



Brandi Allen  
Conferences & Education Director  
Alliance for Innovation  
ballen@transformgov.org  
602- 496-1097

**COVER PAGE**

Innovation Study Title     Municipal Partnering Initiative

Category                      Community Relationships

Jurisdiction Name           Cities of Highland Park & Lake Forest; Villages of Glenview, Northbrook & Winnetka

City/County Manager      Highland Park City Manager - David Limardi  
    Lake Forest City Manager – Robert Kiely  
    Glenview Village Manager – Todd Hileman  
    Northbrook Village Manager – Rich Nahrstadt  
    Winnetka Village Manager – Robert Bahan

Population                    Highland Park – 29,763  
    Lake Forest – 19,375  
    Glenview – 44,692  
    Northbrook – 33,170  
    Winnetka – 12,187

**Submit Innovation Study for an Alliance Innovation Award**     Yes [  ]     No [  ]  
*Alliance member jurisdictions only. Learn more about the award program at [transformgov.org/en/about/innovation\\_awards](http://transformgov.org/en/about/innovation_awards)*

**Project Leader/Primary Contact**

Name                            Todd Hileman

Title                             Glenview Village Manager

Phone Number                (847) 904-4370

Email                            thileman@glenview.il.us

Mailing Address              1225 Waukegan Rd. Glenview, IL 60025

**Presentation Team Members - TBD**

## SYNOPOSIS

Motivated by the national economic downturn and Illinois' fiscal crisis, management of 18 northern Cook County and Lake County municipalities began meeting in September 2010 to discuss a new business model, drawn from familiar concepts we've known for years – the powers of bulk purchasing, and working together instead of working independently. Instead of separately seeking contractors for work they routinely do, the administrations would work together to purchase shared services and commodities, in a concept the 18 communities referred to as the Municipal Partnering Initiative ("MPI"). The MPI's primary goal is to save partnering municipalities while preserving product quality and service level. The economies of scale achieved were expected to translate into savings that could be reallocated for other services.

The partnering communities had no clear estimate of the possible cost savings – at best, the communities would save money in their contractual costs; at worst, they would fare no better or worse than their current pricing.

The MPI had two major potential obstacles to overcome as they developed the program. First, the MPI was a major undertaking and required significant amounts of staff time to review bid specifications, service level needs, current contract costs, and write new bid specifications. Second, 18 communities were likely to have 18 different opinions and perspectives on bid specifications. The MPI partners overcame these obstacles by dividing the work amongst themselves by forming committees to evaluate and write bid specifications for different groups of services and commodities, including a Public Works Committee and a Construction Committee. Each partnering community assigned staff to work on the committees, and each committee was lead by a chairperson. The MPI partners overcame the potential obstacle of differing opinions of bid specifications by discussing each community's legacy programs and contracts, and each community maintained the ability to opt in or out of a contract with the group's bid specifications. This method respects each community's unique needs and political sensitivities, while still compelling each community to challenge the "this is the way we've always done it" mantra. Most importantly, committee members cultivated relationships with their peers and counterparts in other municipalities, and allowed members to share best practices and learn from each other.

Committees of staff from various communities worked over the winter of 2010-2011 on specific service areas. To date, the MPI partnering communities have entered into 10 joint contracts, and identified several services and commodities for future partnering projects.

A few of the completed projects include:

- Crack sealing – Morton Grove, Wilmette, Glenview and Winnetka expanded an existing joint contract to the communities of Buffalo Grove, Evanston, Glencoe,

Highland Park, Lake Bluff, Lincolnshire, Skokie, and Clarendon Hills. Adding eight communities to the existing joint contract allowed staff to renegotiate contract pricing. Together, the 12 communities saved between \$50,000 and \$70,000 when the 2011 consolidated pricing was compared to 2010 non-consolidated pricing.

- Fire hydrant painting – Northbrook, Buffalo Grove, Lake Forest, Winnetka, Highland Park and Glenview jointly bid for a contractor to paint fire hydrants. The six communities save between \$8,000 and \$10,000 when the 2011 consolidated pricing was compared to 2010 non-consolidated pricing.
- Sewer lining – Buffalo Grove, Glenview, Highland Park, Skokie and North Chicago jointly bid a sewer lining contract. The \$1.09 million contract meant saved between \$30,000 and \$50,000 when the 2011 consolidated pricing was compared to the 2010 non-consolidated pricing. A second group of communities, consisting of Lake Forest, Morton Grove, Northbrook, Northfield, Park Ridge, Wheeling and Winnetka jointly bid a \$945,000 contract, which yielded savings of between \$60,000 and \$90,000.

To date, MPI members saved \$362,000 to \$491,000 for the taxpayers of the participating towns. Equally important, the MPI allowed administrators to unearth savings in their budgets they didn't know existed and give them the option to do additional work planned for future years with the money saved.

Participating communities can attest that the concept works. Not only are vendors open to negotiating to get expanded business, but municipal staffs are learning best practices from each other. As jurisdictional barriers are set aside, the interests of taxpayers come first. To top it off, the only cost of launching and maintaining the MPI is the time of each community's existing staffs – no consultants were used to develop the concept or facilitate the program. Each community's savings go straight to their bottom line, and will ultimately be reflected in residents' tax bills.

The MPI's innovation can be replicated easily and the concept deployed in virtually any area of the country:

- Bulk purchasing: Vendors were willing to charge less money for the same products or services, if they were guaranteed more customers.
- Sharing the work: The MPI is based on partnership, and each community took a portion of the MPI's administrative work. The staff time impact to each partner was minimized, and the results maximized.
- Leadership: Many states and councils of governments offer purchasing cooperatives, but the products and services included may not meet each community's needs, and may not provide for adequate local control of quality, service level, and choice. MPI members took matters into their own hands and created their own purchasing group, tailored to meet their needs.

- Sharing ideas: MPI members learned best practices from each other and challenged their own ways of doing business, with the shared end goal of saving taxpayer money.

Now that some initial bid packages have been completed, efforts to put together similar packages for next year's bidding process will be much more straightforward, and will require less staff time.

Joint contracts are in the works for other services, such as water meter testing, roadway pavement testing and janitorial services. Future opportunities for partnering include services like street sweeping, tree planting and leaf collection.

We welcome the opportunity to share our experience with our Alliance for Innovation Peers. If the Alliance for Innovation selects the MPI as a case study, our presentation will be presented in a PowerPoint format, with handouts.

# INNOVATION STUDY COMPONENTS

## 1. INNOVATION/CREATIVITY

### **How did the idea/program/project/service improve the organization?**

Working together to purchase services and commodities creates economies of scale - which results in lower costs for each municipality. When lower costs are experienced and projects come in under budget, municipalities are able to take advantage of favorable pricing by expediting future projects or reallocating the saved dollars to other services.

*For example: When the Village of Winnetka Water and Electric Department decided to jointly bid for leak detection services, they did not believe that the money budgeted would be enough to pay a contractor to perform this service on their entire water infrastructure, but at \$109 per mile, it did.*

Working together also creates open lines of communication across municipal borders. As regional communication is strengthened, municipal services are also strengthened as service delivery best practices and service levels are put to the test.

*For example: When the Villages of Wilmette and Glenview decided to jointly bid for tree trimming services, current bid specifications from both municipalities were blended to create a bid document that demanded a higher quality of service when it came to the height to which branches were to be trimmed, liquidated damages and the span of time trimmed branches could be stored on the parkway. The joint bid document not only provided a higher level of service, it provided both municipalities with lower costs (Note: Glenview took advantage of the favorable pricing and increased its annual tree trimming cycle by 800 trees)*

### **Were new technologies used? If yes, what methods and/or applications were implemented?**

Yes, through partnerships in bid preparation, participating municipalities were able to share service delivery methods and learn new service provision methods. As an example, the leaf collection service delivery model used by the Village of Grayslake will be used by other municipalities who provide a similar service.

### **Was a consultant used? If yes, describe their involvement; and identify the consultant and/or firm, including contact information**

Although municipalities increasingly employ consultants for various services (financial services, information technology management etc.), consultants were not used to aid or guide the municipalities through the partnering initiatives described in the case study.

## 2. Outcomes Achieved

### What customer/community needs and expectations were identified and fulfilled? Has service delivery been enhanced?

Yes, as illustrated in examples mentioned throughout this application, the Municipal Partnering Initiative has fulfilled each municipalities need for cost-efficient service provision that doesn't compromise quality.

### Did the initiative improve access to your government? If yes, how?

Yes, this initiative has been a very positive public relations tool for participating municipalities. Favorable articles from local newspapers and periodic articles in municipal newsletters, together, improve access to government by generating interest in local government innovation. Additionally, this initiative was recently documented/filmed by ICMAtv and will be broadcast at the 97th annual ICMA conference as a leadership and best practice case study.

### Has the health of the community improved as a result? If yes, how?

Yes, when municipalities are able to bid together, economies of scale are achieved, tax dollars are stretched and municipal projects are expedited – resulting in newer infrastructure that provides a higher quality of life for the community.

## 3. Applicable Results and Real World Practicality

### What practical applications will be shared? How applicable is the idea/program/project/service to other local governments?

Although each government entity is different, municipalities that have participated in this initiative have been successful when they have management support that guides the organization through the following potential obstacles:

**Legal/purchasing requirements** – Municipal purchasing and legal language differ slightly across municipal borders and for some municipalities, joint bidding is not commonplace. Although each joint bid tends to be led by only one municipality, municipalities that are new to the joint bidding concept, have a tendency to be very rigid when it comes to compromise. These slight differences in legal and purchasing language tend to work themselves out over time. However, in some cases it is helpful to establish a boilerplate template for the legal and purchasing sections of joint bids.

**Staff resistance** – As project management techniques and bid specification development becomes shared across multiple municipalities, staff may begin to feel less important to their respective municipality and start to resent or resist the initiative. Although municipal managers each have different methods when faced with this obstacle, open communication of expectations is a tool consistently used to overcome this obstacle.

**What results/outcomes will you share? Include any applicable performance measures, if any.**

To date, this initiative has achieved between \$362,000 and \$491,000 in savings for the taxpayers of the participating municipalities. The cart below summarizes the financial achievements of this initiative.

Project	Number of communities	Total Project Value	Savings
Crack-Sealing	12	\$421k	\$50-70k
Resurfacing (Lake)	3	\$2.99m	\$100-120k
Resurfacing (Cook)	2	\$2.84m	\$80-100k
Concrete	8	\$966k	\$15-20k
Sewer Lining (group one)	5	\$1.09m	\$30-50k
Sewer Lining (group two)	7	\$945k	\$60-90k
Sewer Televising	4	\$365k	\$16-26k
Leak Detection	5	\$71k	\$3-5k
Hydrant Painting	6	\$60k	\$8-10k

**TOTAL SAVINGS REALIZED \$362-491k**

**4. Innovation Study Presentation**

**Describe your innovation study presentation**

A case study presentation would include (at the very least) a PowerPoint presentation and handout materials.