

# **SHARED SERVICES CONCEPTS**

Presentation to the Shared Services Committee  
Monday, November 29, 2010



## **BACKGROUND**

In order to gain some understanding about the extent to which shared services issues are important to local government and the interest in participating in shared services programs, representatives of the Shared Services Planning Committee participated in a Regional Shared Services Survey. The Shared Services Survey was administered in October-November 2010. The survey was completed by at least one representative from each of the participating municipalities.

The survey results revealed information that may lead to interest in a number of shared services issues and concepts that could be the basis for some initial agreements, including the following:

- There is a considerable amount of public works equipment distributed among the municipalities participating in this study, but no one community has the full range of equipment. This points to the potential for equipment sharing concepts, as an early initiative of the study consortium.
- There is also a diversity of waste hauling services provided. Waste hauling and trash collection appeared from the survey results to be key areas of interest and ones that may lead to potential shared services solutions.
- There is experience already with joint purchasing arrangements. Several communities expressed an interest in expanding joint purchasing opportunities, particularly involving Fire and EMS Supplies, and other routine municipal acquisitions.

These survey results are being explored in more detail by the consultant team and follow up meetings are necessary and underway. Nonetheless, and in light of the Planning Committee's interest in a possible 2011 implementation time horizon, the consultant team has identified a number of shared services concepts that seem possible among some or all of the participating municipalities.

The following pages outline these concepts and illustrate similar best practices in place in other communities.

## **OUTLINE OF SHARED SERVICES CONCEPTS**

### **Public Works Equipment Sharing**

There are numerous examples of municipalities in New Jersey and across the nation exploring the sharing of public works equipment. The Rhode Island Public Works Association has developed a protocol for the sharing of certain types of equipment, without cost to the borrowing municipality. Safeguards are in place to ensure the proper use of the equipment and to cover accidental damages, but the basic concept is that the benefits of sharing equipment outweigh the risks and that all participating communities will ultimately benefit through the savings that will be realized by not purchasing or leasing equipment, so it does not pay anyone to go through the process of administering a “fee for sharing” program.

The Greater Portland Council of Governments has assembled a slightly different approach to its shared services program. Equipment is made available by participating municipalities, but they have developed an inventory of equipment for sale, lease, or lending. Each piece of equipment is posted as such. (See attached pages.) This is obviously a more sophisticated operation, with the Council of Governments serving as the administrative entity.

### **Equipment Rental Pool**

Cumberland County municipalities could develop something similar to the Greater Portland operation through an inventory of municipal public works equipment that would be made available for lease by municipalities participating in a public rental pool.

### **Shared Vehicle and Equipment Maintenance Pool**

This is a variation on the equipment rental theme, but instead of sharing equipment, municipalities would be sharing vehicle maintenance staff and services. This could include vehicle washing and cleaning, as well as the routine maintenance of vehicles.

Interlocal service agreements could be developed among participating municipalities authorizing the use of municipal personnel for routine maintenance and repair of vehicles. This could be done on a trial basis, beginning with very simple maintenance procedures such as oil changes, filter changes, and the replacement of belts and hoses. Following some trial period, a more complex sharing of repair services could begin.

## **SOLID WASTE TRANSPORT**

### **Convenience Center Transport**

There are some municipalities that handle their own transport of municipal solid waste from their convenience centers to the County landfill. Other communities contract for these services. Solid waste transport also involves recyclable materials as opposed to routine household solid wastes.

Municipal shared service agreements for the transport of either or both types of waste commodities could be developed. The sharing of such services would involve more than just the accounting and protocols for the sharing of vehicles and transport staff. There would also have to be an accounting of each municipality's tonnage and recyclables delivered to the County landfill. There may also be other requirements for the registration of transport vehicles and contents, as may be required by the State of New Jersey.

### **Municipal Trash Collection**

Some of the larger municipalities in the County provide their own curbside trash pick up. This service could be extended to outlying interested municipalities. However, this is an extremely costly service and one that many communities around the nation are privatizing or leasing out to private contractors. A more practical initial step for sharing the costs of trash collection might be through the common issuance and administration of RFP's for these services.

## **ADMINISTRATIVE SUPPORT**

There are three basic options open to local government for the sharing of administrative personnel. These include the sharing for a fee of current, full-time or part-time personnel; the joint contracting of personnel; and/or the issuance of a shared Request for Proposal for administrative services.

### **Full or Part Time Employee Sharing**

Some municipalities have full time administrators. Others have full time Chief Financial Officers and/or a range of full time and part time inspectors and clerical staff. Sharing full or part-time staff for a fee is one administrative option that some municipalities might consider. Geography would be an obvious consideration in accounting for time and the practicality of this option.

## **Acquiring New Administrative Services**

Most municipalities do not have full time CFO's and many do not have full time administrators. Two or more municipalities could consider the joint hiring of a full or part time administrator, CFO or other position. The cost of sharing, housing and providing benefits for these employees would also be shared.

## **Issuing and Administering Common RFP's**

Where there is no interest or ability in acquiring full or part time staff, multiple municipalities may wish to issue joint RFP's for contracted services. This exists in practice now, where many municipalities share a common individual for a number of professional services even though they do not share formally in the expense of those services.

## **NEXT STEPS**

1) Complete Inventory of Municipal Public Works Equipment. If communities wish to share public works equipment, or develop a rental program of some sort, a complete inventory of available equipment for share or lease will have to be developed. Follow up meetings and phone calls will be made to assess interest and the types of equipment that may be included in this pool.

2) Supply Inventory. Assess Fire and EMS Supplies and range of other supplies that could be acquired through joint purchasing arrangements.

3) Formal authorization of Pilot Program. It may be advisable that given interest that may exist that rather than formalizing a program and all of its particulars, that interested municipalities begin a one-year pilot program in which issues and any administrative challenges might be resolved.

- Draft Sample Municipal Resolution. Each interested municipality would have to prepare and pass a municipal resolution authorizing participation in the pilot program.
- Draft Sample Interlocal Services Agreement. With advice from municipal solicitors, a common interlocal services agreement would have to be developed that spell out at a minimum, the following considerations.
  1. Sharing Protocol
  2. Timeframe for Use of Equipment
  3. Insurance Issues and Considerations
  4. Any requirement for involvement of Municipal/Licensed Staff
  5. Frequency of Use
  6. Accounting Considerations

4) Develop and Endorse Administrative Structure. How would the shared services program be administered? Would each municipality be accountable for updating inventories of equipment available for sharing? How would the program evolve should the participating communities wish to go for a more complicated leasing or rental program? Should there be a common administrative entity such as the Cumberland Development Corporation involved in the administration of the sharing program? All of these questions and more will have to be addressed as the program matures and evolves.