

TAXPAYERS

ASSOCIATION

■ of Central Iowa ■

Report on Services Contracting
by Local Governments
in Central Iowa
2012

Introduction

In 2012 the Taxpayers Association of Central Iowa administered a survey of cities and school districts to identify current practices in contracting/outsourcing of services or functions. Such contracts can be with other local governments or with private sector providers. Responses were received from all twelve school districts and all sixteen cities surveyed. All analysis is based on the responses provided.

The Taxpayers Association of Central Iowa is interested in contracting/outsourcing because it can be an important tool for controlling costs and/or improving service. It is not an appropriate approach in every instance, but it can be effective in cutting costs when it helps local governments reduce dependence on the expensive public sector staffing model and/or it can help spread unit costs out among more subscribers. To view last last year's survey results on salary and benefits for cities and schools, visit: <http://taxpayersassociationofcentraliowa.org/wp-content/uploads/2011-comp-and-benefits.pdf>

The potential for improved service comes about through specialization: the service or function may be a provider's core competency or specially developed expertise, whereas most local governments engage in such a diverse range of activities that none can be expert in everything. Sometimes a local government can become a center of excellence, however, in a particular service or function.

When contracting, a local government remains accountable to citizens for the service, but exercises accountability through the terms and administration of the contract rather than by directly supervising its own employees.

The Taxpayers Association of Central Iowa encourages local governments to regularly review all opportunities for achieving efficiencies, including contracting/outsourcing of services. This report on contracting/outsourcing practices is intended to serve as a resource for:

1. Citizens, to see which local governments have been aggressive in adopting cost-effective service delivery options; and
2. Local governments, to:
 - See how they compare in the extent to which they use this tool;
 - Identify what the next opportunities may be; and
 - Determine who has been down the road before with a particular service or function, and may therefore be able to offer assistance as the next opportunity is pursued.

Summary of Results

Cities tend to outsource more frequently than school districts. Overall, cities outsourced just over half the 18 surveyed functions, while school districts outsourced less than one-third of the 12 functions surveyed.

Among schools districts, Urbandale, West Des Moines and Saydel are leaders in this activity, while the Des Moines Public School district shows little use. There does not seem to be a pattern relating to district size.

Among cities, the smaller ones tend to outsource the most services/functions. This is not surprising because they are often too small to justify full-time staff for a given function. Among the larger cities, Ankeny, Urbandale and Altoona tend to outsource fewer services/functions than their counterparts and perhaps should look for further opportunities.

In looking at specific opportunities, it is useful to compare services/functions that are undertaken by both cities and school districts. Seventy percent of the cities surveyed outsource custodial services; yet school districts basically don't outsource this function. It represents a clear opportunity for any district. While a citizens' group recently recommended this change in the Des Moines district, the Board chose not to change the policy and to forego millions of dollars of savings for the district.

There are at least three school functions that are very specialized (making them good candidates for outsourcing), but are rarely outsourced at this time. School transportation (busing) is outsourced in Ankeny, Waukee, Urbandale and Saydel; nursing services in West Des Moines. None of the central Iowa districts indicated they are outsourcing food service, although Ames has done so for the past ten years. These three areas represent good opportunities for all districts.

For cities, it is useful to look at exceptions to the norm. Solid waste collection is outsourced in every city except Urbandale and Des Moines, suggesting it as an opportunity to be considered by these two cities.

Urbandale and Waukee appear to be among the few cities that have not outsourced printing.

Custodial services have yet to be privatized in Altoona, Norwalk, Johnston, Pleasant Hill and Windsor Heights.

An area with surprisingly little outsourcing activity is in the human resources arena, for functions such as payroll administration.

In summary, local governments in central Iowa are doing a good job in pursuing efficiencies through the use of contracting/outsourcing, but significant opportunities remain on the table. As budgets are stretched and resources are sought for priority areas, it will be more important than ever to explore every possible avenue to achieve efficiencies and savings that can be redirected to fund them. Taxpayers expect no less.

Cities - Overview

Municipalities Surveyed: Altoona, Ankeny, Bondurant, Carlisle, Clive, Des Moines, Grimes, Johnston, Mitchellville, Norwalk, Polk City, Pleasant Hill, Urbandale, Waukee, Windsor Heights and West Des Moines.

1. Solid Waste

- a. Every city surveyed except Des Moines outsources all or part of its solid waste services
- b. Waste Management is the most common, other providers include Waste Connections and MWA.

2. Streets

a. Street Sweeping

- i. Five out of sixteen municipalities surveyed outsource street sweeping services: Carlisle, Bondurant, Mitchellville, Polk City and Windsor Heights
- ii. Speck Enterprises was the only private provider named; Windsor Heights contracts with City of West Des Moines

b. Street Maintenance

- i. Street maintenance is done entirely in-house by twelve of the sixteen municipalities surveyed
- ii. West Des Moines, Pleasant Hill and Urbandale outsource portions, such as medians or only major overlays

c. Towing

- i. All cities surveyed outsource towing, using various local companies

3. Emergency Services

a. Dispatch

- i. Fifteen out of sixteen municipalities surveyed outsource dispatch services
- ii. Only Des Moines runs dispatch entirely in-house; West Des Moines, Urbandale and Clive are part of a 28E agreement and so use the multi-city Westcom Emergency Communications Center.

b. Ambulance/EMS

- i. Six of the municipalities surveyed outsource at least some of their Ambulance/EMS
- ii. Bondurant has a sharing agreement with Altoona
- iii. Grimes shares a fire chief with Johnston
- iv. Polk City has a sharing agreement with Ankeny
- v. Des Moines outsources billing
- vi. Johnston uses Frasier Ambulance for certain hours
- vii. Carlisle has a tiering arrangement with Mercy Hospital

4. Animal Control

- a. All cities surveyed outsource animal control services, with the exception of West Des Moines, Pleasant Hill and Windsor Heights.
- b. West Des Moines provides animal control services to Clive and Urbandale
- c. Johnston, Norwalk, Mitchellville, and Ankeny contract with Animal Rescue League

5. Planning, Permitting, and Building Inspection

- a. Bondurant, Polk City, Mitchellville and Carlisle outsource building inspection, to varying degrees

6. Sewer Maintenance

- a. Bondurant, Grimes, Urbandale, Polk City, Norwalk, Pleasant Hill and Windsor Heights outsource at least some sewer maintenance
- b. Clive has worked with Urbandale to secure joint agreements for lower pricing of major projects

7. Facilities

a. Facility Operations

- i. Clive, Grimes, Waukee and Des Moines outsource various facility operations
- ii. Des Moines contracts to manage its golf courses, zoo, and botanical center
- iii. Grimes contracts with PeopleService Inc. for wastewater
- iv. Clive outsources HVAC to Baker Group
- v. Waukee outsources all of its facility systems maintenance
- vi. West Des Moines has recently brought HVAC service back in-house

b. Facility or Property Management

- i. Only Mitchellville and West Des Moines outsource, each to a limited degree

c. Building Custodial Services

- i. Every city surveyed with the exceptions of Altoona, Norwalk, Johnston, Pleasant Hill and Windsor Heights outsources custodial services
- ii. West Des Moines uses a combination of city employees and contractors

d. Landscaping/Groundskeeping

- i. Clive, Grimes, Waukee, Urbandale, Des Moines, Ankeny, Pleasant Hill and West Des Moines outsource landscaping services to varying degrees

8. Vehicle Maintenance

- a. Bondurant, Clive, Mitchellville, Carlisle and Pleasant Hill outsource vehicle maintenance.
 - i. Pleasant Hill and Bondurant have mechanics in-house in addition to outside help

9. Business Operations

a. Billing/collections

- i. Pleasant Hill, Johnston, Des Moines, Mitchellville, Waukee, Clive and Windsor Heights outsource EMS billing

b. Human Resources Services

- i. Grimes, Polk City, Norwalk, Carlisle and West Des Moines outsource HR to varying degrees
- ii. Grimes and West Des Moines outsource only workers comp/benefits administration

c. IT Services

- i. Nine out of the sixteen municipalities surveyed outsource IT services and infrastructure maintenance: Bondurant, Grimes, Waukee, Polk City, Altoona, Norwalk, Johnston, Carlisle, and Pleasant Hill.
- ii. Norwalk has a cooperative agreement with Norwalk CSD for IT services

d. Legal Services

- i. Every city surveyed with the exceptions of Des Moines and West Des Moines outsource the majority of its legal services
- ii. Des Moines and West Des Moines have in-house legal staff but contract for special cases

e. Printing Operations

- i. Bondurant, Clive, Grimes, Waukee, Polk City, Altoona, Des Moines, Ankeny, Norwalk, Johnston, Carlisle, Pleasant Hill, and West Des Moines outsource some or all of their printing

f. Graphic Design Services

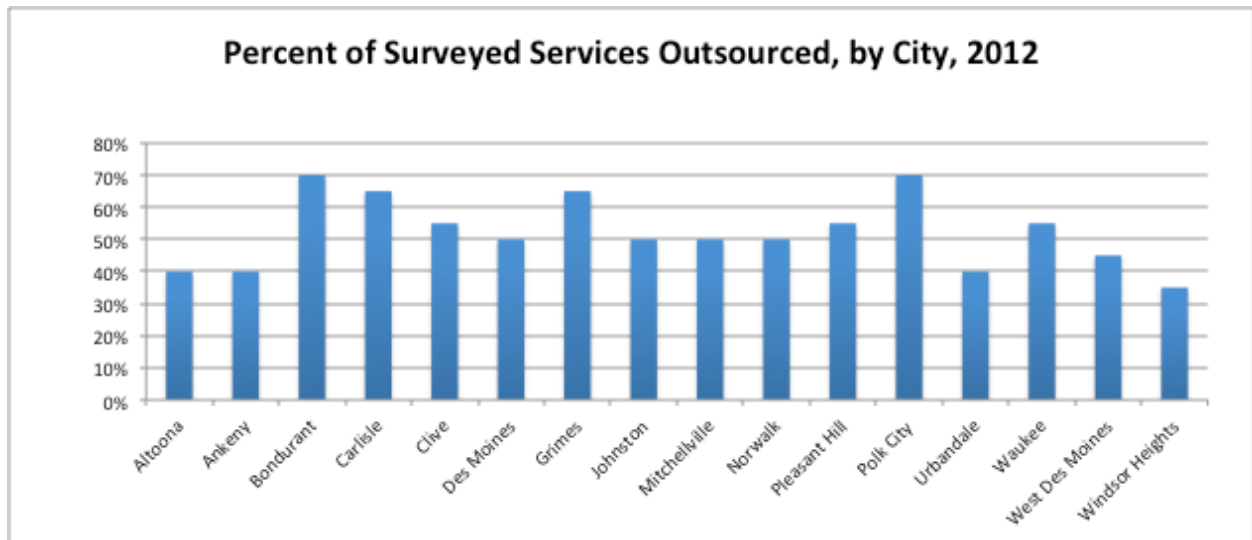
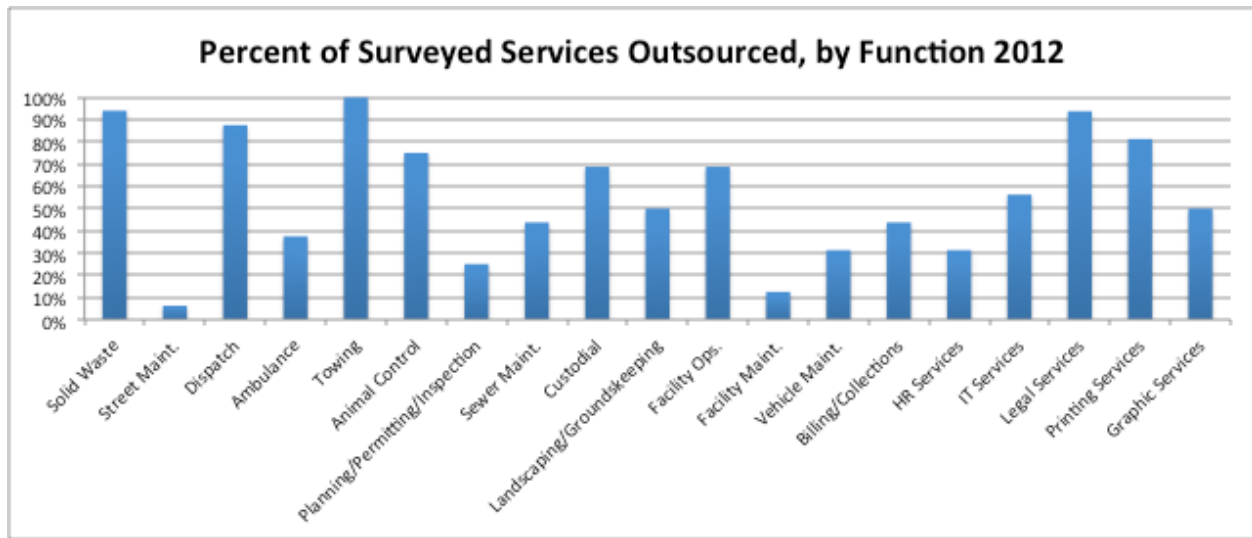
- i. Bondurant, Polk City, Altoona, Des Moines, Norwalk, Johnston, Windsor Heights and West Des Moines outsource some or all of their graphic design work

10. Other Services

a. Engineering

- i. Polk City, Des Moines, Norwalk, Pleasant Hill and Grimes outsource

Central Iowa Cities – Data Summary



Central Iowa School Districts – Overview

Schools Districts Surveyed: Ankeny, Bondurant-Farrar, Carlisle, Des Moines, Johnston, Norwalk, North Polk, Pleasant Hill, Saydel, Southeast Polk, Urbandale, Waukee and West Des Moines.

1. Foodservice

- a. None of the School Districts Surveyed outsources their foodservice operations.

2. Transportation

- a. Four out of the twelve school districts surveyed outsource their transportation/busing services: Saydel, Ankeny, Waukee and Urbandale.
- b. Saydel and Ankeny are served by Durham School Services, Waukee and Urbandale by First Student Inc.

3. Vehicle Maintenance

- a. Norwalk has considered outsourcing its transportation services due to issues with facilities costs, but opted instead to partner with the City of Norwalk to construct a joint maintenance facility to provide service to the districts vehicles.
- b. Saydel contracts vehicle maintenance with Durham School Services
- c. Johnson, Urbandale and Bondurant use a variety of local businesses for vehicle maintenance.

4. Nursing

- a. West Des Moines contracts with Blank Hospital to provide nursing services
- b. Johnston contracts nursing services for special needs children with ChildServe.

5. Security

- a. Eight of the twelve districts surveyed outsource their security services, to varying degrees: Carlisle, Saydel, Ankeny, Pleasant Hill, Urbandale, North Polk, Bondurant, and West Des Moines.
- b. Three have contracts with Polk County Sheriff's Office
- c. Urbandale contracts with a number of parties to provide security services at different events: one district security employee for facilities in addition to off-duty policemen from the City of Urbandale and Contemporary Services, Inc. event security.
- d. Ankeny and West Des Moines contract with Per Mar Security Services and The Conley Group Inc., respectively.
- e. Urbandale, Pleasant Hill and Carlisle all utilize off-duty city police officers for event security, but not regular security duties.

6. Facilities

- a. Custodial Services
 - a. All custodial serves are done by district employees, with the exception of one position filled by Nationwide Staffing in West Des Moines
- b. Facilities Maintenance
 - a. Johnston contracts with Excel Mechanical, SystemsWorks, and Johnson Controls for HVAC service.
 - b. Wastewater treatment and grounds are outsourced to unspecified contractors by Bondurant-Farrar and Des Moines Schools, respectively.
 - c. Des Moines outsources grounds keeping

7. Billing/Collections

- a. Four districts outsource some part of their billing and collections process:
- b. Saydel uses RevTrak for collections of overdue student fees
- c. Norwalk outsources collection of overdue student fees
- d. Urbandale uses Transworld Systems for collections
- e. Bondurant uses PayTek to collect on hot checks and uses district employees for all other billing and collection services

8. IT Services

- a. Saydel uses Xirrus for wireless systems maintenance
- b. West Des Moines CS contracts with IFAS to maintain their General Ledger in the cloud.

9. Legal Services

- a. Every district surveyed outsources at least a portion their legal services; Des Moines and Urbandale have some legal professionals on staff.
- b. Six districts use Ahlers & Cooney P.C. for legal services

Central Iowa School Districts – Data Summary

