

Dunwoody*

* Smart people – Smart city

Split Contract Service Model

“The Split Contract Service model is a novel approach to governmental service delivery, providing the City with a highly specialized work force to provide best in class services at a fixed cost on flexible terms.”

Warren Hutmacher, City Manager



TESTED MODEL BRINGS RESULTS.

THREE YEARS INTO THE SPLIT CONTRACT SERVICE MODEL, DUNWOODY IS SEEING MEASURABLE COST SAVINGS.

The City’s initial contracts for Community Development, Finance and Administration, and Public Works concluded in December 2011. To build upon this already successful model and continue providing the highest level of service to our community, in April 2011 the City issued a Request for Proposals. The 2011 RFP expanded the original three groupings into seven specialized service contracts. Vendors were selected over the summer and the new contracts began in January 2012.

The City will save over \$3.44 million dollars over the life of the new contracts (three years with a city-option for a fourth year) including the strategic move to bring three positions into direct City employment. This provides the City with an extra \$860,000 a year to spend on infrastructure, public safety, and parks, all of which have been identified by citizens as top priorities.



SPLIT CONTRACT SERVICE WORKS.

DUNWOODY CONTINUES TO BENEFIT FROM SPLIT CONTRACT SERVICE MODEL THE CITY PIONEERED IN 2008.

- ✓ **Increased Competition and Greater Specialization**
By splitting the provision of services into key areas, the City gains access to specialists
- ✓ **Limits on Personnel “Headaches”**
No City Staff resources necessary for recruitment or Employee Relations issues
- ✓ **Flexibility in Staffing and Response**
Ability to increase or decrease staff seasonally and to meet the needs of projects
- ✓ **Accountability Placed on Profit-Motivated Firms**
Firms must produce results to keep the business for significant multi-year contracts
- ✓ **Formerly Unaffordable Talent is now Within Reach**
Single contract expense to City which allows firms to pay top dollar for top talent while saving in other areas without public sector scrutiny
- ✓ **Back End Support and Expertise**
Access to the full firm, a breadth of experience and expertise to extend your team
- ✓ **Fixed Fee and Mutual Contracting**
Price is fixed, giving you the ability to forecast expense model and budget accordingly

“The new contracts are the result of a competitive bid process that expanded the original three groupings of services into seven specialized service contracts. By fine-tuning the already successful model, the City continues to partner with specialized firms while expanding the competition for these services.”

*Warren Hutmacher
City Manager*

OUR GOAL IS SIMPLE.
PROVIDE THE BEST SERVICES AT
FIXED, MANAGEABLE COSTS.

OUR SECRET IS INCREASED COMPETITION
BETWEEN SPECIALIZED SERVICE PROVIDERS.

After the historical vote for incorporation in July 2008, the City released a Request for Proposals to provide “Government Services.” Receiving only one bid, the City re-evaluated its options and in October 2008 the City issued three new RFPs in three broad categories: Finance and Administration, Community Development, and Public Works.

In November 2008, the City awarded a three year contract to separate firms for each of the three service areas. Due to the increased competition by specialized vendors, the City issued contracts for about 35% less than the cost of the original single vendor proposal.

The City also signed Intergovernmental Agreements with DeKalb County for County-level services which are still in effect for Fire and Emergency Medical Services; Tax Commissioner; Animal Control; Water and Sewer; and Sanitation. The City also originally signed an agreement with DeKalb for Police Services (through April 2009) and Enhanced 911 Communication Services (through October 2011).

In the first three years, the City has tweaked the model by adding and subtracting staff and expanding services to meet the needs of our growing City. For example, with the acquisition of parks from DeKalb County in the summer of 2010, the City added a Parks and Recreation Division. The City has also expanded our contracts to provide the Stormwater Utility and Economic Development services.