

# Los Angeles Government Operations Innovation Model

A PLAYBOOK FOR TRANSFORMATIVE  
CHANGE IN CITY GOVERNMENTS



MAYOR'S FUND  
FOR  
LOS ANGELES



**The Los Angeles Coalition**

A COALITION FOR THE ECONOMY & JOBS IN LOS ANGELES





#LAORIGINAL



At the heart of every great city is a healthy government that provides its residents reliable public services, a job creating economy and thriving communities. In recent decades, growing populations and stretched budgets have placed increasing demands on city leaders and public administrators to do more with less. That has led to a realization by government, community and civic leaders that government cannot meet these challenges alone.

The path forward must take a more collaborative approach between the public and private sectors. In Los Angeles we created the Los Angeles Government Operations Innovation Model (“The L.A. Model”). This platform fostered the development of cross-sector leadership and partnerships to inject innovative ideas into the city’s bureaucracy to bring about system reform.

I believe that the L.A. Model blueprint is broadly applicable for all leaders looking to implement systemic changes and strategic reforms. This model will help city governments foster new ways to develop cutting-edge partnerships with non-profit and private sector organizations, two very important sectors capable of helping your city transform scarce resources into positive, sustainable change.

The L.A. Model was a newly established partnership between the Mayor’s Office, the Mayor’s Fund for Los

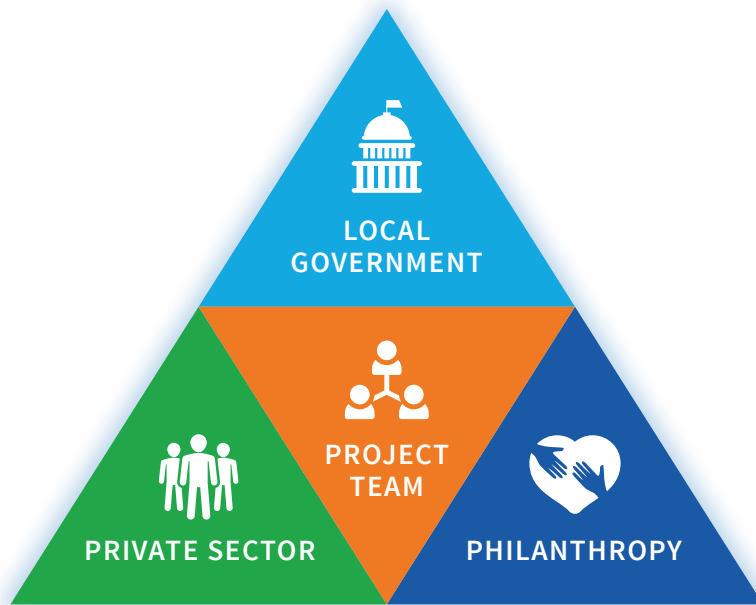
Angeles and the Los Angeles Coalition for the Economy & Jobs. We achieved success in bringing together talent from the private and public sectors to gather data, best practices and insights to transform the management of government spending, to improve government functions, and services to reduce costs and drive new revenue.

Since its inception, the L.A. Model has placed city government operations in a better position to cut costs, increase transparency, improve oversight, and:

- Streamline the city’s procurement process to reduce costs and diversify the vendor pool, especially women-owned and minority-owned businesses;
- Digitize the management of the city’s real estate assets, allowing for greater transparency and management;
- Reduce workplace safety risks and associated costs.

In sharing the L.A. Model with you, I look forward to creating a dialogue among city leaders who share a mutual goal of strengthening city government’s role in putting its residents and communities first.

Eric Garcetti  
Mayor of Los Angeles



The L.A. Model brings together public and private sector talent to implement systemic change to a City's most outdated operational business systems. The strength of this model is found in its ability to develop a collaborative platform that encourages interactions, and innovative thinking, between public officials, business leaders and civil service workers.

Government will work better and provide better services if the fundamentals are in order and working to maximum efficiency. The success of this model builds on an understanding that driving positive change will cause some disruption of the status quo and require the necessary resources to implement long-term changes.

The good news is that city workers want to be engaged and already know where most of the problems are. Their active participation is instrumental in making efficiency and service improvements. To help ensure long-term success, it is critical that the Project Team create detailed implementation plans, define performance indicators and milestones, and collect data to monitor progress.

The L.A. Model is a good starting point for any city, no matter how unique its challenges, the size and diversity of its population, the scale of its geographic environment, or the structure of its governance system.



*"Instituting new technology solutions were a critical piece in each of our projects in Los Angeles, helping us to drive operational efficiency, increase transparency & oversight and think more strategically. In the end, our projects were successful, because we secured the buy-in of long-time public employees."*

**Shmel Graham, Director, Operations  
Innovation Team, City of Los Angeles**

A successful public-private partnership can be an effective driver of long-term civic change by:

- leveraging a broader set of skills and experiences to advance solutions
- facilitating skills development and knowledge transference across sectors
- accelerating innovative solutions in a bureaucratic environment
- unlocking new sources of financial capital to serve as seed money to pilot new ideas or technology

## L.A. Model Benefits



accelerating step-change improvements in government operations



innovating and implementing fresh ideas



advancing city priorities



fostering systemic change

## L.A. Model Differentiators



public and private mid-career professionals on one Project Team



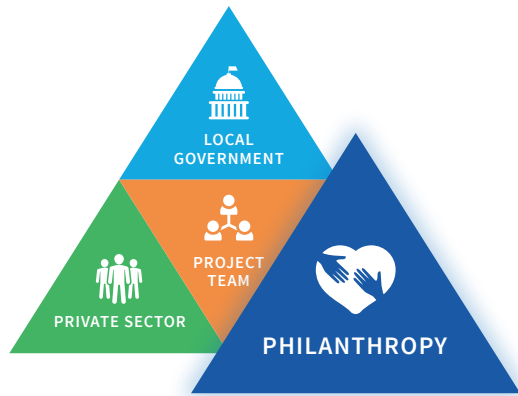
significant private funding



access to pro-bono advisory services, data, and technology



targeted, time-limited, intensive intervention



## Philanthropy

### Role

Philanthropy acts as an independent convener of multiple perspectives and interests to accomplish the common goal of systemic reform in city government. The philanthropic component of the partnership should have the stature and agency to foster the conditions that create meaningful, long-term change.

### The Mayor's Fund for Los Angeles

The philanthropic component of the L.A. Innovation Model was fulfilled by the Mayor's Fund for Los Angeles, a non-profit organization positioned at the crossroads of local government, business, philanthropy, and the non-profit sector. The Mayor's Fund raised money to finance the Project Team and provided financial oversight.



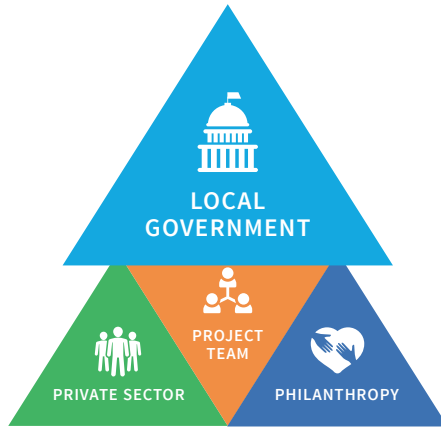
## Private Sector

### Role

The Private Sector, in partnership with the local government, creates an Advisory Council composed of private sector leaders to support the Project Team. The Advisory Council provides periodic feedback on work plans and execution. The Council meets to review the Project Team's progress and offers counsel and in-kind support to the Project Team Director and team members. Additionally, the Private Sector provides capital, advice, mentoring and additional in-kind resources to the team.

### The LA Coalition for the Economy and Jobs

The LA Coalition is an independent bipartisan alliance that brings together leaders from business, labor, academia and nonprofits to advance sound policies that help grow the economy and create quality jobs throughout the Los Angeles region. Since its founding in 2009, the Coalition has leveraged public and private sector resources to advance investments that have led to the revitalization of the region's transportation infrastructure, city government's business systems and workforce development programs. These efforts are fostering the redevelopment and new development of community infrastructure, a skilled workforce and creating good-paying jobs for hundreds of thousands of Angelenos.



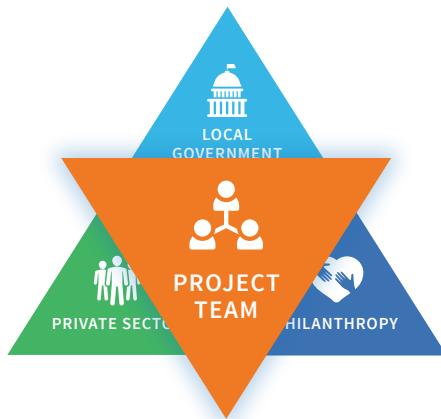
## Local Government

### Role

Leadership and executive sponsorship from elected officials is integral to achieving success. As with any organization, public or private, there will be competing priorities and it is important to ensure adequate visibility and executive support to ensure the results are sustainable.

### The Mayor and City Council

The Mayor's Back to Basics Agenda and the Council's Ad Hoc Jobs Committee created the policy and priority framework to make the implementation of the Project Team's recommendations successful and long-term. The Mayor and City Council also led this effort by endorsing the concept, requiring regular reports, and providing direction as appropriate.



## Project Team

### Role

The Project Team should be presented as a collaborative effort between the city and private partners. The Team secures internal support, maps out priority reform initiatives, and secures partnerships with universities, technology companies and other stakeholders to bring forth the best metrics and execution to reform City operations. The Project Team is not intended to replace city employees, rather to provide the additional bandwidth needed to focus on driving transformative change in the business or operational practices.

### L.A. Innovation Model Project Team

The project team was created with a mix of people with private sector and public sector backgrounds. The private sector members committed to a full-time tour of service for the duration of the project. The City employees were temporarily transferred to work full-time on this project for its duration.

## Driving Systemic Change





## Creating a Project Team

The Project Team is a collaborative effort between the city and private partners, co-located within city government offices. The Project Team is unique in the fact that it incorporates city staff within the Team and also partners with city employees to effect positive outcomes. As the initiatives advance it is critical to have a effective communications strategy in concert with the city's mayor or city manager in order to best highlight the Project Team's vision and efforts. Lastly, it is important that the Team commit for the duration of the project, and plan for potential opportunities to be retained by the City to assist with the execution and implementation of the Team's recommendations.

## Project Team Members



### Mayor's Appointee

Oversees the Project Team, and acts as a liaison between the Team Director and the Mayor. The Mayor's Appointee should be a member of the Mayor's executive staff.



### Team Director

The Team Director leads the day-to-day activities of the Project Team, including generating ideas, supervising the Team's work plan and monitoring progress, and liaising with City department heads and other City stakeholders. The Team Director should have past experience interacting with government.



### Project Team

Project Team: The project team should include a data scientist, process engineers, project management experts, subject matter experts, and others with project relevant expertise. Half the team should come from the public sector and half from the private sector.



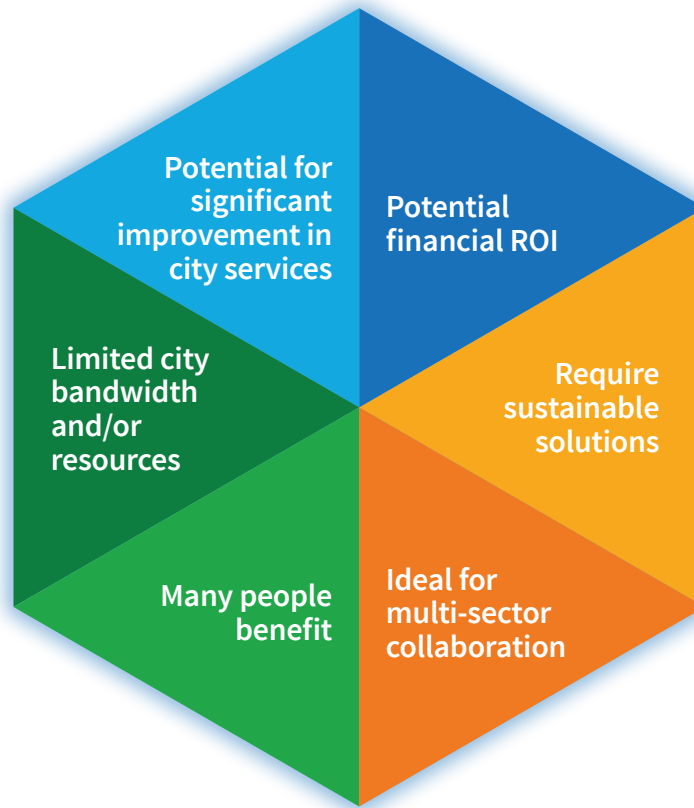
## Project Team Goals

- Serve as a catalyst for systemic reforms in government operations
- Support, not supplant, government employees
- Engage non-governmental participants, including private sector entities, nonprofits, and foundations
- Embrace a collaborative approach with city employees
- Facilitate skills development and knowledge transference
- Use best practices for analysis and project management
- Measure and document progress



## Project Team Characteristics

- Persistent in obtaining information
- Strong background in organizational design
- Experience in process design/design thinking
- Entrepreneurial leader who is an independent worker
- Superior critical thinking and analytical skills



## Framework for vetting projects

Selecting ideal problems is critical to maximizing benefits. The following framework is one way to evaluate existing government operational systems. Each section of the hexagon represents either a potential benefit, challenge or opportunity. Sections are filled in if that particular criteria is met. Individual criteria for each section can also be created to help complete the exercise.



*“An emerging trend is a greater appreciation for the role nonprofits, foundations and social entrepreneurs can play in improving government operations and services. The Los Angeles Coalition for the Economy & Jobs is a leader in this space and understands that the healthier we make our government infrastructure the stronger our economy will be. We are proud of the results generated by this unique initiative with Los Angeles Mayor Eric Garcetti and the Mayor’s Fund for Los Angeles. There were enormous opportunities to achieve cost mitigation, revenue generation, and overall operational efficiencies - ultimately leading to further economic development opportunities and improved quality of life for all Angelenos. We expected the work to be challenging - we were right - and, in the end the results matched our ambitious expectations.”*

**Michael Kelly, Executive Director, Los Angeles Coalition for the Economy & Jobs**

Using this framework, the Mayor, the Los Angeles Coalition for the Economy and Jobs, and the Mayor's Fund identified three opportunities to deliver improvements at minimal cost to the City's



## Workplace Safety

### **Result:**

Workplace safety coordination and accountability of City departments

At the Project Team's recommendation, the Mayor formed a Risk Reduction Cabinet to help City departments reduce workplace injuries and liability exposure. Through a Mayoral Executive Directive specific instructions were set forth to improve the way City departments report, analyze, and strategically reduce risk using data analytics and improved technology infrastructure.

budget. A project team was assembled with full-time staff for a two year project supported by \$1.5 million in private sector contributions. Below is a brief summary of the project results:



## Procurement

### **Result:**

Streamlining and diversifying vendors in City's \$8.2 billion annual procurement spend

The City's first Chief Procurement Officer (CPO) was hired to provide executive leadership on procurement excellence and best practices, in part by using technology to drive innovation. This will transform the City's process for engaging vendors, including local and minority-owned businesses, through an improved technology infrastructure.



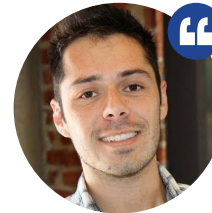


## Real Estate

### **Result:**

A digital real estate portfolio to maximize city-owned properties

The Project Team created the City's first digital portfolio of its real estate holdings, allowing everyone to research options to use these assets more effectively. This initiative is being leveraged to develop a strategic city-wide plan to foster the development of more affordable housing and economic development related projects.



*"My time with the Mayor's Operations Innovation Team brought forth some of the best learning opportunities and personally enriching challenges. My years and experience in the private sector helped me lead and produce work with impact. Los Angeles sets trends - that's a fact - and having my work improve and support this great city means a lot to me. Working with city employees was just as enriching as working with all of our cross-sector partners."*

**Juan Sebastian Vasquez**  
Data & Engagement Strategist,  
Operations Innovation Team, City of Los Angeles

The Mayor's Fund for Los Angeles sits between the public and private sectors, helping to bring together sectors that have common goals. When thinking about government operations, especially at the City-level, public dollars are often hard to find when new systems and new ways of operating need to be implemented. That's where the Mayor's Fund steps in - where public dollars end and where private resources are needed to jumpstart a project. I'm proud the Mayor's Fund launched the L.A. Government Operations Innovation Model, which is already bearing fruit in our city by lowering costs, increasing transparency, and providing meaningful oversight.

The Mayor's Fund would like to thank those listed below for their efforts to fundamentally change the government operations of Los Angeles. Together we were able to implement real change that impacts the lives of Angelenos.



**Deidre S. Lind**  
President  
Mayor's Fund for Los Angeles

- 
- Russell Goldsmith, City National Bank/L.A. Coalition for the Economy & Jobs
  - Michael Kelly, L.A. Coalition for the Economy & Jobs
  - Matt Szabo, City of Los Angeles
  - Charles Hirschhorn, AXS TV
  - Adam Bierman, Project Team
  - Renee Daigneault, Project Team
  - Cyrus Dorbayan, Project Team
  - Shmel Graham, Project Team
  - Shannon Hoppes, Project Team
  - David Parker, Project Team
  - Mark Anthony Thomas, Project Team
  - Juan Vasquez, Project Team
  - Rick Cole, City of Santa Monica
  - Marc Stern, TWC Group
  - Geoffrey Wharton, Los Angeles Dodgers
  - Ranjan Goswami, Delta
  - Miguel Sangalang, City of Los Angeles
  - Andrew Hauptman, Andell, Inc.
  - Frank Baxter, Jefferies and Company, Inc.
  - David Bohnett, David Bohnett Foundation
  - Thomas M. Priselac, Cedars-Sinai Health System
  - Brandon Young, Manatt, Phelps & Phillips, LLP
  - Pepperdine University
  - Columbia University
  - University of California, Los Angeles
  - University of Southern California
  - Harvard Kennedy School



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