

Shared Services

AGENDA

April 3, 2015

Committee Members: Conover, Wood, Dickinson, Frasier, Simpson, Merlino, Thomas

- I. Committee meeting called to order by Chairman
- II. Action Agenda/New Business  
New Business:
  1. Presentation by Purchasing Agents for Warren & Onondaga Counties concerning joint or consolidated purchasing indicative.
  2. Discussion concerning joint or consolidated animal/dog control.
  3. Discussion regarding the State requirement that municipalities achieve a 1% savings on districts tax levies.
- III. Referral/Pending Items
  1. There are no pending items to discuss.
- IV. Privilege of the Floor to discuss any additional items to come before the Committee
- V. Motion to adjourn

savings of at least the savings requirement in local fiscal years beginning in 2017, 2018, and 2019, when fully implemented.

It is important to note that the savings requirement is <sup>County wide</sup> plan-wide. Each school district or local government does not have to individually meet the savings requirement - the plan as a whole has to meet the savings requirement.

**Example:**

One county, one city, three towns, two villages, and three fire districts develop a Government Efficiency Plan together with a savings requirement of \$780,000. The cooperation agreements, shared services, mergers, and efficiencies included in the Government Efficiency Plan would generate savings of \$790,000 in 2017, \$809,000 in 2018, and \$829,000 in 2019 - exceeding the savings requirement.

Description of cooperation agreement, shared service, merger, or efficiency	Savings Generated in Fiscal Year		
	2017	2018	2019
County A enters into a cooperation agreement to have City A, Town A, Town B, Town C, Village A, and Village B undertake snow removal and road maintenance for the county in their respective local governments	\$300,000	\$310,000	\$320,000
Fire District A, Fire District B, and Fire District C merge	\$100,000	\$100,000	\$100,000
Town A and Town C continue to share tax collection services	\$30,000	\$30,000	\$30,000
Town B implements the efficiency of a lockbox payment system that reduces the need for administrative personnel	\$70,000	\$71,000	\$72,000
Town A and Village A enter into a cooperation agreement to create a single police force instead of two separate police forces	\$95,000	\$100,000	\$105,000
Village B implements the efficiency of eliminating its duplicative assessment	\$35,000	\$35,000	\$35,000
County A shares services with City A, Town A, Town B, Town C, Village A, and Village B by taking over the maintenance and administration of all of city, towns, and village parks	\$160,000	\$163,000	\$167,000
<b>Total Savings</b>	<b>\$790,000</b>	<b>\$809,000</b>	<b>\$829,000</b>
<b>Savings Requirement</b>	<b>\$780,000</b>	<b>\$780,000</b>	<b>\$780,000</b>

**3. Eligible Activities**

Government Efficiency Plans can include *cooperation agreements, shared services, mergers, and efficiencies.*

**Types of Activities**

*Cooperation agreements* are "agreements entered into between eligible school districts ["local government units" for local governments] to implement the sharing or consolidation of functions or services, including but not limited to procurement, real estate and facility management, fleet management, business and financial services, administrative services, payroll administration,

**CONSOLIDATED PURCHASING - SPECIFIC CATEGORIES**

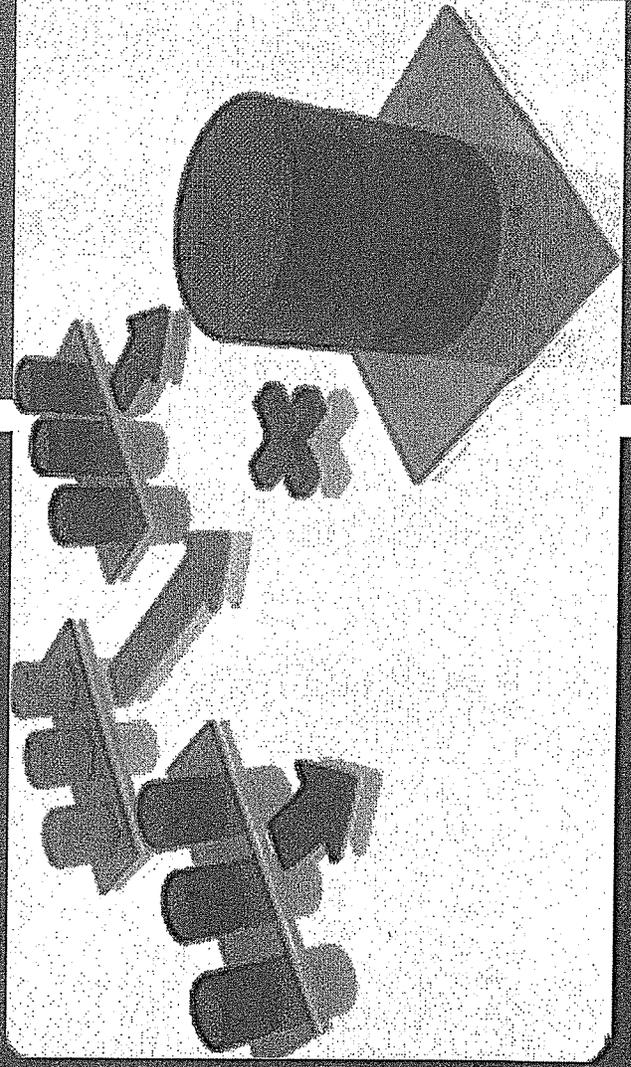
COMMODITY	PUBLIC WORKS	PROFESSIONAL SERVICES
Sign materials, blanks, reflective sheeting	<p>We can do any type of public work bid on behalf of the Towns on an individual basis. We cannot consolidate said bids due to prevailing wage requirements. However, going through this office may save the towns a lot of time, as we're probably more familiar with the bidding process and have much more extensive vendor lists because we do it every day. This would be a soft cost for the Town and not necessarily quantifiable on paper.</p>	Audits
Steel Blades for plows		Engineering (any type)
Sand, Stone, Topsoil, Mulch		Surveying
Guide Rail, Posts & Hardware		Consulting (any type)
Drainage Structures		Statements of Qualifications
Concrete		
Food		
Disposable food service items		
Janitorial supplies		
Office Supplies including paper		Areas we have experience in:
Furniture	Almost any type of highway application	
Office Equipment	(i.e. pavement markings, pavement	
Medical Supplies (for wash stations, etc)	recycling, shotcrete, asphalt paving)	
Automotive Replacement Parts	Guide rail repair/intall	
Heavy Highway Equipment	Plumbing repairs/install	
Radios/Communication Equipment	Electrical repairs/install	
Computer Hardware/Software	HVAC repairs/install	
Road Salt - currently state contract	Septic pumping	
All Fuels - currently state contract	Overhead Door Repairs/install	
Engine Lubricants	Lawn maintenance chemicals/application	
Uniforms (if required)	Generator maintenance	
Transfer Station Equipment (containers)	Fire alarm maintenance, inspection, repair	
Building Materials	Bridge repairs	
Personal Protective Equipment for	Building renovations	
Highway employees	New Buildings	
	Roof Repairs/replacement	
	Tree Removal	

JOANNE M. MAHONEY  
COUNTY EXECUTIVE

# CONSOLIDATION OUTLINE

BY  
SEAN CARROLL  
ONONDAGA COUNTY

FOR  
WARREN COUNTY  
SHARED SERVICES COMMITTEE



# WHY CONSOLIDATE

- Volume Savings
- Centralized Purchasing Intelligence
- Reduced Administrative Overhead
- Reduced Participation Costs for Vendors
- Increased Competition Between Vendors because of concentrated but limited opportunities
- Reduced number of Solicitations
- Increased Cost Avoidance
- Decreased Reliance on Consultants
- Decreased and Standardized Risk Exposure

WHY  
CONSOLIDATE

# POLITICAL WILL

- **Back Office Consolidation vs Direct Contact Departments (Purchasing vs Police or Parks)**
- **Top Down Support for the Consolidation**
- **Realistic Expectations**
- **Balancing Planning with Seizing an Idea whose time has come**
- **Success will only be achieved if you can bridge legislative and political cycles**

POLITICAL  
WILL

# POLITICAL WILL (CONT)

- IMA and Service Level Agreements to De-personalize the consolidation
- Choosing a Model
  - Shared Balance sheet model with a lead agency
  - BOCES model with a board
  - Piggybacking model
  - Complete Outsourced model
- Assigning the Costs and Responsibilities
  - Who will bear which costs
  - Who will be in charge
  - Who will be responsible for FOIL, article 78 responses audit compliance etc.
- Liability issues
  - What happens if a vendor challenge is successful

POLITICAL  
WILL

# OPERATIONAL CONSOLIDATION

- Identifying the Rules
  - Procurement is subject to rules including
    - federal
    - state
    - local
    - field specific
    - rules specific to funding
- Who interprets the rules
- What happens when counsel disagrees.
- Comparing the cultures
  - Is purchasing a strategic function

# OPERATIONAL CONSOLIDATION (CONT)

- Operational integration
  - Technology
  - Human bandwidth
  - Approvals
  - Financial commitments
- Do customers have reasonable expectations
  - Timing
  - Emergencies
  - Preferred vendors
- Process Mapping
  - Workflow
  - Streamlining
- Communication
- Trust

OPERATIONAL

# COUNTING SUCCESS

Some benefits of the program can be counted

Hard cost savings from personnel reductions

Hard cost administrative savings (including reduced general overhead and reduced duplication of services)

Volume Savings on commodities (This is dependent on having excellent baseline information)

Some benefits of the program are harder to enumerate  
Cost Avoidance

Some benefits are quantifiable and will be hard to quantify  
no matter the method for tracking information

Increased Customer Experience

Risk Avoidance

Hidden Costs of Procurement not being an everyday function

Increased Functional Productivity

Counting  
Success

