



Lawrence J. Morrissey
Mayor
Office of the Mayor

DATE: January 24, 2011

TO: Mayor Larry Morrissey
Members of City Council
John Holmstrom, Chairman, Budget and Finance Advisory Committee

FROM: Janyce Fadden, Chair
Members of the Outsourcing Subcommittee

RE: Recommendations on the Baker Tilly Outsourcing Report

Background

As you know, the City of Rockford Budget and Finance Advisory Committee presented a final report last year detailing recommendations and suggestions for City Council consideration to improve the future fiscal health of the City of Rockford. As the report indicated, “[t]he overarching goal of the Committee was to identify ways to reduce the future costs and risks currently being carried by City government and City taxpayers while still providing critical community services.” One of the subcommittees established to achieve the goal of identifying ways to reduce future costs and risks for the City of Rockford was the Outsourcing Subcommittee.

Since last Summer, the Outsourcing Subcommittee has been meeting to further analyze what aspects of the City of Rockford municipal services should be considered for outsourcing, and in September, the City selected Baker Tilly to conduct an outsourcing assessment and to provide independent analysis to assist the Outsourcing Subcommittee and the City in addressing short and long term budget concerns, and to also critically examine the options available to the City in terms of reducing recurring costs and long-term liabilities related to staff.

Process

The Outsourcing Subcommittee and Baker Tilly were charged with identifying and studying potential service delivery options and opportunities at a high level of analysis for eight functional service areas. They included emergency medical services, community development block grant, parking system management, street sweeping, human services/Head Start, vehicle and fleet maintenance, 911 call taking and dispatch, and 311 non-emergency customer service. From this high level analysis, four functional areas were selected for further detailed analysis: emergency medical services, Head Start, street sweeping, and vehicle and fleet maintenance. The final report provides great detail on these four study areas, and through this analysis, Baker Tilly outlined nine decision items that the Outsourcing Committee reviewed and has made recommendations to City Council as summarized below.



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Outsourcing Subcommittee Recommendations

Study Area: Fleet

Decision Point 1 – Outsource Parts Management: The Subcommittee recommends that the City engage Baker Tilly under the existing contract, with staff assistance, to proceed with this item.

Decision Point 2 – Downsize Fleet: The Subcommittee recommends that the City engage Baker Tilly under the existing contract, with staff assistance, to proceed with this item.

Decision Point 3 – Replace Fleet Through Leasing: The Subcommittee recommends that the City engage Baker Tilly under the existing contract, with staff assistance, to proceed with this item.

Study Area: Street Sweeping

Decision Point 4 – Outsource Street Sweeping: The Subcommittee recommends that the City proceed with developing an RFI and RFP to solicit proposals from vendors. This proposal process will be completed with current staff.

Decision Point 5 – Evaluate reducing and modifying the current sweeping cycles: The Subcommittee recommends that the City proceed with this item and develop it as part of the RFP process.

Study Area: Emergency Medical Service

Decision Point 6 – Outsource EMS Service: The Subcommittee recommends that the City engage Baker Tilly for an additional contract addendum to develop a request for proposals. The addendum is estimated at \$4,400.

Decision Point 7 – Reduce Engine Manning from 4 to 3: While not strictly related to potential outsourcing, in reviewing the EMS function, Baker Tilly also provided an analysis of reducing engine company staffing from 4 to 3 in order to achieve general fund savings and reallocate resources towards the majority of calls for service the Fire Department experiences, EMS calls. Because this is not an outsourcing function, the Subcommittee recommends that City Council examine the information presented by Baker Tilly on this issue for further discussion, but the Subcommittee will no longer be working on this specific issue as it is out of our scope of focus.

Study Area: Head Start

Decision Point 8 – Establish Market Based Compensation: The Subcommittee recommends that this information be tabled at this point.

Decision Point 9 – Discontinue Operation of Head Start Program: The Subcommittee recommends that this information be tabled at this point. The Subcommittee does recommend that City Council



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continue to examine best practices with regard to what the best organizational structure is for Head Start and the Human Services Community Action Agency.

Next Steps

Based on which decision items are approved by the Finance and Personnel Committee and City Council, the Outsourcing Subcommittee will continue to meet, monitor progress, and provide guidance to City staff and Baker Tilly as specific services move through the request for proposal process to a formalized contractual arrangement. In addition, the Subcommittee will review the findings of the outsourcing analysis currently being conducted by Baker Tilly in the Finance, Human Resources, and Legal Departments, and provide a report back to City Council regarding those results and recommendations in a similar fashion.

We want to thank Mayor Morrissey and City Council for the opportunity to provide input and guidance on such an important topic as municipal service delivery, and want to thank Baker Tilly and city staff for their assistance and work on the Outsourcing Subcommittee's behalf.

Committee Members: Janyce Fadden, Chair
Alderman Frank Beach
Alderman Venita Hervey
Alderman Bill Robertson
Sunil Puri
Phyllis Ginestra
LoRayne Logan
Jim Pirages