

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 20, 2014

CAO File No. 0220-01463-0043

Council File No.

Council District: All

To: The Mayor
The City Council

From: Miguel A. Santana, City Administrative Officer



Reference: 2014-15 Adopted Budget

Subject: **INNOVATION FUND**

SUMMARY

As part of the 2014-15 Adopted Budget (C.F. 14-0600), the Mayor and Council instructed the City Administrative Officer (CAO) to (1) work with the Council, Mayor, Controller, and City Attorney to create an Innovation Fund (IF) and restructure the Quality and Productivity Commission (QPC) into the Innovation and Performance Commission (IPC) to facilitate the award of IF monies for proposals that meet or exceed Council and Mayoral criteria and perform additional duties, and (2) report on how the recommendation for the use of the Innovation Fund can be administered by the Innovation, Technology and General Services (ITGS) Committee.

Further, the City Attorney was instructed to prepare and present two ordinances to amend the Los Angeles Administrative Code (LAAC) to rename (1) the QPC to the IPC and provide the Commission with additional authority, and (2) the Productivity Incentive Revolving Fund (PIRF) to the IF and expand the use of IF to allow for funding of initiatives facilitated by the new IPC. The City Attorney will transmit the ordinances for approval under separate cover.

The 2014-15 Adopted Budget also authorized funding of \$1.1 million in the General City Purposes (GCP) budget to fund qualified innovative initiatives and proposals (\$1.0 million) and to provide staff and administrative support (\$100,000) to the IPC. IF monies will be administered by the CAO.

The QPC currently has authority to approve loans from PIRF to City departments. As proposed, the IF will also provide funding directly to City departments. Upon creation of the IF, monies in the GCP will be transferred to the new Fund. The IF would not provide funds for on-going departmental operations or to fill budgetary gaps, outside of the \$100,000 provided for CAO staff and administrative support.

The Innovation Fund is intended to create a culture of continuous improvement with the City through innovation, productivity, and performance measurement, and every City employee is

invited to share his or her "What IF" ideas. It is anticipated that selected ideas would not be limited solely to technological proposals but would cover all aspects of City operations and would improve customer service for the citizens of Los Angeles. The proposed process by which ideas can be submitted for use of IF monies is reflected in the attached chart (Attachment 1). Attachment 2 contains the draft application form, which encourages project ideas that are at any stage of development. The application would require basic information in Part 1 and request optional information in Parts 2 and 3. The Commission anticipates launching a website for the IF and accepting submissions online, via email, or on paper. Since every City employee, including City Commissioners, will be encouraged to submit ideas, an employee may submit a proposal for a department other than the one where they work currently or a proposal that would involve multiple departments.

The CAO will conduct an initial review of submitted ideas based on the following criteria: Ideas should (1) Be Innovative and Original, (2) Support Greater Efficiencies, (3) Emphasize Priority Outcomes and Quality of Life, and (4) Be Feasible and Measurable. The Commission will add relative weights to these criteria before the application is released to aid in the evaluation of proposals. Priority will be given to ideas that can be developed with clearly defined one-time start-up costs, provided that the funds would not be used for on-going departmental operations or to fill budgetary gaps. Priority will also be given to projects that clearly demonstrate the potential for successful results. The Commission may select early-stage ideas and work with the applicants to further develop the idea, a budget, and appropriate metrics prior to recommendation of an award.

Applications are expected to be reviewed with departments within two weeks of receipt. It is anticipated that the first set of applications will be reviewed by the Commission at the December 2014 meeting and will then be forwarded to ITGS for consideration.

As with any new program, it is critically important to ensure adequate time to further develop and nurture good ideas, implement, and evaluate success. Until applications are received, it is impossible to know their quality, clarity, and depth, and how long it will take to review them and make recommendations. Accordingly, it is recommended that the IF process outlined in this report be tested through a pilot implementation phase that is expected to last until June 30, 2016. During the pilot period, the CAO, on behalf of the Commission, will solicit applications for innovative ideas. Without knowing how many or how quickly applications will be submitted, ideas will be considered as they are received, on a first-come, first-served basis, and the Commission anticipates awarding up to 15 projects during the first year. The two-year pilot project will also provide an opportunity for both periodic assessments and a report that can address lessons learned, an assessment of successful and unsuccessful results, as applicable, and other feedback as needed.

The CAO is currently unable to absorb the existing and projected work associated with the Commission. Consequently, it is recommended that the Council authorize, by resolution, one Project Coordinator position for the CAO to support the Commission's existing activities and responsibilities, along with the additional administrative duties associated with the Innovation Fund. The CAO has submitted a simultaneous request to the Mayor to exempt this position from Civil Service. After the new fund is created, the CAO will request a transfer of funds from the IF in

a Financial Status Report to support this work.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize, by resolution, one position of Project Coordinator, Class Code 1537, in the Office of the City Administrative Officer;
2. Approve the following general Innovation Fund criteria: Ideas should (1) Be Innovative and Original, (2) Support Greater Efficiencies, (3) Emphasize Priority Outcomes and Quality of Life, and (4) Be Feasible and Measurable; and,
3. Approve a two-year pilot project, through June 30, 2016, implementing the Innovation Fund upon the effective date of the ordinance as outlined in this report and summarized in Attachment 1, and instructing the Innovation and Performance Commission (formerly known as the Quality and Productivity Commission) to report within six months of projects having been approved for funding on project status, whether the project goals are being met, and on funds expended to date, and to report annually with a review that includes lessons learned, an assessment of successful and unsuccessful results, as applicable, and other feedback as needed.

FISCAL IMPACT STATEMENT

Funding of \$1.1 million for the proposed Innovation Fund is included in the 2014-2015 General City Purposes Adopted Budget. Upon approval of the ordinance establishing the Innovation Fund, the Controller will transfer the monies (\$1.1 million) in the General City Purposes Fund 100/56 Innovation Fund Account No. 08870, to the new Innovation Fund. An amount of \$1 million would be awarded to departments for implementation or testing of innovative ideas and an amount of \$100,000 would be transferred to the CAO to provide staff and administrative support for the Commission. As funds are budgeted to support the proposed expenditures, the recommendations provided in this report comply with the City's Financial Policies.

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Attachments

1. BASIS FOR REPORT

The 2014-15 Adopted Budget provides funding to establish an Innovation Fund. Further, in Exhibit H - Required Ordinance Changes and Other Budgetary Actions, the City Administrative Officer is instructed to work with the Council, Mayor, Controller, and City Attorney to:

- 1) Create an Innovation Fund to expediently and transparently fund and/or seed qualified innovative initiatives, proposals, competitions, and/or micro-projects that develop during the fiscal year which will tangibly and cost effectively transform and improve the provision of services by the City of Los Angeles; and,
- 2) Restructure the Quality and Productivity Commission (QPC) into the Innovation and Performance Commission (IPC) to facilitate the award of Innovation Fund monies for proposals that meet or exceed Council and Mayoral criteria and to perform additional duties required to achieve the purposes of the Innovation Fund.

As further outlined in Exhibit H, the City Attorney is requested to prepare and present two ordinances amending the Los Angeles Administrative Code (LAAC) primarily to 1) change the name of the Quality and Productivity Commission (QPC) to the Innovation and Performance Commission (IPC) and provide the Commission with the additional authority to facilitate the award of monies from the Innovation Fund, subject to Council and Mayoral criteria; and 2) change the name of the Productivity Incentive Revolving Fund (PIRF) to the Innovation Fund and to expand the use of monies in the new fund to allow for funding of initiatives facilitated by the new IPC.

The 2014-15 Adopted General City Purposes (GCP) budget provides \$1.1 million to be used to fund qualified innovative initiatives, proposals, competitions, and/or micro-projects, which will tangibly and cost-effectively transform and improve City services (\$1.0 million) and to provide funding (up to \$100,000) for the City Administrative Officer (CAO). As noted in the Adopted Budget, the GCP funds will be transferred to the Innovation Fund (currently the Productivity Incentive Revolving Fund) and will be administered by the CAO. Special funds and other funds (such as gifts and contributions) received by the Innovation Fund shall be placed in separate sub-accounts to ensure the funds are not commingled with any other monies in the Fund and that any special conditions related to those monies are met. The \$100,000 for the CAO would be used for staffing and administrative support of the Commission.

The City Council further instructed the CAO to report on how the recommendation for the use of the Innovation Fund can be administered by the Innovation, Technology and General Services (ITGS) Committee. A recommended oversight role by ITGS is discussed below in conjunction with a proposed process for allocation of Innovation Fund monies.

2. QUALITY AND PRODUCTIVITY COMMISSION (QPC)

Pursuant to LAAC Sec. 8.230 *et seq*, the QPC was established in 1985 to provide the Mayor and the City Council with the benefit of additional private and public sector experience, expertise, information and recommendations relating to improving productivity and work measurement

within City government. The QPC consists of fifteen members, six of which are appointed by the Mayor and nine of which are appointed by the Council President, from nominations submitted by the Chairs of the Budget and Finance Committee, Audits Committee, and Personnel and Animal Welfare Committee of the City Council. Members shall have special knowledge of productivity or related techniques in the private sector, in organized labor, in the academic community, or in other public sector jurisdictions.

The duties of the Commission include the following:

- A. Review of the present status of City productivity and work measurement programs and identification of those City operations where productivity measures may be applied effectively and efficiently;
- B. Study of methods by which performance objectives are established by or for City departments and the providing of recommendations with respect to possible clarifications, evaluation, and means of developing and implementing productivity and work measurement programs;
- C. Investigation of alternatives to improve City productivity and work measurement programs, including state-of-the-art techniques and organization structures in both public and private sector productivity improvement efforts;
- D. Review, and where appropriate, the devising of a format for departmental reporting of productivity goals and accomplishments;
- E. Development of a multi-year City-wide plan incorporating existing and proposed productivity programs into a comprehensive integrated program, and recommendation of annual goals for implementing productivity improvement and work measurement within the city; and,
- F. Submitting of progress reports and recommendations to the Mayor and City Council as needed, but not less than semiannually.

Currently, the QPC administers an awards program to recognize selected City Departments and workers that have demonstrated superior quality, productivity and efficiency in their operations and programs.

3. INNOVATION AND PERFORMANCE COMMISSION (IPC or COMMISSION)

The draft ordinance would create the Innovation and Performance Commission by renaming the QPC and changing the emphasis of the Commission's duties from work measurement to innovation and performance measurement. Innovation would be defined as "the introduction of transformative processes and/or new tools that have the potential to increase the quality, effectiveness, and reach of the services that the City provides." Performance measurement would be defined as "the process of collecting and interpreting data to determine progress in achieving

the City's priorities through the services it provides." Members would be required to have special knowledge and experience in the development and implementation of innovative, productive, performance measurement, and/or related techniques in the private sector, in organized labor, in the academic community, or in other public sector jurisdictions.

In addition to the duties outlined above, the Commission's responsibilities would include:

- A. Review, approval, denial, and recommendation of requests for funding from the Innovation Fund (previously known as the Productivity Incentive Revolving Fund);
- B. Presentation of all approved requests for Innovation Fund monies to the City Council's Innovation, Technology & General Services Committee and to the City Council for final approval of funding; and,
- C. Provision of an annual report to the Mayor and Council on all initiatives funded from the Innovation Fund.

Of the 15 Commission members, six would continue to be appointed by the Mayor and nine would continue to be appointed by the Council President, from nominations submitted by the Chairs of the Budget and Finance Committee, Audits Committee, and Personnel and Animal Welfare Committee of the City Council.

The IPC will continue to administer an awards program to recognize selected City Departments and workers that have demonstrated superior quality, productivity and efficiency in their operations and programs.

4. PRODUCTIVITY INCENTIVE REVOLVING FUND

The purpose of the Fund is to provide funding to City departments to improve the quality, efficiency, and effectiveness of City service. Additionally, the Fund receives, retains, and disburses gifts, contributions, and bequests and is administered by the CAO. The QPC currently has the authority to approve loans from the Fund to City departments. All monies loaned from the Fund are to be repaid to the Fund in accordance with the terms of the loan. After the borrowing department repays the principal and interest due, a portion of the savings generated from the project may be awarded to the department and a portion may be awarded to the Fund, with that portion not awarded to the department or the Fund placed in the General Fund.

There have been very few loans made from the Fund, with the last loan being made in 2000. The Fund currently has a cash balance of slightly more than \$126,000.

5. INNOVATION FUND STRUCTURE AND ADMINISTRATION

As proposed, the purpose of the Innovation Fund will be to provide funding to City departments to improve the quality, efficiency, and effectiveness of City service through innovation, productivity, and performance measurement. The IPC, with the assistance of the CAO, will review all

proposals for funding and make recommendations to the ITGS Committee and the City Council. Monies in the Fund may be provided either as direct funding or as loans. In addition, funds may also be disbursed to the CAO for staff costs and expenses incurred in support of the IPC and its duties.

The Innovation Fund would not provide funds to fill budgetary gaps or for on-going departmental operations outside of the \$100,000 provided for CAO staff and administrative support.

6. FUNDING INNOVATIVE IDEAS

The fundamental purpose of the Innovation Fund is to create change that tangibly and cost-effectively transforms and improves City services. A further purpose of the Innovation Fund is to create a culture of continuous improvement with the City through innovation, productivity, and performance measurement. The idea for that change can come from anyone at any level in any department, bureau, commission, or office of the City. Thus, opportunities must be available for every City employee to share his or her "What IF" ideas. Such opportunities may include testing an idea for which an outcome may not work out as intended. It is anticipated that selected ideas will not be limited solely to technological proposals, but should cover all aspects of the City's operations and will result in improved customer service for the citizens of Los Angeles. Accordingly, the proposed process by which ideas can be submitted for use of Innovation Fund monies is outlined below and reflected in the attached chart (Attachment 1):

- A. Outreach to all City employees. This outreach may be undertaken by Commissioners, the Mayor, Council members, and/or City managers. It may consist of emails, flyers, presentations, or a website presence. The Commission and CAO will work with Mayor and Council staff to develop an outreach plan. Outreach could begin after the ordinances are approved during the 31 day posting period.
- B. Outreach will include an invitation to submit innovative ideas to the Commission and CAO.
- C. The CAO will:
 - Review, sort, and screen the submitted ideas for further processing;
 - Group the submissions by department as applicable and forward to the corresponding General Manager;
 - Collaborate with City Departments on proposal development and assessment; and,
 - Incorporate department response into submissions to the Commission.
- D. The Commission will select ideas for further development and recommend funding. The proposals recommended for funding will be submitted to ITGS for consideration and City Council for approval.
- E. Awarded funds will be provided to departments for project implementation.
- F. The Commission, with assistance from the CAO, will monitor the implementations of the funded projects and report to the Mayor and Council on the success of the projects.

- G. Employees who have submitted viable ideas and the departments that have implemented them will be recognized by the Mayor and Council.

7. DRAFT APPLICATION

The attached draft application form (Attachment 2) encourages project ideas that are at any stage of development. The application would require basic information in Part 1, and ask questions such as:

- What is the problem your idea is trying to solve or what opportunity do you see?
- What is your idea? How does your idea solve the problem or take advantage of the opportunity?
- What is your relationship to the proposed project?
- Has your solution been tried or implemented anywhere else? Has it been successful?
- How is your idea innovative? In other words, how does it keep Los Angeles “ahead of the curve?”
- What dollar amount is needed to test your idea?
- What are the projected savings or revenue from your idea (if known)?

The Commission anticipates launching a website for the Innovation Fund, and accepting Part 1 submissions online, via email, or on paper. Parts 2 and 3 of the application contain additional questions which are not required as part of the initial submission, but which may be addressed either in the initial submission, as part of follow up discussions, or in a meeting with the department. Those questions address project details and impact (Part 2), and implementation information (Part 3), such as key personnel, possible expenses, potential implementation obstacles, and ways in which the progress and success of the idea may be measured. If not submitted with Part 1, Parts 2 and 3 will be submitted to the CAO’s office via email or paper form.

Since every City employee, including City Commissioners, will be encouraged to submit ideas, an employee may submit a proposal for a department other than the one where they work currently, or one that would involve multiple departments. The CAO will conduct an initial review based on the criteria outlined below. If an applicant has an idea, but not enough information to complete Parts 2 and 3, completing Part 1 is sufficient. The Commission may select early-stage ideas and work with the applicants to further develop the idea, a budget and appropriate metrics prior to recommendation of an award.

8. CRITERIA

Each application would be evaluated based on the criteria below. The Commission will add relative weights to these criteria before the application is released to aid in the evaluation of proposals. Priority will be given to ideas that can be developed with clearly defined one-time start-up costs provided that the funds would not be used for on-going departmental operations or to fill budgetary gaps. Priority will also be given to projects that clearly demonstrate the potential for successful results.

The Commission anticipates awarding up to 15 projects during the first year of the Innovation Fund.

Ideas should:

- A. **Be Innovative and Original**
Applications should demonstrate originality and innovation for the City of Los Angeles. Applicants should demonstrate how their idea “keeps Los Angeles ahead of the curve” and demonstrates the creativity that is the hallmark of our City.
- B. **Support Greater Efficiencies**
Proposals should improve a process, save time, increase interdepartmental collaboration, provide the potential for long-term or ongoing benefits, or generate revenue or quantifiable cost savings.
- C. **Emphasize Priority Outcomes and Quality of Life**
Project ideas should help create a prosperous City, a livable and sustainable City, a safe City, and/or a well-run government.
- D. **Be Feasible and Measurable**
The intent of the Innovation Fund is to have a process that encourages timely implementation of ideas. Strong projects should be able to be executed and measured within six to 12 months of being funded. A one-time award from the Innovation Fund should be sufficient for idea implementation. Prior to award, each project should have clear metrics for evaluating the impact of the idea. For those submissions that do not include metrics, the Commission will work with the applicant to develop appropriate metrics.

9. TENTATIVE IMPLEMENTATION TIMELINE AND PILOT IMPLEMENTATION PLAN

Following is a tentative implementation timeline for the initial set of applications. This timeline assumes that (1) ideas are submitted within the first three weeks of the application period opening, and (2) submissions are reviewed as they are received during the initial application period.

August 11, 2014 - Consideration and approval of the proposed Innovation Fund implementation by QPC

August 26, 2014 - Consideration of proposed ordinances and proposed Innovation Fund implementation by ITGS

September 2014 - Consideration of proposed ordinances and proposed Innovation Fund implementation by Council and ordinance second reading one week later, if needed.

Mayor has up to 10 days to sign ordinances. Approval by Mayor of ordinances and proposed

Innovation Fund implementation. Website launches, outreach begins and application process opens.

31 days later - Effective date of ordinances

Applications are expected to be reviewed with departments within two weeks of receipt. It is anticipated that the first set of applications will be reviewed by the Commission at the December 2014 meeting and will then be forwarded to ITGS for consideration.

As with any new program, it is critically important to ensure adequate time to flesh out and nurture good ideas, implement, and evaluate success. Until applications are received, it is impossible to know their quality, clarity, and depth, and how long it will take to review them and make recommendations. Accordingly, we expect, and are recommending, that the process outlined above be tested through a pilot implementation phase that is expected to last to June 30, 2016.

During the pilot period, the CAO, on behalf of the Commission, will solicit applications for innovative ideas. Without knowing how many or how quickly applications will be submitted, ideas will be considered as they are received, on a first-come, first-served basis. As noted above, it is anticipated at this time that ITGS will receive applications in December. Nonetheless, this timeline is dependent on ideas being (1) submitted within the first three weeks of the application period opening, (2) well-developed, (3) supported by the applicable General Manager, (4) able to be implemented quickly, and (5) able to generate outcomes beneficial to the City.

A two-year pilot project, through June 30, 2016, will also provide an opportunity for both periodic assessments and a report that can address lessons learned, an assessment of successful and unsuccessful results, as applicable, and other feedback as needed.

10. INNOVATION CHALLENGE - CONCEPT

It is worth noting that that innovation platforms, or innovation challenges, are being implemented throughout the private sector, the public sector, and by educational institutions around the world. Those challenges typically begin with a problem statement and a question (the "challenge") framed to encourage creative responses. As implemented by OpenIDEO, for example, ideas are submitted to address these challenges, and the public has an opportunity to "applaud" the ideas that they like. The most or best liked ideas rise to the top where they can be refined and evaluated. The winning ideas are announced, recognized and, in some cases, awarded a prize.

At this time, we are proposing that City employees identify both the problem to be solved and a proposed solution. Depending on the outcome of this approach, the Commission may also incorporate elements of other innovation platforms in future rounds.

11. OTHER INNOVATION FUNDS

Three other cities that have implemented programs to fund innovative proposals are highlighted below:

Baltimore: The City of Baltimore's Innovation Program was established in fiscal year 2011-12 to provide seed money for one-time investments that will lead to improved results, increased revenue, and/or reduced ongoing operating costs for City services. Proposals are only accepted from City agencies or quasi-City agencies (independent entities that act on the City's behalf). Proposals must be for \$100,000 or greater. Funding for investments of less than \$100,000 must be requested and justified within a regular operating budget proposal. The Fund seeks proposals that demonstrate a positive Return on Investment (ROI), through improved results and/or reduced operating costs. The Innovation Program Fund will make three types of investments: 1) Loans which must be paid back; 2) Full Grants which are not required to be paid back; 3) Leveraging Grants. City agencies or quasi-City agencies that are awarded Innovation Fund monies are expected to report to the Innovation Committee on their progress quarterly.

Awarded projects have included: 1) Department of Housing and Community Development E-Plans Review; 2) Inter-County Broadband Network; and, 3) Single Space Parking Meter Upgrade.

Chicago: The City of Chicago's Innovation Loan Fund is a \$20 million revolving loan fund established in 2012, which provides loans to City departments for projects that improve service to the public while decreasing costs or increasing revenue ("Innovative Projects"). Applications are limited to City departments only and project selection occurs at quarterly Oversight Committee meetings. Funding is limited to \$1 million for projects involving one department and \$3 million for multi-departmental projects. Loans must be repaid over five years at a zero percent interest rate. For projects that will result in savings, an amount will be deducted from the Department's annual budget until the loan is repaid. For projects in which savings or revenue generation exceed the amount of the loan repayment, departments will be eligible to retain a portion of the savings. Departments that receive funding are required to provide quarterly progress reports to ensure the goals of the project are being achieved.

Awarded projects have included: 1) Partnership to End Illegal Tobacco Sales; 2) Private Benefit Sign Project (signs which delineate areas of the public way for private use); 3) Buildings Automated Inspected Scheduling System (BAISS); and, 4) Real-Time 3rd Party Payment Channel & Consolidated Web Payment Solution.

Portland: The City of Portland's Innovation Fund was established in fiscal year 2013-14 with funding of \$1 million to provide seed money for one-time investments that will encourage new, creative ideas to reduce ongoing expenses, increase revenues, create efficiencies, and provide City services more effectively and with less money. Per the Draft Innovation Fund Framework Proposal, proposals may be submitted by all bureaus (not limited to General Fund bureaus). Proposals that receive funding will be approved as either a revolving loan (assumes that the initial funding is repaid) or a grant (project will not result in monetary savings that can be returned to the fund). Ongoing savings that result from the projects (once the initial loan has been repaid) will remain within the bureau's budget for reinvestment in other core mission functions. Bureaus that receive funding are required to submit periodic reports (monthly, bi-monthly, or quarterly to be determined at the time of the funding allocation) on the status of the project.

Awarded projects have included: 1) iPhone CPR App (PulsePoint); 2) Bureau of Transportation Capital Construction Coordination; and, 3) Office of Management and Finance Revenue Tax Information Exchange.

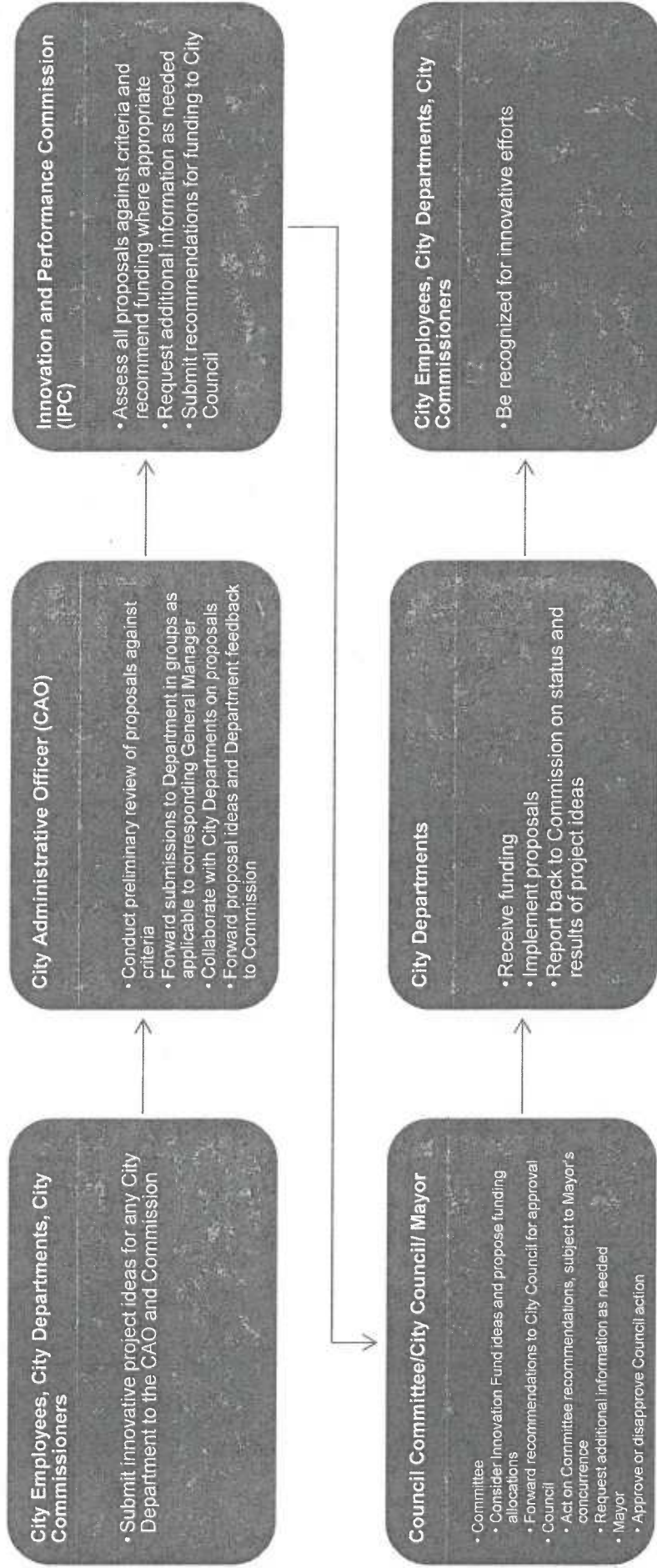
While the framework of the Innovation Fund for each City may differ, Baltimore, Chicago, and Portland limit proposals and applications for funding only to City departments or agencies. In contrast, the City of Los Angeles Innovation Fund invites all City employees who have innovative ideas or proposals to apply for funding. Offering this opportunity to all City employees provides a greater pool of innovative ideas and proposals for funding consideration and challenges City employees to create change, keep Los Angeles "ahead of the curve, and ultimately, improve customer service for the citizens of Los Angeles.

12. STAFFING AND ADMINISTRATIVE SUPPORT

The CAO is currently unable to absorb the existing and projected work associated with the Commission. Consequently, it is recommended that the Council authorize, by resolution, one Project Coordinator position for the CAO to support the Commission's existing activities and responsibilities along with the additional administrative duties associated with the Innovation Fund. The CAO has submitted a simultaneous request to the Mayor to exempt this position from Civil Service.

Upon approval of the ordinance establishing the Innovation Fund, the Controller will transfer the monies (\$1.1 million) in the General City Purposes Fund 100/56 Innovation Fund Account No. 08870, to the new Innovation Fund. The CAO will request a transfer of \$100,000 from the Fund in the Financial Status Report to cover the needed salary and expense funding for fiscal year 2014-15.

Innovation Fund Process



Attachment 2 - City of Los Angeles Innovation Fund

Proposal/Project Idea Application – 2014-15

Introduction

Thank you for applying to the City of Los Angeles City Innovation Fund. We know that City employees have great ideas for how we can make our City more efficient and provide better service to our residents. We want to hear from you!

Please share your ideas for how to create:

- A Prosperous City
 - Reduce Costs
 - Generate Revenue
- A Livable and Sustainable City
 - Save Energy, Water or Resources
 - Reduce Pollution or Waste
 - Improved Quality of Life
- A Safe City
 - Improve Worker Safety
 - Improve Emergency Response and Preparedness
- A Well-Run Government
 - Improve Customer Service
 - Eliminate Waste
 - Enable Collaboration
 - Establish Accountability

Priority will be given to ideas that can be developed with clearly defined one-time start-up costs and to projects that clearly demonstrate the potential for successful results. The following criteria/rubric will be used to assess your application.

Ideas should:

- A. **Be Innovative and Original** - Applications should demonstrate originality and innovation for the City of Los Angeles. Applicants should demonstrate how their idea “keeps Los Angeles ahead of the curve” and demonstrates the creativity that is the hallmark of our City.
- B. **Support Greater Efficiencies** - Proposals should improve a process, save time, increase interdepartmental collaboration, provide the potential for long-term or ongoing benefits, or generate revenue or quantifiable cost savings.
- C. **Emphasize Priority Outcomes and Quality of Life** - Project ideas should help create a prosperous City, a livable and sustainable City, a safe City, and/or a well-run government.
- D. **Be Feasible and Measurable** - The intent of the Innovation Fund is to have a process that encourages timely implementation of ideas. Strong projects should be able to be executed and measured within six to 12 months of being funded. A one-time award from the Innovation Fund should be sufficient for idea implementation. Prior to award, each project should have clear metrics for evaluating the impact of the idea. For those submissions that do not include metrics, the Commission will work with the applicant to develop appropriate metrics.

The Commission will add relative weights to these criteria before the application is released to aid in the evaluation of proposals.

The Commission is looking to provide Innovation Fund monies to up to 15 pilot projects during the 2014-2015 fiscal year. Innovation Fund projects will be funded through the departments at the City of Los Angeles. No funds will be awarded to individuals or to outside companies. Projects will be considered in the order submitted. The decision of the City Council on funding allocations is final.

Attachment 2 - City of Los Angeles Innovation Fund

Proposal/Project Idea Application – 2014-15

Application

Please share your idea below. We encourage you to submit ideas at any stage of development, but the Innovation Fund will prioritize applications that are complete (Parts 1-3 completed), that originate from City employees, and that comply with our criteria/rubric.

If you have a great idea, but don't have enough information to complete Parts 2 and 3, please complete Part 1. The QPC/IPC may select some early-stage ideas to work with to develop detailed budgets and implementation plans for later funding.

PART ONE: KEY INFORMATION ABOUT YOUR IDEA
Name of Your Project Idea:* (10 word limit)
What is the problem your idea is trying to solve, or what opportunity do you see?*(250 word limit)
How does your idea solve the problem or take advantage of the opportunity you see?*(250 word limit)
What's your relationship to the proposed project? How did you come up with this idea?*(250 word limit)
To the best of your knowledge, has this solution been tried in your department, or elsewhere in the City of Los Angeles? Has it been implemented elsewhere (e.g. in other cities or organizations)? Has it been successful?*(250 word limit)
Thinking of innovation, how does your idea "keep Los Angeles ahead of the curve?" *(250 word limit)
Please tell us the total dollar amount needed to test your idea and provide a brief budget overview (if known):*(250 word limit) Please identify if requested amount is an estimate. If actual amount is known, please identify source of information. Please describe what would need to be funded for this idea to be tested (e.g. equipment, staff time, materials, etc.)
What are the total projected savings (if known)?*

Attachment 2 - City of Los Angeles Innovation Fund

Proposal/Project Idea Application – 2014-15

PART TWO: PROJECT DETAILS AND IMPACT*

*Please leave blank if information unknown

Contact Information (Your name, department, phone number, and/or email address):

Name:

Department:

Phone number:

Email address:

Residence Zip code:

Please share any details about your idea that were not explained in the brief description in Part 1:
(250 word limit)

How will your idea improve the City's priority outcomes:

A Prosperous City:

A Livable and Sustainable City:

A Safe City:

A Well-Run Government:

Will your idea reduce the City's environmental impact or increase environmental sustainability?

Is additional funding from other sources possible for this project (e.g. Grants) YES or NO

If yes, what is the status of securing those funds? Have they already been secured?

Has funding been requested by the department previously for this idea? YES or NO

Has this project idea been funded previously? YES or NO

If implemented, which departments would this affect?

Please provide any historical information/data that demonstrates the need for the project.

Financial Impact:

Please share information about how your project idea will achieve cost savings, increase revenue, and/or service improvements. Please provide a department impact statement that describes the anticipated financial and qualitative impacts on relative City services (if available).

Comparable Projects:

Are there any other similar processes that exist in other cities, states, organizations, etc.?

Attachment 2 - City of Los Angeles Innovation Fund

Proposal/Project Idea Application – 2014-15

PART THREE: IMPLEMENTING YOUR IDEA

How do you think your project idea could be implemented? What are potential obstacles to implementation and how could the department address these obstacles?

Who do you think the key personnel may be to implement your idea?

List any possible partners that could have a part in your project idea, such as other City Departments, non-profit groups, community organizations, or other government agencies. Discuss any possible outside funding that could be used towards this project.

If possible, please provide a timeline of anticipated dates. What are the key milestones?

Please list the expenses required to complete a pilot project of your idea. Be as specific as possible.

How will the progress of your project idea be measured? Please tell us if you have ideas for measuring the success of your idea.

Please submit this application online at XXXX or complete a paper form and send to YY.