

FILE NO. 991879

ORDINANCE NO. 1-00

1 [Performance and Review Ordinance]

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

8 Note: This entire section is new.

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

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

14

15 **SEC. 88.1. TITLE.**

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

18

19 **SEC. 88.2. FINDINGS AND PURPOSES.**

20 (a) **Findings.** Waste and inefficiency in City programs undermine the confidence of
21 San Francisco residents and reduce the City's ability to adequately address vital public needs.
22 The City is seriously disadvantaged in its efforts to improve program efficiency and
23 effectiveness because of insufficient articulation of program vision, mission and goals,
24 including inadequate information on program performance. And the Board of Supervisors'

25

1 policy making, spending decisions, and program oversight are seriously handicapped by
2 insufficient attention to program performance and results.

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

7 The purposes of this ordinance are to:

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

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

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

16
17 **SEC. 88.3. DEFINITIONS.**

18 For the purposes of this Chapter:

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

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

24 (c) "Program activity" means a specific activity or project as listed in the program and
25 financing schedules of the annual budget of the City and County of San Francisco;

1 (d) "Program evaluation" means an assessment through objective measurement and
2 systematic analysis of the manner and extent to which city programs achieve intended
3 objectives; and

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

6
7 **SEC. 88.4. EFFICIENCY PLANS.**

8 (a) Beginning 2003 and each year thereafter, the head of each department shall
9 prepare and submit to the Mayor by October 1st and to the Board of Supervisors by
10 November 1st a departmental efficiency plan. Each plan shall include a customer service
11 element, a strategic planning element, an annual performance element, and a performance
12 evaluation element for the previous fiscal year, as set forth more fully below. The plan shall
13 cover a period of not less than three years forward from the fiscal year in which it is submitted.

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

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

21 (d) If a department determines that it is not feasible to express any information
22 required by this Chapter in the format called for in the ordinance, the Director of the Mayor's
23 Budget Office may authorize use of an alternative format. Such alternative format shall
24 include separate descriptive statements of a minimally effective program and a successful
25 program, or such other alternative expressed with sufficient precision and in such terms that

1 would allow for an accurate and independent determination of whether the program activities
2 performance meets the criteria of the description. If the Director of the Mayor's Budget Office
3 concurs that no such alternative format is practical or feasible to express a performance goal
4 for the program activity, the department shall note that determination as part of the annual
5 performance element of its efficiency plan.

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7 **SEC. 88.5. CUSTOMER SERVICE ELEMENT; CONTENTS.**

8 The customer service element of each departmental efficiency plan shall:

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

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

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

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

16 (e) Establish benchmarks of quality service;

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

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

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

23
24 **SEC. 88.6. STRATEGIC PLANNING ELEMENT; CONTENTS.**

25 The strategic planning element of each departmental efficiency plan shall include:

1 (a) A comprehensive mission statement, as required by Section 3.5 of the San
2 Francisco Administrative Code, covering the major functions and operations of the
3 department;

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

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

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

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

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

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16 **SEC. 88.7. ANNUAL PERFORMANCE ELEMENT; CONTENTS.**

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

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

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

24 (c) Briefly describe the operational processes, skills or technology, and the
25 human capital, information, or other resources required to meet the performance goals;

1 (d) Establish performance indicators to be used in measuring or assessing the
2 relevant outputs, service levels, and outcomes of each program activity;

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

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

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

10
11 **SEC. 88.8. ANNUAL PERFORMANCE EVALUATION ELEMENT; CONTENTS.**

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

15 1. Review of the success of achieving the performance goals of the fiscal year;
16 2. Evaluation of the performance plan for the current fiscal year relative to the
17 performance achieved toward the performance goals in the fiscal year covered by the
18 report;

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

23 (A) Why the goal was not met;

24 (B) Those plans and schedules for achieving the established
25 performance goal; and

1 (C) If the performance goal is impractical or infeasible, why that is the
2 case and what action is recommended;

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

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

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

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

16
17 **SEC. 88.9. PILOT PROJECTS.**

18 (a) **Performance Plans and Reports.**

19 1. The Director of the Mayor's Budget Office, after consultation with the head of
20 each department, shall designate not less than six departments to participate in pilot
21 projects in performance measurement for fiscal years 2000-2001 and 2001-2002. This
22 group of six shall reflect a representative range of government functions and
23 capabilities in measuring and reporting program performance. The reports prepared as
24 part of the pilot program shall serve as models for other City departments when this
25 Chapter is fully implemented.

1 2. Pilot projects in the designated departments shall undertake the preparation
2 of annual performance plans under Section 88.7 and performance evaluation reports
3 under Section 88.8 for one or more of the major functions and operations of the
4 agency. A strategic plan under Section 88.6 shall be used when preparing department
5 performance plans during one or more years of the pilot period.

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

8 (A) Assess the benefits, costs, and usefulness of the plans and reports
9 prepared by the pilot departments in meeting the purposes of the San Francisco
10 Performance and Review Ordinance of 1999;

11 (B) Identify any significant difficulties experienced by the pilot department
12 in preparing plans and reports; and

13 (C) Set forth any recommended changes in the requirements of the
14 provisions of the San Francisco Performance and Review Ordinance of 1999.

15 **(b) Performance Budgeting**

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

24 2. Pilot projects in the designated departments shall cover the preparation of
25 performance budgets. Such budgets shall present, for one or more of the major

1 functions and operations of the department, the varying levels of performance,
2 including outcome-related performance, that would result from different budgeted
3 amounts.

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

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

11 (A) Assess the feasibility and advisability of including a performance
12 budget as part of the annual budget;

13 (B) Describe any difficulties encountered by the pilot departments in
14 preparing a performance budget;

15 (C) Recommend whether legislation requiring performance budgets
16 should be proposed and the general provisions of any legislation; and

17 (D) Set forth any recommended changes in the other requirements of the
18 San Francisco Performance and Review Ordinance of 1999.

19 5. After receipt of the report required under subsection (b)(4), the Board of
20 Supervisors may specify that a performance budget be submitted as part of the annual
21 budget.
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23 **SEC. 88.10. BOARD OF SUPERVISORS' OVERSIGHT AND LEGISLATION.**

24 (a) In general. Nothing in this ordinance shall be construed as limiting the ability of
25 the Board of Supervisors to establish, amend, suspend, or annul a performance goal.

1 (b) Controller's Report. No later than July 1st, 2001, the Controller of the City and
2 County of San Francisco shall report to the Board of Supervisors on the implementation of this
3 ordinance, including the prospects for compliance by City departments beyond those
4 participating as pilot projects.

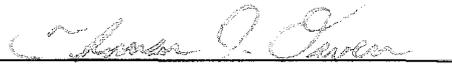
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6 **SEC. 88.11. TRAINING.**

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

12
13 APPROVED AS TO FORM:

14 LOUISE H. RENNE, City Attorney

15
16
17 By:


THOMAS J. OWEN
Deputy City Attorney



City and County of San Francisco

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Tails

Ordinance

File Number: 991879

Date Passed:

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

File No. 991879

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

JAN 13 2000

JAN 13 2000

Date Approved



Mayor Willie L. Brown Jr.