
Case Study: Atlanta's Blue Ribbon Commission on
Waste & Efficiency in Government Report

**An Operational Excellence in Government
Success Story**

Jane Wiseman
*Ash Center for Democratic Governance and Innovation
Harvard Kennedy School*

July 2017



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EXECUTIVE SUMMARY

In 2016, the Ash Center for Democratic Governance and Innovation at Harvard Kennedy School received funding from the Laura and John Arnold Foundation to launch the *Operational Excellence in Government Project*. The goal of the project is to identify operational efficiency successes across state and local government, and to celebrate and publicize those successes via the project website at <https://www.innovations.harvard.edu/opex>. The site makes available for the first time from a single searchable portal 30 existing studies of government efficiency.

This case study of a broad-based set of operational efficiency successes in Atlanta is one of three created as part of the Operational Excellence in Government Project. The purpose of the case studies is to elevate and document the successes, and in doing so to provide a greater amount of detail than is typically available in write-ups about improving the operations of government. The case studies explain the implementation steps, the key challenges, and the driving factors for success. With this work, we hope to reduce the cost of identifying opportunities for efficiency and cost savings across all layers of government, and to accelerate the transfer and deployment of these successful cases.

This case study describes how Atlanta identified \$92 million in one-time savings and \$25 million in annual savings by improving the efficiency of its operations. The Atlanta government efficiency report that identified these savings is highlighted by the Operational Excellence in Government Project for its excellence among existing efficiency studies, for the rigor of the process that created it, and for the strength of results achieved. This report stands out among others of this type for its reliance on data as a key component of the process and for its level of implementation detail.

In 2014, Atlanta faced a \$1 billion infrastructure backlog for bridge, street, sidewalk, and public facility repairs. The city is not alone in its infrastructure needs — the American Society of Civil Engineers estimated the cost of bringing America’s infrastructure to a state of good repair by 2020 at \$3.3 trillion.¹ Mayor Kasim Reed wanted to fund infrastructure improvements without a tax increase, so he turned to operational efficiency, hoping to identify \$15 million in annual savings, the amount needed to pay debt service for the bonds that could fund infrastructure repairs.

He appointed a Blue Ribbon Commission on Waste & Efficiency in Government and charged them with identifying the savings. The commission included city council members, union representatives, and private-sector leaders. Private-sector CEOs on the commission offered advice based on their own successes, such as lowering employee health-care costs. Public-sector commissioners (who constituted the majority of commission members) provided perspective on how those ideas could be adapted for government. Over the course of three months, the commission studied the administrative and operational functions of city government and put forward 56 specific recommendations worth \$199 million in one-time or recurring savings. An additional 102 ideas were generated and are included in the report.

Armed with the recommendations, the mayor tasked his deputy chief operating officer and his Office of Innovation and Performance with carrying out the work. They created cross-disciplinary implementation teams for each initiative, developed detailed workplans, and created a status reporting structure with a Project Management Office (PMO) to consistently monitor progress. Results to date have been impressive, including:

- \$92 million in one-time cost savings or additional revenue from the sale of excess city property
- \$4 million in reduced cost through health-care plan consolidation and optimization
- \$3.6 million in additional annual revenue from implementation of customer service and technology improvements related to the collection of fees and fines
- \$2.5 million in savings due to improved management of vacant positions and recruiting

Reflecting on this success, actions other cities can take include the following:

- **Review the real estate portfolio for excess property.** Downsizing a state and local government's real estate footprint creates both one-time revenue from the sale of the property and also ongoing savings due to the decreased maintenance and energy costs.

- **Use data early and often.** The commission used data to estimate costs and benefits of potential recommendations and to help set priorities for which recommendations to put forward, and it shared the data in advance of meetings so that decisions could be based on the data. Data can help make assessments more objective and fact-based, and can help track results.
- **Borrow expertise and ideas from the private sector.** Atlanta used private-sector input to lower health-care costs, implement energy efficiency initiatives, and develop a plan for public-private partnerships spanning place-making, sponsorship, advertising, and city branding. Corporate, academic, or philanthropic partners can provide valuable outside perspective.
- **Look at government's cost of providing a service.** By comparing fees and fines to the actual cost of doing the work, and by comparing the rates to other jurisdictions, Atlanta was able to improve the fairness of the fees and fines it charged people, and to better align costs with revenue collected.
- **Create a Project Management Office (PMO).** The use of a PMO to collect progress data and share it with the chief executive and other stakeholders can help motivate those responsible for delivering results.

The pages that follow describe how Mayor Reed's team accomplished these impressive results.

ATLANTA SNAPSHOT

Population: 448,901
City Employees: 10,000
2018 Budget: \$637 million

INTRODUCTION

Across the nation, state and local governments continue to face budget constraints, with 31 states facing shortfalls for fiscal year 2017 ranging from \$40 million to \$4.2 billion. Many are also confronting significant infrastructure repair backlogs. In its most recent annual Infrastructure Report Card, the American Society of Civil Engineers estimated the cost of bringing America's infrastructure to a state of good repair by 2020 at \$3.3 trillion.²

When Atlanta Mayor Kasim Reed was elected to his second and final term in 2014, he chose to make the city's aging infrastructure a top priority. Faced with a \$1 billion infrastructure backlog, the mayor sought a way to pay for the needed infrastructure investments without increasing taxes. He decided that bond funding was the best route and committed to finding operational savings from the city of Atlanta's general fund to pay the debt service on the bonds, rather than going the more conventional route of increasing taxes.

He turned to a public-private solution to find this funding for the city — he established a Blue Ribbon Commission on Waste & Efficiency in Government and charged it with identifying efficiencies that could pay for the needed infrastructure investments. The mayor asked the Atlanta Committee for Progress, a coalition of business, university, and philanthropic leaders actively engaged with the city on important public issues, for their support in organizing the commission. The challenge facing the commission was significant — between \$15 and \$17 million a year in new revenue or efficiency savings was needed to pay the infrastructure bond cost without a tax increase.

OPERATIONAL EXCELLENCE IN ATLANTA: AT A GLANCE

- 56 recommendations
- \$92 million in one-time cost savings or additional revenue in commission report
- \$25 million in recurring cost savings or additional revenue
- \$250 million infrastructure bond funded with savings

PROJECT BEGINNINGS: THE COMMISSION

By the time the mayor announced the launch of the commission, the city’s infrastructure backlog had grown to \$1.1 billion for bridge, street, sidewalk, and public facility repairs. In March of 2014, Mayor Reed launched the Blue Ribbon Commission on Waste & Efficiency in Government. In a true public-private spirit it was co-chaired by Richard Anderson, then-CEO of Delta Air Lines, and City Council Member Howard Shook. Richard Anderson was an excellent choice for a leadership role as he had led Delta from bankruptcy to turnaround. The mayor made all appointments to the commission, and the majority came from the public sector.

The team had an aggressive deadline, with only three months and four public meetings to provide actionable and achievable recommendations that could be incorporated into the city’s following fiscal year budget. As Mayor Reed said about the commissioners and their challenge, “I’m confident this distinguished group of public and private sector leaders will help us identify the cost savings necessary to win the public’s trust in taking on these infrastructure projects.”³

COMMISSION REPORT IN BRIEF

The commission produced a report that far exceeded the \$15–17 million of needed savings — it identified \$199 million in one-time and recurring opportunities across 56 recommendations. The commission identified “quick win” short-term savings that could be included in the budget for the next fiscal year, as well as savings that could be realized over a longer time horizon. Quick-win savings included \$30–\$80 million in one-time cost savings and \$10–\$15 million in recurring annual savings. The bulk of first-year savings related to the sale of excess city property. Large components of recurring cost savings related to optimizing health-care spending and energy efficiency savings. Large recurring revenue opportunities included updating city fees to reflect changes to the underlying true costs of service, and implementing customer service and technology improvements to increase the timely collection of payments.

The longer term “game changer” recommendations spanned nine categories of activity and produced potential savings of up to \$40 million annually beginning in the second year. The commission also identified \$100 million in potential new revenue that required state legislative change for tax reform.

SUCCESS IN BRIEF

Based on the strength of the results of the commission’s work, in March 2015, Atlanta voters overwhelmingly approved⁴ a \$250 million infrastructure bond initiative, called Renew Atlanta. Bond funds support 200 different projects, including repairs to city buildings and recreation centers, increasing green space, and repairs to roads, bridges, and sidewalks. This was possible because the funds to repay the bonds had been identified by the commission.

While the goal had been to identify \$15 million in annual savings, the actual amount achieved is \$25 million in annual benefit. By the spring of 2017, the city achieved a goal that the mayor had set when he took office — reaching \$175 million in reserves funding. The work of the commission in identifying operational savings made a significant contribution to building the reserves fund, as at the time the mayor took office in 2010, the city had only \$7.4 million in reserves. When he announced that the city had reached this goal, Mayor Reed said, “From pension reform, to making the decision to sell key properties like City Hall East, Turner Field and Underground Atlanta, we have worked to reach this milestone. Our city is safer, stronger and more prosperous today because of the hard work and tough choices we made.”⁵

EXAMPLES OF SUCCESSES ALREADY ACHIEVED:

- \$92 million from the sale of city-owned property: The sale of Underground Atlanta garnered \$35 million in revenue, while selling City Hall East (now Ponce City Market) brought in \$27 million in revenue and the sale of Turner Field garnered \$30 million for the city
- \$4 million in reduced cost through health-care plan consolidation and optimization
- \$3.6 million in revenue from implementation of customer service and technology improvements related to the collection of fees and fines
- \$2.5 million in savings due to improved management of vacant positions and recruiting
- \$1 million reduction of workers’ compensation claims due to safety improvement programs
- \$600,000 in annual savings by using managed competition in the Office of Fleet Services

WHAT MAKES IT INNOVATIVE

While many state and local government executives have created commissions or study groups to improve efficiency, very few have achieved results as consistently over a period of years as Atlanta’s. What sets this effort apart is not the ideas and recommendations, many of which are common across many such efficiency reports. Rather, what makes this effort innovative is the methods used to plan and manage the projects and to consistently monitor and deliver results. Staffing the commission with a core team of hardworking and highly-skilled staff from the mayor’s Office of Innovation and Performance, and leveraging their unique skills, energy, and tools created a successful approach to implementation. The Office of Innovation and Performance works on special projects that advance key priorities of the mayor, typically in partnership with city operational departments, deploying their fresh perspective and analytical skills to solve important public problems.

Staffing the commission with a core team of hard-working and highly-skilled staff from the mayor’s Office of Innovation and Performance, and leveraging their unique skills, energy, and tools created a successful approach to implementation.

Several members of this team had previously been part of an Innovation Delivery Team (also known as the i-team), a small group of internal consultants and problem-solvers created through a grant from Bloomberg Philanthropies⁶ in 2011. Mayor Reed recognized their unique contribution, saying that the i-team’s impact “has been truly significant, including the success in designing and implementing the recommendations of the Blue Ribbon Commission.”

IMPLEMENTATION OVERVIEW

The work of the commission. The commission included a wide range of perspectives, from city council and labor unions to the private sector and the general public. In choosing private-sector representatives for the commission, the mayor worked in partnership with the Atlanta Committee for Progress, a coalition of business, university, and philanthropic leaders actively engaged with the city on important public issues.

As shown in Figure 1, the commissioners included six city council members, representatives of five municipal employee unions, and three additional business leaders.

Figure 1: Mayor’s Blue Ribbon Commission on Waste & Efficiency in Government

City Council	Business	Labor
Howard Shook (Co-Chair) <i>District 7</i>	Richard Anderson (Co-Chair) <i>CEO, Delta Airlines</i>	Ken Allen <i>International Brotherhood of Police Officers</i>
Yolanda Adrean <i>District 8</i>	Martin L. Flanagan <i>President & CEO, Invesco</i>	Stephen Borders <i>Atlanta Professional Firefighters Union</i>
Keisha Lance Bottoms <i>District 11</i>	William Taggart <i>President & CEO, Atlanta Life Financial Group</i>	Alan Lee <i>American Federation of State, County and Municipal Employees</i>
C. T. Martin <i>District 10</i>	Geri Thomas <i>State President of Georgia, Bank of America</i>	Gina Pagnotta <i>Professional Association of City Employees</i>
Mary Norwood <i>At Large Post 2</i>		Terrance Simon <i>Progressive Firefighters of Atlanta Union</i>
Joyce Sheperd <i>District 12</i>		
Alex Wan <i>District 6</i>		

The commission met four times, each a public meeting that allowed for public input. Specific topics were addressed by subcommittees, who met in-between full commission meetings. The three subcommittees were: employees/HR and workforce management; direct operational efficiencies; and taxes and revenues. The subcommittees were responsible for the majority of the idea generation, discussing the merits of recommendations and then prioritizing the strongest recommendations for consideration by the commission. Subcommittees were told they could not reject any ideas out of hand, which made for an inclusive process. The work of the subcommittees included reviewing the ideas with a data-driven methodology, designing guiding principles to help structure and refine ideas, and putting forward the most promising opportunities for the city.

Each commission meeting had a structured agenda to review specific opportunities and supporting analysis. Refinements to ideas were always based on data, and the data was collected and shared in advance of meetings to make for more efficient decision making.

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The Innovation and Performance Team worked with subcommittee chairs and department staff to compile the necessary data about costs and service levels for existing services. The data sources varied widely and included: the city of Atlanta CAFR (Combined Annual Financial Report); data provided by the Office of Budget; a 2010 State of the City’s Transportation Infrastructure & Fleet Inventory Report; a 2012 Bain Infrastructure Report; and individual conversations with department representatives.

In addition to the public meetings, members of the public were invited to contribute ideas through an open e-mail box, appropriately named efficiency.commission@atlantaga.gov. Hundreds of ideas were submitted by the public and the mayor’s office vetted every submission. Removing duplicate suggestions, the final 15 pages of the commission report include a listing of all ideas submitted by the public. A total of 102 suggestions are listed in the report’s “Comprehensive Idea Digest,” ranging across the areas of Asset Monetization, Operational Efficiency, Employee Benefits, and Organizational Opportunities. Because commission meetings were open, members of the public could attend and 30–40 people attended each of the public meetings.

At the final meeting of the commission, the co-chairs presented their final report, listing all recommendations. The report stands out among others of this type for its level of implementation detail. Each recommendation provides enough detail that the project can begin without a long period of study. For example, the recommendations in the report spell out who is responsible for the work (owner), who is responsible for providing resources and removing roadblocks (executive sponsor), and then the next steps with specificity and dates for delivery so that it is clear how to proceed. This sets the report apart from many others in that implementation begins with the preliminary roadmap already in place.

A recommendation snapshot, showing how each recommendation was presented in the final report, is in Figure 2. It names an executive sponsor, the person responsible for doing the work (the “owner”), and the expected revenue for each step of the process, as well as the timing for each step of the process. This detailed description of the roadmap helped each team begin the work with a clear sense of direction and expedited the process.

Figure 2: Blue Ribbon Commission on Waste & Efficiency in Government Recommendation Snapshot



The City should aggressively pursue surplus real estate asset sales for seed funding in FY15

Asset and Revenue Stream Optimization			
EXECUTIVE SPONSOR	OWNER	ESTIMATED TOTAL VALUE	
Chief Operating Officer	Office of Enterprise Asset Management	\$30-80M one-time (capital in FY15) \$2-8M annual (FY16+)	
GUIDING PRINCIPLES	KEY PROJECTS	TIMING	ESTIMATED VALUE
<ul style="list-style-type: none"> The purpose of the City's real estate portfolio is to enable municipal services to be delivered to Atlanta residents. The City's real estate portfolio should enable services to be delivered at the lowest cost over the medium-term. The City should not have a preference for owning property if suitable property can be leased at lower total cost. Portfolio management decisions should take account of lifecycle maintenance and capital costs. Properties that are surplus-to-requirements should be sold so that capital can be redeployed to other needs across the enterprise. The composition of the City's real estate portfolio should evolve over time to reflect current needs. Work spaces should be no larger than needed to deliver core services to City residents. City work spaces should reflect best practices in the private sector for similar kinds of work. 	Prepare surplus properties for sale	FY15	\$25-60M one-time \$1-8M recurring
	Pursue sales of other suitable small parcel properties	FY15	\$5-20M one-time \$1M recurring
	Transfer stewardship of Cyclorama painting to suitable institution	FY15	\$8M one-time
	<i>Undertake external review of City workspace practices</i>	FY16	Up to \$4M Recurring
	<i>Conclude fit-for-purpose assessment of wider City property portfolio</i>	FY17	Up to \$4M Recurring
	<i>Revisit City golf course strategy</i>	FY17	Up to \$0.5M Recurring

NOTE: Items in italics not included in quick win calculations

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The report also puts forth six principles for implementation to guide project governance. Many of the principles highlight project management best practices that are not consistently used in government but that add significant value, such as having a centralized project management office to oversee progress, exhortation to executives to break down barriers to progress, and making sure each project has a project charter and a project sponsor.

Mayor Reed presided over the final meeting and announced then the first wave of 10 recommendations that would be implemented. Recognizing the highest financial value among the commission's recommendations, Mayor Reed chose to focus on streamlining the city's real estate portfolio, saying, "A lot of this stuff should have been done a long time ago. Many of these assets that we had, we had no business having them, and we're in businesses that we shouldn't be in, so you will continue to see

A lot of this stuff should have been done a long time ago.

— Mayor Kasim Reed

movement around the city’s portfolio.” In addition to prioritizing the real estate portfolio, Mayor Reed also chose to move forward with a citywide workforce management strategy and conduct a comprehensive review of city fines and fees.

The team. The commission was supported by the city of Atlanta’s deputy chief operating officer and staff from the Mayor’s Office of Innovation and Performance. Their work in support of the commission was done in partnership with staff from the affected city departments as well as members of the city legal, finance, human resources, and real estate teams.

This team used a structured problem-solving process developed by Bloomberg Philanthropies (and previously used by the city’s i-team) based on the experience of Mayor Bloomberg in New York and his Deputy Mayor for Operations Stephen Goldsmith. The Innovation Delivery Teams use a playbook with tools for problem definition, idea generation, project planning, and project implementation that was created for the i-teams by the consulting firm McKinsey. For example, at the implementation stage, tools include templates for providing status updates and for tracking progress, as well as a structured schedule of check-ins for monitoring progress. Many of these tools proved useful to the work in support of the commission.

Each subcommittee was hosted by a CEO, which promoted private expertise in generating and reviewing opportunities. For example, Delta Air Lines CEO Richard Anderson provided significant input and advice on health-care savings opportunities. City council and union members of each subcommittee were critical to both idea generation and determining how the ideas of the private sector could be best adapted to the public sector.

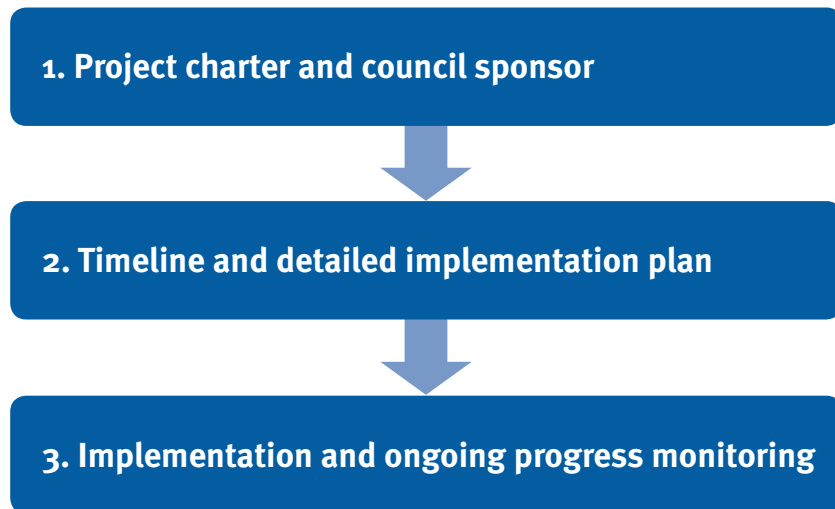
Each subcommittee had dedicated members of the Mayor’s Office of Innovation and Performance, a member of the city legal team, and additional department engagement, such as finance, human resources, real estate, and operations, appropriate for the subcommittee. The deputy chief operating officer assigned members of the core team and staffed all meetings, including both subcommittee meetings and the full commission meetings.

IMPLEMENTATION PROCESS

Implementation of the recommendations in the report occupied the Innovation and Performance Team for two years. By the end of the second year, the recommendations with the largest financial impact had all been completed and the mayor's savings target had been exceeded. The team regularly reviews the commission recommendations to see if any of the ideas gathered at that time are now more opportune for implementation.

The process of implementing these recommendations consisted of three major steps, as described in Figure 3 below.

Figure 3: Atlanta's Blue Ribbon Commission on Waste & Efficiency in Government Implementation Steps



Step one: Project charter and council sponsor. Each of the 10 initiatives had a project owner and executive sponsor named in the report. For implementation, each project also had a sponsor on the city council, which often proved helpful in expediting processes. The Innovation and Performance Team helped create a project charter for each project using their toolkit. The project charter spelled out the goals, the resources required, and the anticipated savings.

The Project Charter Template in Figure 4 shows the types of information that were put in place at the start when any of the commission recommendations were implemented. The process of creating this document requires thinking about drivers of success and resources required, as well as the expected targets, timeframes, and deliverables.

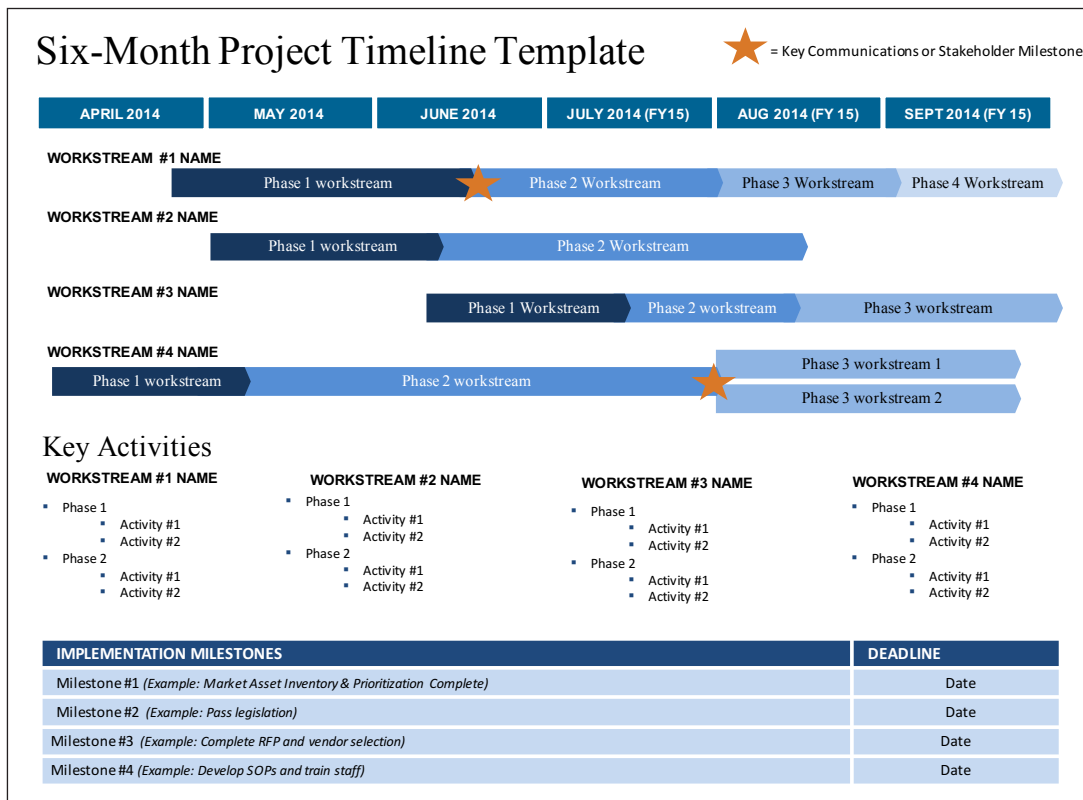
Figure 4: Blue Ribbon Commission on Waste & Efficiency in Government Project Charter Template

Project Charter Template			
SPONSOR	OWNER	PROJECT LEAD	PMO LIAISON
<ul style="list-style-type: none"> accountable for success 	<ul style="list-style-type: none"> day-to-day implementation 	<ul style="list-style-type: none"> DESIGNATED DEPT STAFF (reports to owner) 	<ul style="list-style-type: none"> MOIP LEAD (support & oversight of project structure)
OBJECTIVES		TARGETS	
Project goals; should incorporate/address key guiding principles <i>Examples:</i> <ul style="list-style-type: none"> Develop a comprehensive approach to evaluating city assets for market value and marketing them to the private sector Assess and adjust all general fund fees to reflect the cost of service delivery 		Fiscal Target: Net Revenue Impact (Year Realized) <i>Example: \$2-5M (FY16)</i> Additional Targets: High-Level Implementation Targets <i>Examples:</i> <ul style="list-style-type: none"> % fees assessed/adjusted % costs recovered # responses to an RFP % staff trained 	
ADDITIONAL TEAM MEMBERS & RESPONSIBILITIES		DRIVERS OF SUCCESS	
Core Implementation Team members and area of responsibility (include Owner, Lead, PMO Liaison, and other team members, including HR, Law, Finance, and Dept. staff)		Factors that will drive progress toward target outcomes, including internal performance and external impacts <i>Examples:</i> <ul style="list-style-type: none"> Availability of data about city assets Success of pilot project in demonstrating potential & building momentum External market interest in purchasing city asset 	
RESOURCES & SOURCE (INPUTS)		DELIVERABLES (OUTPUTS)	
Funding resource (source), Outside expertise (source), and implementation support required (depts, Law, HR, IT)		List of key deliverables included in project scope <i>Examples:</i> <ul style="list-style-type: none"> Implementation of new case management technology Citywide asset inventory, market assessment, & marketing strategy Legislation formalizing marketing responsibilities 	

Step two: Timeline and detailed implementation plan. The next step was to create an implementation plan in sufficient detail that the team could begin work. Each project was broken down into workstreams, and then each workstream was broken down into specific steps. For every step there was a deadline and a responsible person who would be accountable for delivering — all spelled out in a detailed implementation plan. Then, all projects were mapped onto a single, consolidated citywide implementation calendar to provide the mayor with visibility into progress.

The timeline example in Figure 5 below shows how a project was broken down into individual workstreams that together would achieve the overall goal.

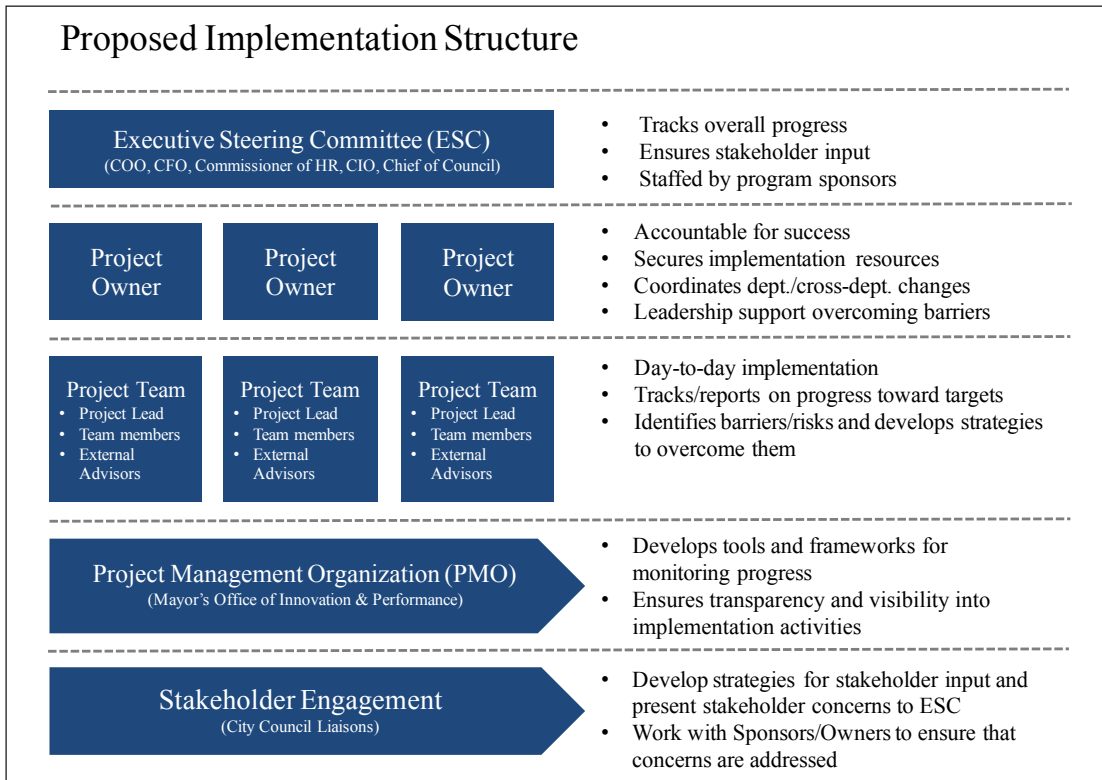
Figure 5: Blue Ribbon Commission on Waste & Efficiency in Government Six-Month Project Timeline Template



Step three: Implementation and ongoing progress monitoring. With detailed plans in place, the team began to implement. Ongoing progress monitoring was done by the Innovation and Performance Team, serving as a project management office (PMO) across the portfolio of projects. They created standard templates for reporting progress that were used for all projects that could identify any delay or problem early and help avoid slippage against target dates. Their approach included regular status updates from the project leads to the PMO, regular updates the PMO would provide to the mayor, and periodic deep-dive progress reviews to take stock of status and redirect effort as needed.

The Proposed Implementation Structure provided in Figure 6 below shows how each project, and the effort as a whole, was structured, and provides a clear sense of the roles of each member, from executive sponsor to project owners, project managers, the project management office (or PMO), and the stakeholders.

Figure 6: Blue Ribbon Commission on Waste & Efficiency in Government Proposed Implementation Structure



The results exceeded expectations — while Atlanta expected \$15 million in ongoing impact, they achieved over \$25 million, a 66-percent increase. The team had realistic expectations, not imagining that every project would succeed in delivering on anticipated savings: the projects were managed as a portfolio in which the desired result could be achieved even without universal success. This is significant because they accepted the risk of failure, which is so uncommon in government.

NEXT STEPS

At time of writing, the city of Atlanta is working to craft its 2018 budget and continues to incorporate ideas generated during the public input period for the commission as well as the ideas and recommendations of the commission. Examples include a continued focus on workforce management and continued alignment of fees to cost of service.

DESCRIPTION OF SELECTED SUCCESSES

While not all of the 56 recommendations were implemented, nearly all high-priority recommendations have been addressed, including the most highly-ranked recommendation of monetizing the city’s excess real estate portfolio. The following are selected examples to demonstrate the range of successes achieved.



Selling excess city property. The most financially significant of all recommendations was to sell excess city property. The estimated value was \$30–80 million in one-time value for the sales prices received, and a \$2.5 million annual benefit in later years for lower operating costs.

Recommendation (from report)	Results
The city should aggressively pursue surplus real estate asset sales for seed funding in FY15	\$92 million in one-time benefit: \$35 million for Underground Atlanta \$27 million for City Hall East \$30 million for Turner Field and \$8 million in reduced annual operating costs

Implementation: For this effort, the Office of Innovation and Performance worked with the chief operating officer and the Office of Enterprise Asset Management to negotiate the sale of excess property. The goal of this effort was to enable the city to deliver high-quality services to residents without owning excess property and with reasonable occupancy costs. One key principle for this effort was that the city have a preference against owning property if suitable property could be leased at lower total cost. The value achieved exceeded the estimate with \$92 million in one-time revenue achieved from just three property sales.



Fee structure. One of the key “quick win” recommendations was to review the current fee and fine schedules for the city and to assure that they were both consistent with the true cost to the city of providing the service and that the city had made the appropriate investments in technology and customer service to ensure full collection. This recommendation was estimated to produce \$5–8 million in the first year and \$8–10 million by the second year of implementation. The municipal court fees and collections process, municipal court collection of traffic citations, and 911 fees were identified as the highest-value opportunities, with an estimated \$5–7 million potential value.

Recommendation (from report)	Results
Reviewing the city’s fee and fine structures and enforcement strategy will also deliver returns in FY15	\$5.9 million in opportunities to align fees to true costs

Implementation: The Office of Innovation and Performance worked with the city Department of Finance’s Office of Revenue to review city fees.

The team worked with the police department and municipal court to make substantial investments in fee collection technology and customer service. These investments included new e-citation hardware, improved case management software, and an updated website that allowed some defendants to pay their tickets online.

The team worked with the court to review existing fine schedules. This resulted in proposed increases to fines that promote public safety (such as illegally parking in a handicapped space), and a proposed decrease to fines that typically are incurred by lower-income individuals (minor repairs to cars such as broken taillight) — the proposal was designed to increase overall revenue while focusing on equity.

A new law passed by the Georgia State Legislature allowed the city to implement a public safety assessment fee to ensure that 911 operations were financially balanced. The Mayor’s Office of Innovation and Performance and the Office of Revenue partnered to analyze 911’s true cost of service, including critical capital upgrades. The result was a \$25 per residential parcel and \$306 per commercial parcel assessment that went into effect in fiscal year 2016. This fee allowed the city to move 911 closer to structural balance.

The combination of all of this work has generated over \$6 million in new revenue and cost savings.



Asset activation. One recommendation identified \$2–5 million in annual benefit from public-private partnerships and commercial partnerships such as outdoor advertising (billboards, bus shelters, etc.), sponsorship opportunities and/or naming rights, and vending/concessions. The recommendation suggests a study of best practices and development of a strategic plan for public-private partnerships.

Recommendation (from report)	Results
Develop a centralized approach to public-private partnerships and municipal marketing	\$2.4 million BigBelly partnership \$250,000 bus advertising revenue

Implementation: The city hired a manager of Marketing and Partnerships, and tasked him directly with implementation of this recommendation. The manager has developed a comprehensive plan for partnerships spanning place-making, sponsorship, advertising, and city branding that could bring in as much as \$5 million in new annual revenue. The city has invested considerable time and effort, having vetted more than 30 possible partnership initiatives to date. The launch of BigBelly trash and recycling bins is estimated to bring \$2.4 million in lifetime value in free products and services, as well as \$50,000–75,000 in up-front value for advanced commission fees. Another project is estimated to generate \$250,000 in advertising sales for city streetcars, streetcar stops, and kiosks. A third project involved finding a lead sponsor for Atlanta’s new bike-share program, which has grown to 500 bikes in under a year.



Managed competition. One recommendation identified \$5–13 million a year in savings by using managed competition. Managed competition is a process whereby for certain functions of government, city employees are tasked with developing a proposal for how they would improve operations. The city simultaneously solicits bids from private vendors for the service. The competition between city employees and outside contractors is evaluated by an independent review board, which then chooses the result in the best interest of the city.

Recommendation (from report)	Results
Deploy a systematic process to identify where managed competition or partnerships may improve city services	Saved \$600,000 on fleet repair contract

Implementation: In 2017, the city successfully completed its first-ever managed competition effort for repair of city fleet vehicles, generating \$600,000 in savings. City employees prepared a proposal that was compared to several private-sector proposals. The city proposal was most cost-effective, due to an innovative partnership on parts stocking as well as new technology to track parts warranties and usage, saving city funds while maintaining high quality.

The city plans to continue the process for other functions of city government. The goal is to introduce the innovation and cost-reduction benefits that come from competition, while also empowering frontline employees, and providing opportunities for management and staff to work together.

KEYS TO SUCCESS

Municipalities interested in undertaking a commission to generate efficiency ideas can learn from the experience of Atlanta. Reflecting on their experience, Kristin Wilson, deputy chief operating officer, and Matt Malament, director of the Office of Innovation and Performance, offer the following advice to those considering a commission to identify efficiency opportunities:

- **Leadership matters.** The high-profile nature of the commission, and the public participation of the mayor, helped send the signal to all department leaders across city government that the commission was a high priority. That helped facilitate the flow of information from departments to the commission. This was critical given how many of the recommendations relied on data to determine if they would produce financial value.
- **Clarity of purpose helps.** Commission members knew that their task was to identify revenue enhancements and cost savings that could directly contribute to the city's infrastructure problems. That helped provide focus and connected the work to concrete results. Rather than working toward the general goal of efficiency, commissioners knew they were identifying funds that could make their roads and bridges safer.

- **Deadlines motivate, particularly public ones.** The team agrees that while the three-month period that the commission had to do its work was certainly aggressive, it provided a great deal of focus to the work. When the Innovation and Performance Team needed contributions of data or information from departments, the urgency and public nature of the deadline helped increase responsiveness. Also, the public meetings added incentive to departments to provide the information needed, lest they be publicly called out for not being compliant.
- **Fresh perspectives are valuable.** Whether provided via public input to the commission's e-mail address or at public meetings, or from the outside perspective of the business executives on the commission, the ability to see city government from a new point of view was valuable. Outsiders were able to ask helpful questions about the status quo and to devise ideas that might not have been intuitive for those in government.
- **Rely on data.** The project was successful in part because of the degree to which decisions were based on data. The amount of revenue or cost avoidance that could be generated by any recommendation provided an objective way to measure the value of each. This put each idea on an equal footing for consideration.
- **Include collective bargaining early and often.** Any possible changes to working conditions require collaboration with collective bargaining in order to be successful. The inclusion of collective bargaining representatives on the commission went a long way to generating buy-in for the recommendations and their eventual implementation.
- **Develop multiple paths to success.** The team recognized early that certain projects may not achieve the savings that had initially been targeted. One example of this was the consolidation of uniform purchasing across departments, which turned out to not be possible due to some contract terms. Fortunately, treating the initiatives as a portfolio allowed for a mix of individual project levels of success while still achieving the overall target dollar savings.
- **Approach implementation with discipline and transparency.** Implementation was structured with clear ownership, accountability, workplans, and timelines. Ongoing reporting to Mayor Reed and explicit alignment with the city of Atlanta budget development process ensured that savings were visibly realized, and

where challenges to implementation were presented, executive management engagement developed paths to success.

CONCLUSION

This case study was intended to describe Atlanta’s process for achieving success and to inspire cities, counties, and states to either implement recommendations from the Atlanta report or to create their own commission and identify the efficiency strategies that are most financially beneficial to their jurisdiction.

NOTES

1. “America’s Infrastructure Report Card,” *American Society of Civil Engineers*, 2017, <http://www.infrastructurereportcard.org/>.
2. Ibid.
3. Mayor Kasim Reed Press Releases, City of Atlanta, 2014, <https://www.atlantaga.gov/newsroom/press-releases>.
4. “Atlanta voters approve \$250M bond referendum for transportation, construction projects,” *Atlanta Business Chronicle*, 2015, http://www.bizjournals.com/atlanta/morning_call/2015/03/atlanta-voters-approve-250k-for-transportation.html.
5. Mayor Kasim Reed Press Releases, City of Atlanta, 2014, <https://www.atlantaga.gov/newsroom/press-releases>.
6. “Innovation Teams,” *Bloomberg Philanthropies*, 2017, <https://www.bloomberg.org/program/government-innovation/innovation-teams/>.



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