Response to CPI Issues
April 15, 2008

Below, you will find a table that shows five issues and concerns relating to managed competition that were raised by the Center for Policy Initiatives (CPI) at the March 26, 2008 meeting of the City of San Diego's Committee on Budget & Finance, together with the City's response to these issues and concerns.

CPI Recommendations	City Response
To prevent an unfair bidding advantage, differences in the employer contribution to employee health coverage should be excluded from bid comparisons.	Removing health care costs is consistent with the use of COMPARE (or a tailored version of COMPARE, creating a similar software), as proposed by the City.
To make sure we get what we pay for, specific service outcomes and performance measures must be described and publicly debated before contracts go to bid.	We believe that we should ensure that the City Council and the public have an appreciation for—and the opportunity to comment on—the specific services that will be procured through managed competition and the service standards for those services. The FY2009 proposed budget includes performance measures and workload data for each Department within the City. In addition, we have proposed to delineate service specifications for Council review and comment.
The City's auditor should review the cost comparison data of bids being considered under managed competition.	Agreed. The City Auditor will lead the cost evaluation board.
Before the decision is made to put a city function to bid, whether and how the city can retain the core capacity to do the work should be evaluated.	This evaluation is part of the pre-competition assessments.
Workers whose jobs are transferred to a contractor through Managed Competition should be retained on the same job for 90 days and have first rights to the job.	To commit to a 90-day transition period after employees are alerted to their positions being eliminated is not a significant change from the current practice. We have committed to using the City's RIF procedures to execute any lay-offs that occur as a result of managed competition. The RIF proceedings must be done in a disciplined manner and are not an overnight exercise. These procedures allow City workers to move into vacant positions and provide City workers with tenure bumping rights. It is City practice to hold vacancies open when a RIF is expected to allow employees to positions for transfers. Although we will commit that employees have up to 90 days to find a position within the City or with another employer should the need arise, if we execute RIF proceedings and we are able to place employees in alternate positions, we may want to do this in fewer than 90 days. In no circumstance should a transition of up to 90 days result in employees receiving salaries for two jobs simultaneously.