



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 1 4 - 0 3 2 5
AUG 2 5 2014

REPORT RE:

**DRAFT ORDINANCE RENAMING THE QUALITY AND PRODUCTIVITY
COMMISSION AS THE INNOVATION AND PERFORMANCE COMMISSION
AND EXPANDING ITS DUTIES TO INCLUDE MAKING RECOMMENDATIONS
FOR FUNDING FROM THE INNOVATION FUND**

**DRAFT ORDINANCE RENAMING THE PRODUCTIVITY INCENTIVE REVOLVING
FUND AS THE INNOVATION FUND AND CHANGING ITS PRIMARY PURPOSE TO
DIRECTLY FUNDING PROPOSALS TO IMPROVE THE QUALITY, EFFICIENCY
AND EFFECTIVENESS OF CITY SERVICE THROUGH INNOVATION,
PRODUCTIVITY AND PERFORMANCE MEASUREMENT**

The Honorable City Council
of the City of Los Angeles
Room 395 City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

Pursuant to the request of your Honorable Body, we have prepared and now transmit for your consideration the two enclosed draft ordinances, approved as to form and legality. One draft ordinance renames the Quality and Productivity Commission as the Innovation and Performance Commission. The Commission will be responsible for reviewing proposals to improve the quality, efficiency and effectiveness of City services through innovation, productivity and performance measurement and for making recommendations for funding of such proposals from the Innovation Fund. The second draft ordinance renames the Productivity Incentive Revolving Fund as the Innovation

Fund, the primary purpose of which will be to fund proposals to improve the quality, efficiency and effectiveness of City service through innovation, productivity and performance measurement.

Council Rule 38 Referral

The draft ordinances have been reviewed by the Office of the Legislative Analyst and the Office of the City Administrative Officer, and their comments and suggestions have been incorporated. The draft ordinances have also been transmitted to the Mayor's Office for review, and any comments or suggestions will need to be provided directly to the City Council or committee when these matters are considered.

If you have any questions regarding these matters, please contact Assistant City Attorney Curtis S. Kidder at (213) 978-7736 or Senior Assistant City Attorney Noreen Vincent at (213) 978-7730. They or another member of the Office will be present when you consider these matters to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By


DAVID MICHAELSON
Chief Assistant City Attorney

CSK:NV:vw
Transmittal

ORDINANCE NO.

An ordinance amending Article 7 of Chapter 8 of Division 5 of the Los Angeles Administrative Code to rename the Productivity Incentive Revolving Fund as the Innovation Fund, to change the primary purpose of the fund to improve the quality, efficiency and effectiveness of City service through innovation, productivity and performance measurement, and to make certain technical changes to Article 7.

WHEREAS, the City Council, effective September 12, 1998, adopted Ordinance No. 172,140 thereby creating and establishing the Productivity Incentive Revolving Fund to provide loans to City departments for the purpose of improving the quality, efficiency and effectiveness of City service; and

WHEREAS, the City Council desires to rename the Productivity Incentive Revolving Fund as the Innovation Fund and to change the primary purpose of the fund to be the funding of City departments, through direct funding or loans, to improve the quality, efficiency and effectiveness of City service through innovation, productivity and performance measurement.

NOW, THEREFORE,

THE PEOPLE OF THE CITY OF LOS ANGELES

DO ORDAIN AS FOLLOWS:

Section 1. Article 7 of Chapter 8 of Division 5 of the Los Angeles Administrative Code is hereby renamed the "Innovation Fund."

Section 5.149 of the Los Angeles Administrative Code is hereby amended in its entirety to read as follows:

Sec. 5.149. Creation and Administration of the Fund.

(a) The "**Productivity Incentive Revolving Fund**," a revolving trust fund created and established in the Treasury of the City of Los Angeles, is hereby renamed the "**Innovation Fund**," hereinafter referred to in this Article as the "**Fund**."

(b) The purpose of the Fund is to provide funding through direct disbursements or loans to City departments to improve the quality, efficiency and effectiveness of City service through innovation, productivity and performance measurement.

(c) An additional purpose of the Fund shall be for the receipt, retention and disbursement of gifts, contributions and bequests for the purposes set forth in this Chapter. All offers of such gifts, contributions and bequests with a value of more than \$5,000 shall be submitted to the City Council for acceptance or rejection. All offers of

such gifts, contributions and bequests with a value of \$5,000 or less may be accepted for and on behalf of the City by the City Administrative Officer.

(d) The City Administrative Officer shall inform the Controller of any special terms or conditions placed upon the use of all monies accepted for deposit in the Fund. The Controller shall establish a separate account in the Fund for each specific use for all accepted monetary gifts, contributions or bequests which contain any special term or condition. No money shall be expended from the Fund except in compliance with each special term or condition under which such money was accepted. Any request for an expenditure of money from any such separate account shall be accompanied by sufficient information for the Controller to determine that the proposed expenditure would not contravene the specific use for which such separate account was established.

(e) The Fund shall be administered by the City Administrative Officer. The Innovation and Performance Commission shall have the authority to approve loans from the Fund to City departments and to pay for administrative expenses of the Commission.

(f) All monies loaned from the Fund shall be repaid to the Fund in accordance with the terms of the loan. The repaid principal and interest shall be placed in the Fund. 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, in accordance with the terms of the loan. A portion may also be awarded to the Fund, in accordance with the terms of the loan. That portion not awarded to the department or the Fund shall be placed in the General Fund.

(g) All interest and other earnings attributable to monies in the Fund shall be credited to each account in the Fund to which they are attributable and shall be devoted to the purposes thereof.

(h) Funds may also be disbursed to the City Administrative Officer for staff costs and expenses in service to the Innovation and Performance Commission in the performance of all its duties.

(i) The City Administrative Officer shall report to the City Council and Mayor regarding and identifying all receipts into, and all expenditures out of, the Fund, as well as the purposes for which the expenditures were made. Each report shall cover a fiscal year and shall be submitted within 60 days after the close of said fiscal year.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles; one copy on the bulletin board located at the Main Street entrance to Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the city of Los Angeles, at its meeting of _____.

HOLLY L. WOLCOTT, City Clerk

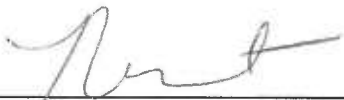
By _____ Deputy

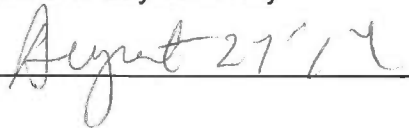
Approved: _____

Mayor

Approved as to form and legality

MICHAEL N. FEUER, City Attorney

By  _____
CURTIS S. KIDDER,
Assistant City Attorney

Date  _____

File No. _____

ORDINANCE NO. _____

An ordinance amending Chapter 19 of Division 8 of the Los Angeles Administrative Code to rename the Quality and Productivity Commission as the Innovation and Performance Commission, to add duties of the Innovation and Performance Commission to include the review of applications for funding of proposals from the Innovation Fund and making recommendations to the City Council, and to make certain technical changes to other sections of Chapter 19.

WHEREAS, the City Council, effective September 7, 1985, adopted Ordinance No. 160,230 thereby creating the Quality Productivity Commission to review City productivity and work measurement programs and provide recommendations relating to improving productivity and work measurement of City services; and

WHEREAS, the City Council desires to rename the Quality and Productivity Commission as the Innovation and Performance Commission, to make its primary duties the review and consider proposals to improve the quality, efficiency and effectiveness of City services through innovation, productivity and performance measurement and to make recommendations to the City Council for the funding of proposals from the Innovation Fund (formerly the Productivity Incentive Revolving Fund).

NOW, THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Chapter 19 of Division 8 of the Los Angeles Administrative Code is hereby amended to read as follows: "The Innovation and Performance Commission".

Section 8.230 of the Los Angeles Administrative Code is hereby amended to read as follows:

The Quality and Productivity Commission for the City of Los Angeles is hereby renamed the Innovation and Performance Commission, hereinafter referred to as the Commission, which shall have the duties as set forth in this Chapter.

The Commission is to provide the Mayor and the City Council with the benefit of private and public sector experience, expertise, information and recommendations relating to improving the provision of City services through innovation, productivity and performance measurement within City government.

The term "productivity" shall mean the efficiency with which human and material resources are utilized directly or indirectly in the delivery of services. The term "innovation" shall mean 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. The term “performance measurement” shall mean the process of collecting and interpreting data to determine progress in achieving the City’s priorities through the services it provides.

Section 8.231 of the Los Angeles Administrative Code is hereby amended to read as follows:

The Commission shall consist of fifteen members. The Mayor shall appoint six members. The City Council President shall appoint nine members from nominations submitted by the Chairs of the Budget and Finance Committee, Audits Committee, and Personnel and Animal Welfare Committee of the City Council. Each Mayoral and Councilmanic President appointment shall be subject to confirmation by the City Council by majority vote. A member appointed by the Mayor may be removed by the Mayor. A member appointed by the City Council President may be removed by the City Council President subject to approval by the City Council by majority vote.

Section 8.232 of the Los Angeles Administrative Code is hereby amended to read as follows:

Members shall have special knowledge and experience in innovation, productivity, performance measurement and/or related techniques in the private sector, in organized labor, in the academic community or in other public sector jurisdictions.

Section 8.237 of the Los Angeles Administrative Code is hereby amended to read as follows:

Commission members shall not receive compensation for attendance at Commission meetings.

Section 8.238 of the Los Angeles Administrative Code is hereby amended to read as follows:

The City Administrative Officer shall provide staff services and office accommodations as needed for the Commission. Expenses of the Commission shall be paid from an account in the budget of the City Administrative Officer or by the Commission directly.

Section 8.240 of the Los Angeles Administrative Code is hereby amended to read as follows:

The duties of the Commission shall include the following:

- A. Review and evaluate proposals for funding from the Innovation Fund (previously known as the Productivity Incentive Revolving Fund). Proposals should be primarily evaluated on their level of innovation, ability to increase productivity and efficiencies, enhancement of the quality of City services and feasibility;

- B. Make recommendations to the City Council for funding of proposals from the Innovation Fund;
- C. Provide an annual report to the Mayor and the City Council on all proposals funded from the Innovation Fund;
- D. 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;
- E. 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;
- F. 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;
- G. Review, and where appropriate, the devising of a format for departmental reporting of productivity goals and accomplishments;
- H. 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
- I. Submitting progress reports and recommendations to the Mayor and the City Council as needed, but not less than semiannually.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles; one copy on the bulletin board located at the Main Street entrance to Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the city of Los Angeles, at its meeting of _____

HOLLY L. WOLCOTT, City Clerk

By _____
Deputy

Approved: _____

Mayor

Approved as to form and legality

MICHAEL N. FEUER, City Attorney

By 

CURTIS S. KIDDER, Assistant City Attorney

Date August 29, 2014

File No. _____