



Commission on Government Innovation and Effectiveness

Preliminary Report

Bill Westervelt, Chairman
Claire Louder, Executive Director

Commission Members:

Ron Dillon • Frances Phillips • Lou Zagarino
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Executive Summary

The Commission on Government Innovation and Effectiveness first convened on February 8, 2017 and has met monthly since then. All meetings are subject to the Maryland Open Meetings Act.

In addition to monthly public meetings, members of the Commission have divided into work groups based on their experience and interest to research and analyze specific initiatives. In most cases Chairman Bill Westervelt and Executive Director Claire Louder also attended these meetings.

The commissioners chosen represent an excellent cross-section of experience, expertise, and political affiliation. This has allowed the Commission to evaluate a broad range of topics very quickly by leveraging member expertise. We have further been able to leverage the enthusiasm and support of county department and division chiefs, who have been very helpful and responsive to our inquiries. We would particularly like to thank the teams at Central Services, Department of Public Works, Department of Health, Department of Aging and the Law Office, as well as Andrea Rhodes, Personnel Officer, for their continued assistance.

In general, the Commission found county departments to be efficiently run, cost conscious, and adept at accomplishing much in a resource-constrained environment. This may impact any savings realized by moving services to the private sector, as the need to pay market rates combined with profit requirements is likely to make county-offered services more cost-effective. It maybe helpful, therefore, to allow county departments to “bid” the work alongside private sector candidates to gain a fair cost comparison.

This report represents the Commission’s initial findings after three months of work. This Interim Report highlights, where possible, conclusions on each initiative evaluated.

Initiatives that Show Promise

In the opinion of the Commission, the following initiatives show promise, though in some cases further analysis is required:

- 1) Outsource basic fleet maintenance, such as oil changes, to an outside vendor. This addresses capacity issues at the county garages, which can then focus on public safety and heavy vehicles, and allows Central Services to negotiate a blanket contract for basic services that employees are currently using their P-Cards to obtain, thereby controlling costs and maintaining better service records.
- 2) Eliminate county-maintained parts shops at garages in favor of just-in-time deliveries by an onsite private company.
- 3) Transfer animal shelter services to the SPCA, retaining animal control services (dangerous animals, bites, animal welfare, etc.) within the police department. Significant concerns still exist among commission members regarding the ability of the SPCA to quadruple their operations to meet the needs of the existing animal shelter.
- 4) Consolidate ride services being offered by the Department of Aging and Disability and Health Department, employing a mobility manager to ensure riders are being matched with the appropriate outside resources, such as MTA, volunteer ride programs, and Medicaid-funded rides, so that the county becomes the “safety net” transporter of last resort. Better leverage taxi voucher



program, perhaps through a fixed contract with a provider like Uber or Lyft.

- 5) Eliminate county landscaping team and include those services under existing county landscaping and grounds maintenance contracts. Shift non-landscaping activities to facilities mechanics.
- 6) Leverage the success of DPW's stormwater management "pay for performance" program, which leverages private entities to meet county stormwater remediation goals, by increasing annual grant funding from \$5 million to \$10 million.

Initiatives that are unlikely candidates for outsourcing or divestiture

For a variety of reasons, including the above-mentioned cost efficiency of county operations, the Commission believes that following initiatives are currently not good candidates for outsourcing/divestiture:

- 1) Two county-owned equestrian centers are currently operated through a contract with a private provider, with a net profit (albeit small) to the county. The two properties, totaling 37 acres, were developed with Project Open Space (POS) funds, and they would therefore need to be replaced acre-for-acre should the county choose to sell the land. Should significant county investment be required to maintain these centers in the future, the benefit of divesting should be reevaluated.
- 2) The county's Risk Management Division is notably more cost effective than that of surrounding counties, costing \$39/employee/year, compared to costs in surrounding counties of \$130 - \$162/employee/year. If, the additional staff requested by the Division were included, allowing for better claims processing and potentially reducing claims payments, the Division's operating costs would still only reach \$54/employee, less than half the cost of surrounding counties. If the county wants to further explore this option, the Commission recommends soliciting competitive bids and comparing those costs to those incurred by providing the services in house with a right-sized staff.

- 3) Comparing the costs of leasing vs. owning county office buildings, considered a possible means of addressing the capital backlog currently faced, clearly showed that it is in the county's best interest to continue owning its buildings. Even once a capital investment schedule designed to address the backlog amount was included in compared costs, leasing would cost an estimated \$13.4 million over ten years above ownership costs, and an estimated \$61.8 million over twenty years. The Commission recommends developing a capital investment program to systematically address the capital backlog rather than continuing to respond emergently.
- 4) The Child Care Division of the Department of Parks and Recreation operates 39 child care programs, the majority of which are located in Anne Arundel County Public Schools. An additional 34 programs are contracted to outside providers, primarily nonprofits. The county's programs are fully self-funded by parent fees, returning an additional \$650,000 annually to the county. Continue the current operation.
- 5) The majority of county custodial services are currently contracted out, with twenty-three custodians and four supervisors remaining. While this work could be contracted out through existing contract instruments, it is unlikely to bring significant savings and will hamper provision of non-custodial essential functions and impair the county's ability to respond to infrequent events such as facility snow removal, after hours clean up, site cleanup following events, and AV setup and breakdown. If the county wants to further explore this option, the Commission recommends soliciting competitive bids and comparing those costs to those incurred by providing the services in house.

Still to be Reviewed

The following initiatives are of interest to the Commission, and will be explored in our second phase, ending June 30, 2017.

- 1) Outsourcing to external recruiters the personnel department's recruitment and application evaluation process. This would be

especially helpful in specialty fields such as engineering, finance, and law, as well as for senior positions such as department heads.

- 2) Private sector “sponsorship” in exchange for “naming rights” of county parks and recreational facilities
- 3) Better leveraging of technology to gain efficiencies, for example:
 - a. Submission and processing of timesheets
 - b. Tracking of county assets
 - c. Tracking worker’s compensation claims and outcomes (underway)
 - d. Tracking garage backlogs and time required to service vehicles, particularly for minor repairs such as oil changes.
 - e. Sharing of data across departments, particularly in land use and health/aging and disabilities.

Additional opportunities may be identified as the Commission continues to meet with county employees.