

When An Agreement Is Not An Agreement

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By Liam Dillon

Today I had a series of interesting exchanges regarding my post yesterday on the city of San Diego's stalled outsourcing program, known as "managed competition."

At the end of yesterday's post, I quoted city Human Resources Director Scott Chadwick saying the Mayor's Office had never agreed to exclude healthcare costs from the managed competition program. The city's blue-collar labor union, Local 127, had cited an Independent Budget Analyst report saying that the Mayor's Office had.

Now that issue is one of a handful that is forcing the mayor and the two affected unions to impasse over the implementation of the 3-year-old program.

I spoke with Chadwick again this morning . He noted, correctly, that I did not include the entire context of his quotation yesterday. He said yesterday and reiterated today that the Mayor's Office hadn't agreed to exclude healthcare costs from managed competition in the collective bargaining process.

The agreement on healthcare was made through negotiations that involved the Independent Budget Analyst.

"I can understand that at the time that was the city's position," Chadwick said. "It's our job through the collective bargaining process to bring something forward that wasn't watering down the intent of the voters in Nov. 2006."

He added that excluding the healthcare costs from the program could be seen as watering down the process.

My call to Chadwick was prompted by an e-mail from Murtaza Baxamusa, a research director at left-leaning think tank Center on Policy Initiatives. Baxamusa sent me a fact sheet issued by the Mayor's Office on May 2, 2008. It was sent before litigation stymied that effort to implement managed competition.

The fact sheet states:

The Mayor has agreed to add new policies and procedures that will enhance the managed competition program's existing protections, making the managed competition process more inclusive and even safer for the City, taxpayers and the employee teams and independent contractors bidding to supply City services. The Mayor has agreed:

The employer contribution to employee health coverage will be excluded from bid comparisons. Removing health care costs is consistent with the processes used by other jurisdictions involved

in competitive procurement processes.

Further, Baxamusa pointed out statements made in a City Council meeting last July. In that meeting, the Independent Budget Analyst made a presentation on managed competition, stating that, “agreement has been reached on the exclusion of healthcare from consideration,” but other healthcare details still needed to be addressed.

Following the presentation, city Chief Operating Office Jay Goldstone responded: “I think the recap by the office of the [Independent Budget Analyst] is a fair representation of what we’ve agreed to and what the issues are outstanding.”

This morning, after I spoke with Chadwick, I called Damian Tryon, a representative of Local 127. Tryon agreed that the healthcare issue wasn’t negotiated through collective bargaining. But again he questioned the mayor’s change of heart.

“While technically that agreement was rendered moot [by the lawsuit], his principles shouldn’t have changed from one day to the next,” Tryon said.