



MEMORANDUM

TO: Mayor and Council Members
CC: Marc A. Ott, City Manager

FROM: Kimberly Springer-Olivares, Chief Performance Officer

DATE: September 13, 2016

SUBJECT: 2016 Department Performance Review Update

In a recent Budget Work Session, Council requested an update on the Department Performance Review process. This memo provides an update on the pilot being conducted by the Office of Performance Management (OPM) and a brief overview of the Office's activities since launch.

As a result of Council's interest last year, the City Manager established OPM in December 2015 with a number of goals and objectives including review of departments, programs, and cross-departmental issues for alignment with City priorities; a means to formally recognize "best managed" practices and policies; identifying possible service-delivery gaps and inefficiencies or duplication of services; and training and consulting related to process improvements.

Developing a formal Department Performance Review advances these goals and provides an opportunity for departments to pause and reflect on opportunities for strategic improvement. Departments also benefit from fresh perspectives and expertise from a multi-disciplinary review team. As a pilot process, the 2016 review includes a mix of departments with unique service-delivery models and perspectives (enterprise/direct/support services and internal/external customers), allowing us to assess the process and structure to ensure future reviews are effective in achieving intended outcomes.

Scope of Performance Review

The pilot review process, which included the departments of Public Works, Austin Code, and Fleet Services, followed this approach:

- Departments complete a self-evaluation that includes a department overview, discussion of customers, stakeholders, and partnerships, a review of sources and uses of funds, information related to personnel utilization, performance data, and overviews of department infrastructure – facilities, fleet, technology, and capital program.
- Upon completion of the self-evaluation, a review and analysis is conducted by the OPM team and the Performance Review Team (PRT) consisting of cross-departmental staff with a broad range of backgrounds and expertise.
- Next, the departments and PRT meet to discuss various aspects of department operations and performance that ultimately result in the development of findings and recommendations. In addition, *bright spots* highlight best-managed practices.

- Finally, departments are responsible for developing and implementing detailed action plans to address the recommendations. OPM will periodically follow-up on the status of implementation.

Performance Excellence System

Department performance reviews are a significant component of a holistic approach to driving performance excellence. While the OPM has been in start-up mode this year, our work is focused on instilling a culture of continuous improvement through a comprehensive performance management system that includes:

- **Enterprise Alignment and Impact:** Adaptive citywide strategic planning, organizational effectiveness and impact, and employee engagement and learning
- **Business and Performance Planning:** Managing for Results, performance metrics, responsiveness to annual community survey, and department performance reviews
- **Integrated Continuous Improvement:** Lean Six Sigma based training and consultation
- **Open Government:** Improved accountability, transparency, and community trust. An example is launching the [Performance ATX](#) online platform to increase access and transparency to 100+ performance measures.

Early Successes

The pilot review process is nearing completion, as departments are developing Action Plans. The overall response from departments has been positive and proactive. Department staff has already taken steps to implement improvements. Here are a few examples:

- Public Works has begun to expand communications with capital project sponsor departments by establishing quarterly forums to exchange updates and feedback on services/practices,
- Austin Code reduced its budget by \$972,000 to prevent a rate increase while it reviews its utilization of the Clean Community Fee, and
- Fleet Services has taken steps to ensure departments comply with vehicle rental and leasing standards.

Next Steps

The pilot is on track for completion in October. Once completed, the Department Performance Review report will be provided to Council and published online.

I am available for any questions you may have.

xc: Elaine Hart, Chief Financial Officer
Ed Van Eenoo, Deputy Chief Financial Officer
Greg Canally, Deputy Chief Financial Officer
Assistant City Managers
Chief of Staff