Municipal Partnering Initiative (MPI) – Endless Possibilities

Category: Performance Excellence

Villages of Glenview and Kenilworth

Population of Glenview: 44,692

Population of Kenilworth: 2,513

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**Synopsis**

Motivated by the national economic downturn and Illinois’ fiscal crisis, management of 18 northern Cook County and Lake County municipalities worked together in fall 2010 to develop 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 work together to purchase shared services and commodities, in a concept the communities refer to as the Municipal Partnering Initiative (“MPI”).

**Cost/Savings**

Although there were initial obstacles in the first year with resistance from staff, attorneys, purchasing agents, and contractors, there was strong management support to overcome these obstacles and proceed. As such, two committees were formed, a Public Works and Construction Committee, and 11 programs were jointly bid in 2011. The economies of scale translated into savings, achieving between $389,500 and $529,500 in savings for the taxpayers of the participating towns in the first year of the program. As important, it allowed administrators to unearth savings in their budgets, plan for additional work, and forge working relationships between the municipalities.

Once resistant for fear of the unknown and changing the “way we’ve always done it”, the municipalities witnessed the benefits of the program and the possibility that more could be done together. The group has grown public works and construction bids with 16 programs in 2012 to 23 programs in 2013 (see charts in attached Powerpoint). With a strong rapport and working relationship in place, the communities began to challenge themselves to explore additional opportunities for collaboration. If these programs that were once thought to be off-limits could be changed and done together, *what else was possible?*

Management and staff began to discuss other areas for collaboration that could potentially result in savings, reduce duplication of efforts, and bring in a broader group of qualified vendor proposal responses. This continued support and energy has led to new shared service initiatives into professional service areas:

**Shared Services Information Technology (IT) Assessment and Consortium**

The municipalities share multiple areas of commonality in information technology including infrastructure, applications, and services, yet each is operating and managing its individual IT environment. The administrators realized the significant opportunity for shared services, but none truly knew the condition of their own IT environment. To find out what they didn’t know, 13 municipalities joined together for a shared services IT assessment which analyzed their individual environments and shared service opportunities. At a much lower cost than could be done individually, the assessment provided what they feared. Their IT infrastructure was aging, disaster recovery was limited, and IT operations were largely inefficient and expensive.

One of the areas prime for savings was shared IT operations—estimated savings could be as much as $900,000/year if all communities were to consolidate operations. As such, a group of communities has proceeded with a Request for Information/Request for Proposals process to see if one vendor could serve multiple communities and leverage shared efficiencies. Although service is being examined first, consolidation of infrastructure is the next component such as creation of a shared data center.

**Inspectional Services RFP**

As the economy begins to climb, the workload of plan reviews and building inspections has increased, but flexibility to staff as workload requires, whether up or down, is key. To this end, five communities partnered on an Inspectional Services RFP in February 2013 with a hybrid public-private model to have a contractor supplement and support plan reviews and inspections, while maintaining a base of experienced in-house staff.

With a larger scale of five communities, and the potential for additional communities, the RFP attracted a national firm, SAFEbuilt of Windsor, CO, to mobilize to the market. SAFEbuilt brings a wealth of resources and best practices from serving hundreds of municipalities around the nation.

**Auditing Services**

Six communities participated in a joint RFP for auditing services that resulted in a large pool of respondents and a savings of over $30,000 in 2013 for Glenview alone. For smaller municipalities, it provided new access to high quality firms at a cost-effective price.

**Shared Purchase, Installation and Infrastructure for an AMI System**

A group of municipalities is preparing an RFP for the joint purchase and installation of new automatic meter reading systems to replace current meter systems which are aging, inefficient, and require high operational costs. The partnership will achieve economies of scale as well as reduce necessary infrastructure and ongoing data collection costs by sharing towers across jurisdictional boundaries.

Other projects being explored are a shared services fleet assessment to assess regional garage services, procuring office supplies and other commodities through a county’s procurement process, and continued public works programs such as landscaping, valve turning, or snow plowing.

The following are important to sustaining and growing a regional partnership:

* **Transparency:** Transparency and sharing of information is critical in order to monitor value, share best practices, and dispel any misconceptions. The MPI is completely open with information and has begun an annual collection and analysis of contract data for continuous improvement.
* **Project Management:** Contractors have resisted the effort as they are essentially putting all “their eggs in one basket” to try to get the bulk contract and are taking more risk with less reward. The municipalities need strong project managers to hold them accountable and not accept excuses that the MPI is to blame for any performance issues.
* **Leadership:** Continued management support and participation is critical, especially as the economy begins to recover and the initial economic impetus to partner fades. Strong leadership also maintains great flexibility to proceed with an informal organization that shares the work, rather than create a formal structure.

**Innovative Characteristics**

Once thought to be almost impossible to compromise on service levels, develop bid specifications, and coordinate schedules, working together is now becoming the “way we do business” and no program, large or small, is off limits. With this changed mindset and an ongoing successful regional partnership, the opportunities are endless. We welcome the opportunity to share our experience with our Alliance for Innovation Peers.