I'm enclosing this month's edition of the City and County Management Innovations e-newsletter. As you might have heard, we'll be hosting the 2004 City & County Innovations Summit on April 28-30 and will focus on improving management and performance across city and county functional areas. I hope you can join us for this important event (see details below).

This year's Summit is significant because the Institute will present three "Performance Management Awards" to be distributed in three categories: Innovative Public-Private Partnerships; Transparent Budget; and Overall Performance Management. If your local government has successfully implemented management reforms in these areas and you'd like to be a nominee, please send me an email with some of the details and I'll have my staff get in touch with you. We need to highlight and share management innovations at all levels!

-Carl DeMaio

January 2004

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The only event that offers so many solutions across such a wide range of city and county management issues!

Featuring Six Tracks:
- Performance Management and Strategic Planning
- Innovations in Budget and Finance
- Contracting and Outsourcing
- Model Performance Measures
- Strategic Management of Human Capital
- Information Technology and E-Government

Local governments continue to cope with increased citizen expectations in the face of budget deficits and revenue shortfalls. The reality of increasingly tight budgets warrants the need for improving performance planning and management across city and county functional areas.

Measure the Performance of City & County Programs

Emerge with timely strategies for enhancing your department's performance. From strategic planning and measurement to personnel management and budgeting, CCIS 2004 explores innovations in all major management functions. Moreover, case studies from all major city and county operations are presented–from design and implementation to evaluation of lessons learned.

Mitigate Falling Revenues and Improve Financial Management

As cities and counties continue to struggle in the wake of a slow economy, containing costs and ensuring strong financial management is more vital than ever. Instead of falling into the mistakes of "feast or famine" budget decisions, you can apply proven solutions presented at CCIS 2004 to navigating tough financial landscapes through improved financial management techniques.

Implement Innovations in Your Agency!

The innovations presented at CCIS 2004 are researched and validated by the CCIS planning committee (comprised of leading city and county experts) and will be presented as case studies. Learn and build upon them to improve your own organization. Sessions explore the latest practices and solutions to the most pressing city and county challenges–utilizing a peer-based learning approach.

Join us for the fourth annual City & County Innovations Summit, hosted by the Performance Institute and an array of good-government organizations in beautiful San Diego on April 28-30, 2004. For more information go to:

http://www.cityandcounty.org/

Managing for Results: Strategic Planning and Performance Budgeting

Collin County Imposes Performance-Based Management

Justice of the Peace courts in Collin County, Texas, served as the county's model to see how performance-based management can benefit the county. More popular in county governments than their city counterparts, performance management offers elected officials more accountability for county departments and gives an assessment of program results. It involves setting goals and objectives for departments to follow. Once these goals are quantified, counties can use performance-based budgeting and performance-based pay to assess what your accomplishments are. Placing performance expectations prominently in the budget process encourages departments to identify streamlined approaches to county management. Rewards for meeting performance targets often include recognition, access to special funding, discretionary use of surplus resources, and individual pay for performance. To view this article go to:
http://www.zwire.com/site/news.cfm?newsid=9116048

Cities and Counties Receive Recognition for Performance Management

The International City/County Management Association (ICMA) Center for Performance Measurement recognized 22 cities and counties for their use of performance information in the management of their local government. These communities are among the more than 120 cities and counties participating in the ICMA Center for Performance Measurement. The criteria for both the certificates of achievement and distinction were determined by the Center's steering committee and staff. Communities receiving the certificate of achievement report performance data to the public through budgets, newsletters, and/or information provided to city/county councils as well as have a commitment to coordination, collection and verification of performance data. To view this press release go to:
http://www.ci.las-vegas.nv.us/Files/ICMA_Release1.pdf

Bucks County Commissioners Plan to Revive MBO Program

Though Bucks County government's innovative Management by Objectives program (MBO) fell victim to budget cuts and a lack of enthusiasm by program participants during 2003, county commissioners hope it can be revived this year. Commissioner Charles H. Martin expects county managers to draft objectives for their departments to meet in 2004. The county's MBO program was launched in 2001. Under the program, department heads were expected to set objectives for their employees to follow. The program was designed to award the managers with cash bonuses for developing innovative ways to run their departments. To view this article register with The Morning Call at:
http://www.mcall.com/services/newspaper/all-custservsubscribe.customform?coll=all%2Dservices%2Dutl

Breaking Down Departmental Barriers in Local Government

According to Jim Ley, County Manager in Sarasota, FL, breaking down organizational barriers in government today requires attention from the top and willingness to use the tools of organizational

design, organizational development, strategic thinking and oversight aimed at action and accountability. It is the job of County/City Administrators to articulate a vision for their organization, demonstrate the focus required to sustain attention to the vision, and the patience to manage the nuances that arise. To achieve this, there are a broad range of tools that need to be integrated, including organizational design, people, money, technology and strategy. To view this article go to:
http://www.fccma.org/districtnews/headlinenews.html

Strategic Planning and Change Management in Chesterfield County

In a recent Performance Institute conference, Fran Pitaro, Director of General Services in Chesterfield County, VA, presented on "Strategic Planning and Change Management" focusing on the successes seen in that county. These have led it to be a "best-practice" in state and local governments. He highlighted the successes in its performance goals, measures and services while also being an employee-friendly atmosphere. As Director of General Services, Mr. Pitaro is responsible for providing timely services in a manner that is transparent, accountable and performance-based. To view this presentation go to:
http://www.performanceweb.org/stateandlocal/presentations/03-12_pitaro.ppt

2004 Summit on Project Management in Government - Acquire the Latest Project Management Innovations for your Agency (March 8-10, Arlington, VA)

In order to succeed in project management, managers need to understand the existing principles, methods and tools of project management, as well as the processes that have proven to be successful in other agencies and complex contracting and outsourcing processes. Join us in Arlington and for two days concentrate on developing the basic and advanced skills needed to manage a project in a structured and performance-based environment. Currently there is a growing viewpoint that government project managers should be both full-time and certified, acknowledging the lack of fundamental project management skills. This is partly due to the fact that government programs of all types are being held accountable for their performance and streamlined allocation of funds and resources in these fiscally tight times, all the way down to the project management level. Whether your interest is measuring and evaluating performance in your project management practice, or the development of policies and protocols to track and manage projects and organizational change, this summit promises to be a valuable opportunity for a peer-to-peer exchange of ideas that focuses on leading strategies and best practices among project management specialists. For more information go to:
http://www.performanceweb.org/performancemanagement/P203/P203.htm

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Workforce: Strategic Management of Human Capital

Orange County to Undergo Organizational Restructuring

The Board of Supervisors in Orange County, CA, plans to reorganize the county's government structure. County top executives say that this will save money and streamline government. James D. Ruth, the county's executive officer, said the plan will give him more time to focus on larger issues by reducing from 17 to seven the number of top managers who report directly to him. The board is also placing labor contract negotiations under the county financial officer's supervision instead of the human resources manager, after recent criticism of the human resources department by the grand jury. The grand jury

alleged in a report last year that the county had been too generous in negotiating salaries and benefits with the unions that represent many of the county's more than 17,000 employees. To view this article register with LA Times at:
http://www.latimes.com/services/site/premium/access-registered.intercept

Cleveland Negotiates Personnel Cuts to Offset Budget Deficit

Mayor Jane Campbell plans to cut more than 700 city jobs to help offset a $61 million deficit in this year's budget. The deepest cuts would be in the police and fire departments, which would lose 263 and 150 jobs, respectively. That would leave about 1,560 police officers and 850 firefighters in the city. Cleveland can reduce the number of police and firefighters who lose their jobs if their unions agree to major concessions. For instance, the city would save $2 million and 14 police positions if the Cleveland Police Patrolmen's Association agrees to give up a clothing allowance for one year. Officers are now entitled to about $1,100 a year to buy uniforms. The city also could save 70 firefighter jobs if the union agrees to several concessions, including pay cuts and more flexible scheduling rules. To view this article go to:
http://www.cleveland.com/cuyahoga/plaindealer/index.ssf?/base/cuyahoga/106976340186610.xml

Building and Maintaining a Diverse Government Workforce – Implementing and Measuring Innovative Diversity Recruitment Strategies (February 19-20, Arlington, VA)

Across government, HR departments realize that a diverse workforce is absolutely mandatory in order for an agency to be successful. Human Resources specialists in the federal government are responsible for complying with stringent new federal mandates while simultaneously preparing their agencies to cope with the looming wave of federal retirees. To access solutions for achieving diversity targets, agencies are invited to attend Building and Maintaining a Diverse Government Workforce, this February 19-20 at the Performance Institute in Arlington, VA. The Summit offers two days of interactive training sessions that will provide innovative strategies and practical solutions to build and maintain a diverse and high-quality workforce. For more information go to:
http://www.performanceweb.org/humancapital/P204/P204.htm

2004 Government Communications Summit – Improving Program Performance with Internal and External Communication Planning (February 10-12, Arlington, VA)

Given the constantly changing environment in which agencies communicate, they need to equip themselves with the tools and techniques needed to advance their agency’s mission and ensure coordinated communications among management and staff. The 2004 Government Communications Summit will explore innovations and strategies that will help the public information officer and the government communicator get their messages conveyed and get them heard. Emerge from this conference with the tools to break through the clutter of information and deliver your message to the media and to the public. This conference will assist you in analyzing the values of your target audience and develop value-based messages that will hit home. Use the hands-on application session to help prepare a comprehensive plan for responding to crisis situations and ensuring that your agency is prepared for a sudden flow of media attention. Join us at the 2004 Government Communications Summit as communicators from throughout the government gather to explore new standards of excellence. For more information go to:
http://www.performanceweb.org/performancemanagement/P201/P201.htm

Technology: E-Government and Information Technology

Making Business Cases for IT Projects

In Montana, local governments are trying to figure out the return on investment of government IT projects. Under Montana's ROI process, any agency proposing a new information technology project has to have the proposed project's financials in good order. The business case the agency presents has to show how a program can audit and verify the fiscal returns or reductions in cost that the agency claims the investment will provide. It is relatively easy to calculate the hard numbers, such as a reduction in the cost of a transaction. However, agencies have to determine the value of the "soft benefits." To achieve this, points are awarded for intangible gains. For instance, if customer satisfaction with an existing system is good and an agency wants to build a new project that will not take customer satisfaction to a higher level, the project gets no points in that category. Or, if users can adopt the technology in one month, the project scores points; if it will take six months, it gets few or none. To view this article go to: http://www.governing.com/articles/12roi.htm

Survey Results Show How Local Governments Use GIS Technologies

In the summer of 2003, a national survey was conducted to examine how local governments are using geographic information technologies. The survey is part of a collaborative effort, sponsored by the US Department of Interior, to work with local governments to develop a national Geospatial One Stop (GOS) system. Geospatial One Stop is an Office of Management and Budget (OMB) sponsored E-Gov initiative that would more effectively organize, broaden and accelerate Federal Government plans to develop and provide improved access to Geospatial data. The final survey analysis as well as a web-based interactive reporting tool that local governments can use to compare their GIS operations with other governments are now available online. For more information go to: http://www.pti.org/gisforum.asp?pref=http://www.pti.org/elib/publish/article_1446.asp

New Castle County, Delaware, Introduces Innovative Service to Communicate with Citizens

New Castle County's Chief Financial Officer, Ron Morris, has introduced an innovative service to keep residents aware of many aspects of that county's finances. The County has developed a multimedia CD-ROM entitled The Bottom Line. Users can receive the product for free and simply insert it into their personal computers to experience a 25-minute presentation featuring video, photographs, graphics and narration. Morris said he hopes the CD-ROM will appeal to people who may not have the background or time to read through the county's annual budget summary and financial report. The CD gives an overview, including some of the most important numbers. The challenge in writing the script, was to provide enough details to appeal to those with a financial background, and at the same time, make it general enough so that the average person would understand it. The CD-ROM has also been transferred to video so it can be shown to community groups and civic organizations. The pilot project could become an annual production. For more information go to: http://www.co.new-castle.de.us/Finance/Finance1.htm

CIOs are Being Hired to Bolster Top Management in Local Agencies

A growing number of local agencies, and even a state legislature, are hiring CIOs to bolster their top management teams. The Virginia Beach City Public Schools hired a chief information officer to keep up

with the rapid changes technology brings to education. Strategic planning for technology did not exist in Virginia Beach schools before the new CIO came on board. Now, the CIO is part of the superintendent's leadership group and participates in the decision-making process. This is part of a growing movement to place CIOs in agencies and have them become part of the management team. In addition to several large school districts, some local housing agencies have brought their own CIOs on board, and so has at least one state legislature. To view this article go to:
http://www.governing.com/articles/1talk.htm

Procurement: Competitive Sourcing and Contracting

San Francisco Mayor Calls for Major Overhaul of Contracting Program

San Francisco Mayor Gavin Newsom called for a top-to-bottom overhaul of the city's contracting program, with a focus on the sole-source contracts awarded to companies and individuals without the benefit of a competitive bid. Newsom directed departments to provide the mayor's office and the city controller a list of all sole-source contracts, describe the services they provide, the dollar amount, the expiration date and other terms, and why the contract wasn't put out to competitive bid. In addition, he wants all contracts that have been on the books for 10 years or more to automatically be put out to bid. Such contracts include everything from operating homeless shelters to providing budget analysis to the Board of Supervisors to staffing the physician ranks at San Francisco General Hospital. To view this article go to:
http://www.sfgate.com/cgi-bin/article.cgi?file=/chronicle/archive/2004/01/14/BAGHK49HLF1.DTL

Baltimore County to Review Contracting Practices

Baltimore County, MD, will undergo the first major changes to entice minority contractors in nearly 20 years. The aim is to give minority and women-owned businesses more opportunity and a bigger share of county spending. The county usually meets its goal of giving 10 percent of construction business to minority firms, 2 percent to women-owned firms, and at least $750,000 a year in other spending to minority firms. However, those goals have not been evaluated or changed since they were instituted in the early 1980s, and the county trails other large Maryland counties, such as Anne Arundel, Howard and Montgomery, in minority contracting. To view this article register with The Baltimore Sun at:
https://verify1.newsbank.com/cgi-bin/user/signin.pl/BS

Clackamas County, Oregon, Awarded the APWA Public Works Project of the Year

The county's Department of Transportation and Development (DTD) won the American Public Works Association (APWA) Public Works Project of the Year. This award was established to promote excellence in the management and administration of public works projects by recognizing the alliance between the managing agency, the consultant, architect, engineer and the contractor who complete public works projects. The county DTD received the award in the category of Disaster or Emergency Construction/Repair for a project costing less than $2 million. The county was forced to close a bridge in July 2002 after cracks in the substructure columns were found during a routine inspection. The entire project took only six weeks, from notice to completion, providing a simple, quick and cost-effective permanent bridge repair and only costing the county $196,000. To view the press release go to:
http://www.co.clackamas.or.us/press_releases/2003press_releases/110303.htm

Performance-Based Contracting - Increase Cost Efficiency and Improve Program Performance Through Competitive Sourcing! (April 21-22, Washington, DC)

With the recent Congressional approval of the Services Acquisition Reform Act (SARA), the government has mandated that its contracts are performance-based. Agencies are now required to develop and manage contracts which focus on results, not on how the activity is carried out. This new legislation has also established new guidelines and restrictions for government contracts which can often be confusing without proper training. In order to comply with the new mandates, it is essential that your agency receive updates on the latest best practices and innovative strategies for successfully developing, implementing and maintaining performance-based contracts. For more information go to: http://www.performanceweb.org/contracting/C136/C136.htm

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Program Innovation: Fairfax County IT Project Management Program

The importance of effective management of IT projects in Fairfax County has long been recognized as critical to delivering a high quality product. Managing an IT project to successful completion, on time and within budget, is extremely challenging, even for experienced IT professionals. Successful completion of such a project is dependent upon project managers possessing not only knowledge and understanding of the highly technical aspects of an information technology project but also the skills associated with managing projects in a dynamic environment.

During the late 1980's and early 1990's Fairfax County's internal auditor's office conducted several audits of information technology projects, and recommended that the County establish a Countywide IT Project management-training program in consultation with IT Project Management professionals. Provide training to both the Department of Information Technology (DIT) and agency personnel prior to undertaking extensive IT projects, and establish industry approved guidelines for assignment to the role of IT project manager.

This need was further highlighted in a consultant's report released in 1996. The following year the Acting County Executive's response to the Board of Supervisors about the study included that DIT will establish an IT Project Manager training and certification program within 3 months, with certification of a cadre of IT Project Managers within 6 months. In addition, DIT and agency personnel would not be assigned project management responsibilities until certification requirements have been completed.

In 1997, DIT reviewed other organizations' project management practices and conducted a survey of County information technology managers to determine the type of knowledge and skills needed to enable County staff to function effectively as project managers. Based upon the results of the review and survey, a County project management program and course was designed and implemented. In 2001, the County's IT Project Management (ITPM) program was redesigned to include the project management core competencies included in the Project Management Institute's (PMI) body of knowledge. PMI is the professional credentialing organization for project management professionals.

Fairfax County's new ITPM program has incorporated current industry approved ITPM practices to ensure sound high quality project outcomes. Additional enhancements are made each year as technology evolves. Additional focus has been placed on managing risks and measurement. The new and improved

training program consists of 88 hours (11 days) delivered over the course of 8 weeks by County staff and a project management professional. The overall objective of the IT Project Management course is to provide IT project managers with a foundation in basic project management concepts, principles, and practices to effectively and efficiently manage IT projects.

Training is provided to those individuals who are currently, or will soon be managing an information technology project. Staff are identified by their agency director and selected through a formal nomination process. The training program is currently institutionalized and is normally conducted twice a year. Approximately 115 local governments IT professionals have completed the program and met certification requirements.

The Fairfax County IT Project Management Certification is awarded to participants in recognition of full participation in the ITPM course. The County's certification is customized for its IT Project Management operations. Certification is based upon class participation and achievement of the course objectives. The project manager should acquire a clearly defined set of core competencies related to ITPM by attending all IT project management classes in their entirety. This includes the successful completion of a hands-on Microsoft Project 2000 desktop training course. Certification in IT Project Management is the basic requirement for managing all levels of IT projects in Fairfax County. Once certified, an individual is given direct responsibility and authority for all phases of the project management process from initiation to closure.

Project management success is the completion of IT projects that are delivered to customers in the allocated time period, within the budgeted cost, and at the user's specified performance level. The use of effective project management skills is critical to the successful completion of IT projects. The County's IT Project Management training program provides the methodology for achieving high quality IT results utilizing County and contracted resources effectively and efficiently.

For more information go to:
http://www.fairfaxcounty.gov/gov/dit/itplan.htm

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The Performance Institute is a private think tank that serves as the nation’s leading authority and repository on performance-based management practices for government organizations. Its mission is to identify, study and disseminate the leading management innovations pioneered by “best-in-class” government programs at federal, state and local levels. Through its national conferences on pressing issues, interactive executive training programs, and best practice research projects, the Institute provides cutting-edge expertise in the design, implementation and evaluation of strategies to solve operational challenges and enhance government performance.