

(b) Purposes. This ordinance is adopted to implement the mandate of Charter Section 16.120, requiring each department of the City and County to adopt an annual Customer Service Plan, in a format to be determined by the Board of Supervisors by ordinance.

The purposes of this ordinance are to:

1. Improve program effectiveness and public accountability by promoting a new focus on fiscal management, capital management, human resources, managing for results, information technology, service quality, and customer satisfaction;

2. Help the City improve service delivery by requiring that it identify program objectives and by providing it with management tools to evaluate service quality; and,

3. Assist Board of Supervisors' decision-making by providing more objective information on performance and customer satisfaction and on the relative effectiveness and efficiency of City programs and spending.

SEC. 88.3. DEFINITIONS.

For the purposes of this Chapter:

(a) "Performance goal" means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate;

(b) "Performance indicator" means a particular value or characteristic used to measure output or outcome;

(c) "Program activity" means a specific activity or project as listed in the program and financing schedules of the annual budget of the City and County of San Francisco;
(d) "Program evaluation" means an assessment through objective measurement and systematic analysis of the manner and extent to which city programs achieve intended objectives; and

(e) "Department" means an executive department, which does not include offices within departments.

SEC. 88.4. EFFICIENCY PLANS.

(a) Beginning 2003 and each year thereafter, the head of each department shall prepare and submit to the Mayor by October 15th and to the Board of Supervisors by November 15th a departmental efficiency plan. Each plan shall include a customer service element, a strategic planning element, an annual performance element, and a performance evaluation element for the previous fiscal year, as set forth more fully below. The plan shall cover a period of not less than three years forward from the fiscal year in which it is submitted.

(b) In developing its efficiency plan, the department shall solicit and consider the views and suggestions of those persons and entities potentially affected by or interested in the plan. Departments are encouraged to conduct town meetings, open houses, or other public forums during the development of the plan to solicit public comments and information.

(c) The Board of Supervisors may, with the concurrence of the Director of the Mayor's Budget Office, excuse a department from particular requirements of this Chapter where compliance would be inappropriate or impractical.

(d) If a department determines that it is not feasible to express any information required by this Chapter in the format called for in the ordinance, the Director of the Mayor's Budget Office may authorize use of an alternative format. Such alternative format shall include separate descriptive statements of a minimally effective program and a successful program, or such other alternative expressed with sufficient precision and in such terms that...
would allow for an accurate and independent determination of whether the program activities
performance meets the criteria of the description. If the Director of the Mayor's Budget Office
concurs that no such alternative format is practical or feasible to express a performance goal
for the program activity, the department shall note that determination as part of the annual
performance element of its efficiency plan.

SEC. 88.5. CUSTOMER SERVICE ELEMENT; CONTENTS.

The customer service element of each departmental efficiency plan shall:

(a) Establish customer service definitions that identify both external as well as internal
customers;

(b) Establish a complaint/request for services resolution procedure with time frames;

(c) Establish a public survey/comment process for measuring general customer
satisfaction;

(d) Establish training objectives for departmental work force, including but not limited
to resolving complaints and participation in improving service quality;

(e) Establish benchmarks of quality service;

(f) Establish objectives for multiple modes of public access, including internet strategy,
electronic commerce, phone and mail;

(g) Briefly describe the operational processes, skills, and human capital, information,
or other resources required to meet the objectives set forth in this section; and,

(h) Provide a basis for comparison with similar customer services provided by
comparable cities and departments;

SEC. 88.6. STRATEGIC PLANNING ELEMENT; CONTENTS.

The strategic planning element of each departmental efficiency plan shall include:
(a) A comprehensive mission statement, as required by Section 3.5 of the San Francisco Administrative Code, covering the major functions and operations of the department;

(b) General goals and objectives, including outcome-related goals and objectives for the major functions and operations of the Department;

(c) A description of how the goals and objectives are to be achieved, including a description of operational processes, skills, and technology, and the human capital, information, and other resources required to meet those goals and objectives;

(d) A description of how the performance goals included in the annual performance element are related to the general goals and objectives in the strategic planning element;

(e) An identification of factors external to the department and beyond its control that could significantly affect the achievement of the general goals and objectives; and

(f) A description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

SEC. 88.7. ANNUAL PERFORMANCE ELEMENT; CONTENTS.

The annual performance element of each departmental efficiency plan shall include the following information for each program activity set forth in the department's budget:

(a) Establish performance goals to define the level of performance to be achieved by a program activity;

(b) Express such goals in an objective quantifiable and measurable form with outcome and results focusing on customer service unless authorized to be in an alternative form under Section 88.4(d);

(c) Briefly describe the operational processes, skills or technology, and the human capital, information, or other resources required to meet the performance goals;
(d) Establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

(e) Provide a basis for comparing actual program results with the established performance goals; and

(f) Describe the means to be used to verify and validate measured standards.

For the purpose of complying with this section a department may aggregate, disaggregate or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the department.

SEC. 88.6. ANNUAL PERFORMANCE EVALUATION ELEMENT; CONTENTS.

(a) The annual performance evaluation element of each departmental efficiency plan shall include the following information for each program activity set forth in the department’s budget:

1. Review of the success of achieving the performance goals of the fiscal year;

2. Evaluation of the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

3. Explanation and description where a performance goal has not been met, including when a program activities performance is determined not to have met the criteria of a successful program activity or a corresponding level of achievement if another alternative form is used, including:

   (A) Why the goal was not met;

   (B) Those plans and schedules for achieving the established performance goal; and
(C) If the performance goal is impractical or infeasible, why that is the case and what action is recommended;

4. Summary findings of these program evaluations completed during the fiscal year covered by the report.

(b) Each performance evaluation report shall set forth the performance indicators established in the annual performance element, along with the actual program performance achieved compared with performance goals expressed in the plan for that fiscal year.

(c) If performance goals are specified in an alternative form, the results of such programs shall be described in relation to such specifications including whether the performance failed to meet the criteria of a minimally effective or successful program.

(d) The report for fiscal year 2001-2002 shall include actual results for the preceding fiscal year, the report for fiscal year 2002-2003 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2003-2004 and all subsequent reports shall include actual results for the three preceding fiscal years.

SEC. 88.9. PILOT PROJECTS.

(a) Performance Plans and Reports.

1. The Director of the Mayor's Budget Office, after consultation with the head of each department, shall designate not less than six departments to participate in pilot projects in performance measurement for fiscal years 2000-2001 and 2001-2002. This group of six shall reflect a representative range of government functions and capabilities in measuring and reporting program performance. The reports prepared as part of the pilot program shall serve as models for other City departments when this Chapter is fully implemented.
2. Pilot projects in the designated departments shall undertake the preparation of annual performance plans under Section 88.7 and performance evaluation reports under Section 88.8 for one or more of the major functions and operations of the agency. A strategic plan under Section 88.6 shall be used when preparing department performance plans during one or more years of the pilot period.

3. No later than March 1, 2001, the Director of the Mayor's Budget Office shall submit a report to the Mayor and to the Board of Supervisors which shall:

   (A) Assess the benefits, costs, and usefulness of the plans and reports prepared by the pilot departments in meeting the purposes of the San Francisco Performance and Review Ordinance of 1999;
   (B) Identify any significant difficulties experienced by the pilot departments in preparing plans and reports; and
   (C) Set forth any recommended changes in the requirements of the provisions of the San Francisco Performance and Review Ordinance of 1999.

(b) Performance Budgeting

1. The Director of the Mayor's Budget Office, after consultation with the head of each department shall designate not less than three departments as pilot projects in performance budgeting for fiscal years 2000-2001 and 2001-2002. The departments shall be selected from those previously designated to participate in the pilot program under Section 88.9(a), and shall reflect a representative range of government functions and capabilities in measuring and reporting program performance. The budgets prepared as part of the pilot program shall serve as models for other City departments when this Chapter is fully implemented.

2. Pilot projects in the designated departments shall cover the preparation of performance budgets. Such budgets shall present, for one or more of the major
functions and operations of the department, the varying levels of performance, including outcome-related performance, that would result from different budgeted amounts.

3. For the fiscal year 2001-2002, the Director of the Mayor's Budget Office and the Controller shall include the performance budgets of the designated departments as attachments to the proposed budget, as well as the regular budget information for the designated departments.

4. No later than March 1, 2002, the Director of the Mayor's Budget Office shall transmit a report to the Mayor and to the Board of Supervisors on the performance budgeting pilot projects which shall:

   (A) Assess the feasibility and advisability of including a performance budget as part of the annual budget;
   (B) Describe any difficulties encountered by the pilot departments in preparing a performance budget;
   (C) Recommend whether legislation requiring performance budgets should be proposed and the general provisions of any legislation; and
   (D) Set forth any recommended changes in the other requirements of the San Francisco Performance and Review Ordinance of 1999.

5. After receipt of the report required under subsection (b)(4), the Board of Supervisors may specify that a performance budget be submitted as part of the annual budget.

SEC. 88.10. BOARD OF SUPERVISORS' OVERSIGHT AND LEGISLATION.

(a) In general. Nothing in this ordinance shall be construed as limiting the ability of the Board of Supervisors to establish, amend, suspend, or annul a performance goal.
(b) Controller's Report. No later than July 1st, 2001, the Controller of the City and County of San Francisco shall report to the Board of Supervisors on the implementation of this ordinance, including the prospects for compliance by City departments beyond those participating as pilot projects.

SEC. 88.11. TRAINING.

The Civil Service Commission shall, in consultation with the Director of the Mayor's Budget Office and the Controller of the City and County of San Francisco, develop a strategic planning and performance measurement training component for its management training program and otherwise provide managers with an orientation on the development and use of strategic planning and program performance measurement.

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: __________________________
    THOMAS J. OWEN
    Deputy City Attorney
Ordinance amending Administrative Code by adding Chapter 88, Sections 88.1 through 88.11, to require an annual departmental efficiency plan, including a customer service element, a strategic planning element, an annual performance element, and a program performance element, and providing for a pilot program and training.

December 20, 1999  Board of Supervisors — PASSED, ON FIRST READING
   Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

January 4, 2000  Board of Supervisors — FINALLY PASSED
   Ayes: 9 - Ammiano, Becerril, Bierman, Kaufman, Leno, Newsom, Teng, Yaki, Yee
   Absent: 2 - Brown, Katz
I hereby certify that the foregoing Ordinance was FINALLY PASSED on January 4, 2000 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Date Approved

Mayor Willie L. Brown Jr.