Unveiling the Mysteries of the Non-Profit/Public Partnership

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#ICMA2018
Who is this guy, anyway?

- Credentialed Manager with over 15 years of service to local governments
- Served as City Manager, Assistant City Manager, and Department Head in communities throughout the U.S.
- Extensive practitioner in public-private partnerships, both as a provider and a beneficiary
- Time Magazine “Person of the Year, 1975”**

**Unattributed and likely false
An Era of Partnership

• The last 15 years has seen explosive growth in operational partnerships for cities and towns

• Sandy Springs, Georgia was home to one of the most recognizable partnerships—leveraging the model to support all non-safety services after their incorporation in 2005

• Since then, a wave of incorporations has washed over the country; with most new communities leveraging partnerships to support some segment of operations
Partnership Spectrum

Contractor:
  You Pay: They Do

Traditional PPP:
  Fixed Price: Profit Driven

NP³:
  Shared Risk: Shared Reward
Why does this sound familiar?

• Chances are, you’ve already engaged in some sort of NP3 in your own community

• Local governments have worked with organizations like the SPCA, YMCA, Boys and Girls Club, etc. for many years to provide traditionally municipal services

• An expanded model yields broader benefits

SPCA Executive Director Ellen Wagner executes agreement for animal control services with Spots, Mayor of Elizabethtown, Alabama
NP³ Benefits

- Defined lines of communication
- Local Knowledge Retention/On-Demand Expertise
- Performance Measurement and Reporting
- Local Leadership Focus on Strategic Direction
- Financial Transparency and Flexibility
Can my City use an NP³?

• Services Offered:
  • Administrative Services
    • Finance
    • Human Resources
    • Information Technology
    • GIS
  • Community Development
    • Development Plan Review
    • Permitting and Inspections
    • Comprehensive Planning
    • Small-Area Planning
    • Economic Impact Analysis
    • Environmental Review
    • Floodplain Management

• Public Works
  • Engineering and Construction Management
  • Street and Highway Maintenance
  • Building Performance and Management
  • Fleet Management
  • Water and Wastewater Treatment/Distribution
  • Natural Gas Distribution/Line Maintenance

• Parks and Recreation
  • Facilities Operations and Management
  • Programming

• Customer Service
  • Work Order Management
  • Call Center Management
Is My Community Ripe for Partnership?

• Think through these questions:
  • What are our current service delivery challenges and/or pain points?
  • Are we meeting our community’s expectations relative to services offered and customer satisfaction?
  • Are we able to readily quantify results and return on investment for our current service offerings?
  • Does our leadership have the time to focus on long-term strategic visioning, planning, and policy development; or are they stymied by day-to-day issues?

• Consider these value considerations:
  • Soft Costs:
    • How much time, energy, and money are we spending on program and project administration?
    • What are our organizational and community costs associated with short term focus?
  • Long Term Obligations
    • What is the long run cost of employee pension and health care’ including OPEB?
    • How do workers compensation and other ancillary employee costs affect our bottom line?
Implementation

- Condition Assessment
- Partner Selection
- Start-Up/Transition
- Operations
- Performance Evaluation
Condition Assessment

• Evaluate your community on:
  - Revenue streams and yield
  - Relevance/currency of ordinances
  - Human Resource policies/procedures
  - Current staffing/expertise
  - Succession needs
  - Information Technology Infrastructure
  - Street, Highway, Bridge Conditions
  - Underground Infrastructure Conditions
  - Heavy Equipment and Fleet Condition
  - Workflow Process and Management

• Long term debt obligations
• Long term employee benefit obligations
• Insurance risks
• Social and environmental concerns
• Citizen satisfaction
• Missing or deficient services
Finding the Right Partner

• To get the most bang for your investment, ensure that:
  • There is an alignment of mission and vision
  • Partner has strong track-record in selected service areas
  • The firm is financially sound and capable of supporting operations
  • The firm is committed to transparency of means and methods
  • Local team members are empowered to act in your community’s best interest
Proven Results

Implement Time Management Software
- Increased Employee Performance
- Higher Citizen Satisfaction
- 25% increase in City Partner’s sanitation pickup efficiency

Employee Retention
- Retain Local Knowledge
- Political Fallout Contained
- 100% Employee Retention for City Partner

Reach-back Capability (SME’s)
- Ability to provide expertise in multiple areas
- Prompt response time and effective solutions
- Immediately deployed SME’s in wake of disasters

NP3 handles day-to-day Operations
- City leadership sets performance standard and monitors
- CM and Council/Mayor is aligned to steer ship while NP3 rows
- Long term objectives realized
Proven Results

Public Works/ Call Center Technology
- Tracking of materials, resources, labor, location, response time and other task orientated info in real time
- Data driven smart decisions VS. political driven decisions are calculated
- City Partner field workers response time increased 50% due to work order management software

Employee Management/ Putting employees in “correct” positions
- Employee morale increased and improved focus
- Increased revenue and customer relationships
- Significant revenue increase in utility billing and revenues

Pension Plan Management
- NP3 handles internal rather than state agency bureaucracy
- Decreased city’s fees for pension plan management
- $300k City savings per year for administrative fees. Total City liability reduction of over $1mm
Takeaways…

• Partnerships enable leadership to be strategic, focusing on governance
• NP³ agreements provide a mission over margin approach
• Shared risk: Shared reward
• Successful implementation requires shared understanding of current conditions, shared expectations of performance, consistent communication of results
• Not clear whether or not Matt was actually Time’s Man of the Year
About IBTS

• IBTS is a 501c3 solutions provider, with services delivered to all levels of government:
  • Governed by Board of Directors appointed by government advocacy agencies
  • Divisions include Federal and State Programs, Building Department Services, Disaster Recovery, Energy and Sustainability, and Local Government Solutions
  • Local Government Solutions provides operational support to over 50 clients across the United States
Questions?