

CITY OF NEWPORT BEACH INNOVATION/IMPROVEMENT INCENTIVE  
PROGRAM

*Purpose*

To establish a method for employees to submit suggestions to improve City business practices. The objective of the program is to achieve efficiencies in City operations by providing employees an opportunity and incentive to contribute their ideas. Ideas resulting in measurable cost savings, increased efficiency or increased revenue to the City will be given priority over intangible suggestions.

*Policy*

Review Committee The City Manager's Office shall designate an Innovation/Improvement Incentive Program coordinator in addition to a five member review committee made up of three members of the management team, and one standing advisory member from both the City Manager's Office and Finance Department. The review board will review each idea submitted.

Application Period Employee suggestions will be accepted by the Innovation/Improvement Incentive Program coordinator year-round.

Submittal and Review Procedure Employee suggestions will be submitted on the IIIP form to their Department Director for signature. Once approved by the Department Director, the form is forwarded to the Innovation/Improvement Incentive Program coordinator. All ideas will be acknowledged upon receipt. The Innovation/Improvement Incentive Program Committee will forward a copy of any approved idea to the appropriate department(s) for evaluation. After review by the affected department(s), a written response signed by the department director(s) shall be returned to the Innovation/Improvement Incentive Program Committee with a recommendation. The affected department(s) shall provide a summary of projected cost or operational benefit to the City for suggestions recommended for adoption. The committee will make a determination to adopt, reject or defer the matter for further investigation. The decision of the committee shall be communicated directly to the employee. If the committee adopts the suggestion, a pilot study may be conducted to determine the actual savings/revenue or cost avoidance.

Employee Award Eligibility All current City of Newport Beach full time and part time employees, actively in the workplace, are eligible to receive awards with the exception of Department Directors, members of the City Council, members of appointed advisory boards or commissions, and members of the Innovation/Improvement Incentive Program Committee.

Subject Matter Eligibility All areas of activity within the City of Newport Beach are eligible for Innovation/Improvement Incentive Program submission with the following exceptions:

- A. Personnel grievances
- B. Matters within the scope of collective bargaining
- C. Suggestions awarded in the prior three years
- D. Matters that are a result of assigned or contracted audits, studies, surveys, review, or other research projects
- E. Enforcement of existing federal, state, or local rules, regulations and laws including printed City policies, rules and procedures
- F. Recommendations for purchase or replacement of parts from a different source at a lesser price
- G. Suggestions that would result in increased fees or costs to the City of Newport Beach residents
- H. Matters which are considered part of the normal job duties of the employee

Time Period Eligibility Any employee who submits a suggestion retains the right to any award during the period of time that the suggestion is being evaluated, plus an additional twelve months from the date of notification that the idea was rejected or deferred for further investigation.

Criteria for Judging Suggestions Suggestions that result in one of the following outcomes will have the greatest likelihood of adoption:

- A. Measurable Cost Savings
- B. Improved Customer Service
- C. Increased Efficiency
- D. Improved Work Environment
- E. Improved Safety and Health
- F. Increased Employee Morale

Awards If a suggestion is adopted, the amount of the award will depend on whether the idea is one which results in tangible or intangible savings as determined by the committee. Suggestions involving work environment, employee morale, customer service or safety may fall in the intangible category.

Tangible Suggestion Awards are given for implemented suggestions for which monetary savings can be precisely determined. Cost avoidance awards are given for suggestions that are implemented that reduce time required for an existing process or avoid future cost increases without reducing current level of service. The amount of these awards is 1% of savings or avoided costs capped at \$1,000.

Intangible Suggestion Awards are given for suggestions implemented which improve customer service, work environment, result in a change in procedures, revision of forms, or improvement in employee morale, health or safety. The minimum award for recognition of these suggestions should have a minimum value of \$25 with a maximum not to exceed \$500.

Group Suggestion Awards for a suggestion presented by a group of employees shall be determined on the same basis as if the suggestion had been submitted by one employee. The amount of the award shall be equally divided among those employees submitting the suggestion.

Special Awards The City Manager, upon recommendation of the Innovation/Improvement Incentive Program Committee, may determine a special award for a submitted suggestion. Special awards will be considered only for unusual suggestions that result in superior savings, and/or innovative safety or customer service improvements.

Decision of the City Shall Be Final The decision by the Innovation/Improvement Incentive Program Committee, the City Manager or the City Council regarding any action governed by this policy shall be at the sole discretion of such decision making authority and shall be final and binding. Nothing contained in this policy shall be deemed to create any contract or other legally binding obligation upon the City to adopt any suggestion submitted. Submittal of a suggestion shall constitute a waiver of all claims against the City with regard to such idea and an agreement by the employee to be bound by the decision of the City.

### *History*

Adopted J-3 - 1-24-1994

Amended J-3 - 3-22-1999 (changed to D-4)

Amended D-4 - 5-14-2013

Amended D-4 - 5-12-2015