

JOINT COMMITTEE ON CITY - COUNTY COLLABORATION



June 2011

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Joint Committee on City-County Collaboration

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Joint Committee on City-County Collaboration Executive Summary

County President Toni Preckwinkle and Mayor Rahm Emanuel launched a committee in March 2011 to see how the City of Chicago and Cook County could together reduce costs, streamline interactions with residents, and provide better services.

Cook County and the City of Chicago serve many of the same residents and operate many similar yet independent functions, for example, purchasing, elections, and administrative hearings. The combined annual costs of the two governments total more than \$11 billion, and the projected budget gaps for next year together reach almost \$1 billion. The size of this problem means that eliminating vacant positions or freezing department budgets will not be enough. The City and County will have to seek new ways to reduce costs and save resources. By pooling resources and by eliminating duplicate services, the City and County can change the basic costs of how they deliver services.

Experiences from across the country show that metropolitan collaborations can improve the quality of services. Similarly in the Chicago region, the combination of City and County has the potential to deliver services differently—and better—than either could alone. In workforce development, for example, each government provides similar services. Working together, without regard to jurisdictional boundaries, would help both employers and job seekers.

With two primary goals in mind—reducing cost and improving services—the President and Mayor appointed seven civic leaders to the Joint Committee on City-County Collaboration. The committee members' experience and diverse perspectives drew from across the region. The Mayor and President together charged the committee to recommend opportunities for better collaboration, develop a framework for sharing services, and provide guidance to be used in 2012 budgets and beyond.

Schiff Hardin, Alvarez & Marsal, Accenture, and Mayer Brown joined the Civic Consulting Alliance to provide more than 2,000 pro bono hours to support the committee.

The committee was given two months to:

- Research the best examples of shared services and collaboration in both the private sector and government
- Articulate principles to guide the analysis and how the two governments should work together
- Evaluate 51 opportunities for collaboration and develop 19 business cases for those most likely to make a big difference
- Recommend how to sequence these initiatives for maximum impact
- Identify options for governance and implementation beginning immediately.

In all, the committee identified \$66 million – \$140 million in ways to save money and numerous opportunities to improve the quality of service. It is unlikely that the County and City will be able to collaborate on everything at once, and the committee did not have time to consider all worthy ideas for collaboration. Therefore, the committee suggested a map of where to start and ideas on how to identify additional ways to work together.

The City and County together employ 58,000 people. The committee considered how their recommendations would affect employees, especially unionized employees, and recommends that management and labor work together on helping the City and County collaborate.

Each business case includes an estimate of how collaboration would save money for taxpayers and provide them better services. These estimates are based on line-item budget analysis, interviews with government officials and other experts, and case studies from other metropolitan areas. In some cases, to realize these benefits, the City and County would need to invest capital upfront. It may also take a few years to deliver the full estimated value.

BUSINESS CASES

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
Administration			
Custodial Services Expand the City’s request for proposals (RFP) from third party custodial service providers to include part or all of the County's service requirements.		\$5M	
Energy Management Centralize the procurement and oversight of energy resources and outsource the management of energy efficiency programs.	✓	\$9M - \$23M	Reduced emissions

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
Facilities Maintenance Develop joint approach to maintaining facilities; potentially pursue joint third party contracts for trade work.		\$6M - \$18M	
Fleet Management Consolidate fleet maintenance, with the City as the lead and the County as the client.		\$0 - \$1M	Fewer vehicle breakdowns, faster repairs
IT Support Services Collaborate on a joint bid for a third party to provide information technology (IT) support.		\$4M - \$8M	More reliable uptime for key services, such as websites
Joint Purchasing Work together on select upcoming bids. Hold regular Chief Financial Officer and Chief Procurement Officer roundtables.		\$12M - \$24M	Vendors bid once for both City and County
Real Estate Management Jointly contract to a third party for real estate management services to improve space utilization and reduce real estate costs.		\$4M - \$9M	
Health and Human Services			
Healthcare Pursue immediate tactical collaboration in areas such as pharmacy services, mammography, and a neighborhood clinic. Develop a comprehensive regional public healthcare strategy.		TBD	More access to services, e.g., mammography, pharmacy
Workforce Development Combine the Chicago, Cook County, and Northern Cook County Workforce Boards into a single nonprofit board. Expand the Chicago Workforce Investment Council model county-wide.		TBD	Unified program for job seekers, employers, service providers

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
Infrastructure			
Capital Construction			
Collaborate on capital construction projects to achieve economies of scale.		TBD	Higher quality and faster construction
Legislative Services			
Elections			
Consolidate election services into the County.		\$5M - \$10M	Easier to find where to register, where to vote
Public Safety			
Homeland Security			
Coordinate to increase the effectiveness of emergency planning and the impact of Federal grant dollars.		TBD	Better coordination on emergency response
Public Safety Data Sharing			
Assemble data experts and policy leaders from both governments to share public safety data in order to reduce violence and crime.		TBD	Better intervention, rehabilitation, re-entry
Regulatory Functions			
Administrative Hearings			
Use the City's technology to upgrade the County's paper process.	✓	TBD	Shorter wait time, easier to file appeals
MBE / WBE certification			
Jointly provide certification of Minority-Owned Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE), possibly through a third party.		--	One stop certification
Revenue Collection and Enforcement			
Share tax enforcement data and resources to increase compliance with similar City and County taxes. Use the City's technology to upgrade County collections and enforcement.	✓	\$19M - \$38M	Fewer scofflaws, fairer taxation

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
Other Basic Services			
311 Merge the County's main information number, (312) 603-5500, with the City's 311 call center.	✓	--	24/7 access for County information
Geographic Information Systems Consolidate Geographic Information Systems (GIS) services, with the County as the lead and the City as the client.	✓	\$2M - \$4M	More access to more information
Open Data Create a joint regional portal with City and County data. Collaborate on a joint application development competition.		--	More access to more information, new apps
TOTAL		\$66M - \$140M	

Cook County and City of Chicago at a Glance



Map prepared on Jun. 10, 2011; Department of Geographic Information Systems; Cook County Bureau of Technology; cook_collabReprtWtp2B_2011.pdf
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CITY OF CHICAGO

COOK COUNTY



Population	2,695,598	5,194,675
Square miles	227	946
Annual budget	\$8,690,623,000	\$3,006,995,734
Employees	34,733	23,039
Elected executives	3	11
Elected legislators	50 aldermen	17 commissioners
Year founded	1837	1831
Website	www.cityofchicago.org	www.cookcountyil.gov

Examples of Inter-Governmental Collaboration

Collaboration between adjacent or overlapping governments is not a new idea. More than 100 years ago, four counties merged to form New York City. The City of Miami and Miami-Dade County have shared services since 1957. Both joint purchasing and, more recently, a coordinated 311 service request system have helped Miami and Miami-Dade together serve their region better.

In recent years, cross-government collaborations have become more widespread, often in reaction to fiscal constraints. Local governments are finding ways to eliminate duplicative departments and reduce the costs to taxpayers without cutting services. In many regions, collaboration leads to better services for the public. Some regions see these benefits through merging government agencies; other regions benefit from coordinating between agencies. There are many models of collaboration.

Successful collaboration requires clear targets and concrete plans to achieve those targets—in addition to mutual good intentions and political will. An example of successful collaboration is in Pennsylvania, where the City of Pittsburgh and Allegheny County have worked to increase government efficiency and save taxpayer money by merging various duplicative functions. Within five years, the City and County saved \$10 million by merging five 911 centers into a unified system and saved \$7 million by jointly procuring goods.*

In other cases, metropolitan areas have jointly assigned a third party to deliver services on behalf of multiple governments. For example, the City/County of Sacramento contracts out many of its social services to a nonprofit organization. This organization, the Community Services Planning Council, provides health and human services to the region, engages in collaborative planning and policy analysis on health and social issues, and develops community building programming for the region.†

* County of Allegheny, Office of the County Executive (2009). "Onorato Highlights Consolidation Successes, Continues Push for Ballot Question." Retrieved from <http://www.alleghenycounty.us/news/2009/20090402a.pdf>

† "Cross Jurisdictional Collaboration," a report by the management consulting firm Accenture (2011).

In some metropolitan areas, collaboration has led to consolidation. Before the City of Louisville and Jefferson County in Kentucky merged in 2003, they began sharing procurement and agreed on how to reduce costs and improve services. After the merger, the Louisville-Jefferson County eliminated duplicate positions in the executive offices and saved \$700,000 per year; consolidating office space from multiple leases saved them \$2 million per year. The new, unified public housing authority meets the needs of regional residents better than the separate authorities. In all, the combined Louisville-Jefferson County, with 740,000 residents and governed by a single Metro Mayor and Metro Council, provides all the services previously provided by the city or county, some at higher quality and altogether at lower costs. *

Similarly, in 2006 the City of Toronto, Ontario, merged with six surrounding municipalities to create the Greater Toronto Area. The consolidation plan included halving the number of elected officials, collapsing 54 departments to six, and reducing managerial headcount by one-third. After investing \$246 million in one-time transactional costs to implement the merger, the combined region has been saving \$136 million annually. †

Collaboration does not in and of itself reduce costs—each shared service needs a clear rationale for how it would be delivered more efficiently. For example, when the City of Ottawa and Carleton County in Ontario, Canada, merged in 1969, expected economies of scale were not realized for many services, and payroll expenditures increased as higher pay systems took precedence. ‡

The successful collaborations reviewed by the committee have in common: power-sharing based on capacity, a structured way to evaluate collaboration opportunities, a method for tracking outcomes and adjusting the collaboration accordingly, and ongoing mechanisms to engage the public and officials at all levels.§

* "Louisville/Jefferson County Merger." <http://www.louisvilleky.gov/yourgovernment/merger.htm>

† Accenture (2011).

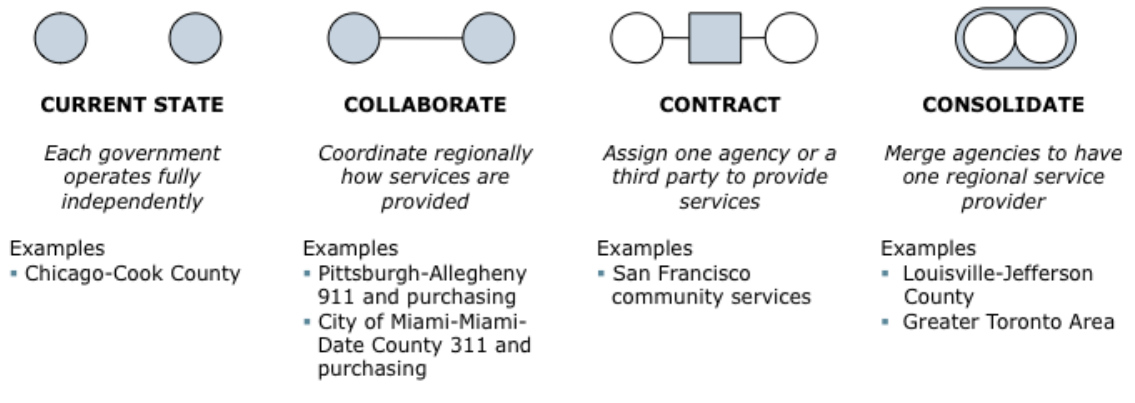
‡ Reese, Laura A. "Same Governance, Different Day: Does Metropolitan Reorganization Make a Difference?" *Review of Policy Research*, 21.4 (July 2004), 595-611.

§ Accenture (2011).

Based on this research, the committee identified four types of collaboration:

- *Current state.* Each government operates fully independently, and there is, in essence, no collaboration
- *Collaborate.* Each government agrees to coordinate with each other how services are provided
- *Contract.* The governments jointly assign one agency or a third party to provide services; either government or both could act as a client in this case
- *Consolidate.* Governments agree to merge, sharing executive and legislative branches.

TYPES OF COLLABORATION ACROSS METROPOLITAN AREAS



Guiding Principles for Collaboration

Before assessing specific opportunities, the committee agreed on guidelines for their deliberations. Based on notions of equity, fiscal responsibility, and transparency, the following guidelines shaped each discussion and provided a lens through which to view each potential collaboration.

To provide high-quality, cost-effective services to residents, collaboration should:

- Deliver services through the organization providing the best service per dollar spent
- Improve the quality of services where possible
- Eliminate duplication and require a strong rationale to maintain multiple service providers
- Utilize reliable, dedicated funding streams where possible
- Promote economic opportunities for the region and deliver long-term benefits to residents.

To enhance an equitable, accessible, easy-to-navigate government, collaboration should:

- Promote simplicity and consistency
- Use technology that is responsive to customer needs.

To ensure accountability to all stakeholders, collaboration should:

- Define clear lines of responsibility for new organizations and processes
- Provide public visibility to efforts and accountability,
- Provide fair opportunities for City and County workers to participate in new structures formed by collaboration
- Give all stakeholders a voice, so that collaboration efforts capitalize on existing expertise.

Each of the opportunities recommended in this report adheres to the principles above. When acting on these opportunities, the County and City administrations should similarly adhere to this list. Periodically, and as new ideas for collaboration arise, collaborative efforts should be reassessed on these principles.

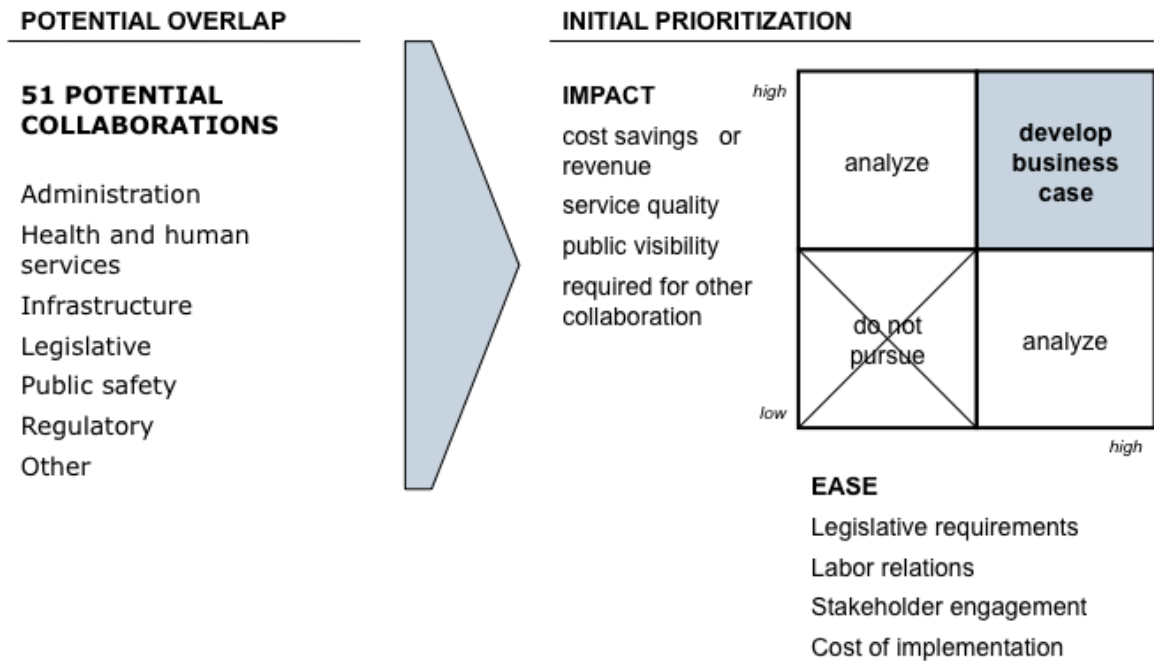
Approach to Assessing Opportunities

The City and the County combined spend more than \$11 billion annually on administration, health and human services, infrastructure, legislative services, public safety, regulatory functions, and other basic services.

To identify areas for collaboration, the committee began with published, line item budget reports. Analysis of these line items revealed 51 areas of potential overlap between the two governments. Overlap included departments, personnel, or missions that appeared common. Most overlaps included both personnel and non-personnel costs.

Initial Prioritization

Given the limited time allotted for the report, the committee could not study all 51 areas in depth. To determine where to focus, the committee looked at budget analysis and published reviews of these departments. The purpose of this initial scan was to determine which opportunities for which a business case would be developed.



The team narrowed the list based on four criteria of impact and four criteria of ease of collaboration:

Impact of collaboration

Cost savings or revenue improvement. Collaboration would generate efficiencies enabling the County and City to reduce costs or increase revenue.

Service quality. Recipients of services, whether internal or external, would notice improved quality.

Public impact. Collaboration would generate significant public response or affect a large segment of the population.

Enabling of other collaboration. Other crucial collaboration depends on this one.

Ease of Collaboration

Legal requirements. Some changes require local legislative action; some State action; some may be executed by the executive branches alone.

Employee relations. Some opportunities would affect many employees; some would affect few. When collaboration would affect a large number of employees, these employees will need to be involved in designing and implementing the initiative.

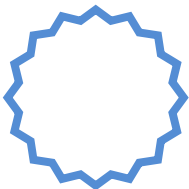
Diverse stakeholder engagement. Issues that are important to specific constituencies will require more in-depth and longer term collaboration than those that affect fewer constituents.

Cost of implementation. When significant investment is required, such as new IT systems, professional services, or facilities, collaboration can be more difficult to implement.

Based on this initial scan, the committee recommended 12 ideas for business case development, eight not to pursue further, and 31 as options for business cases. The committee chose to add seven of these to the business case list, so the team produced 19 business cases in all.

Areas of Excellence

During the course of the review, the committee found areas of excellence in service delivery at the City and County. For example, the City's Fleet Department consistently produces rates of more than 93% vehicle availability for its clients, and thus it wins national awards for its operations. The County's Geographical Information Systems Department has robust systems and data management practices.



Where areas of excellence were found, the committee recommendation was clear: the organization with the best practice should be leveraged across both organizations. These past investments made by each government can now aid in expanded service for all.

Business Cases

To develop the 19 business cases, the team interviewed more than 120 government executives and former executives, private sector leaders, vendors, academics, nonprofits, and others and analyzed budget documents, grant submissions, external reviews, contracts, and other documents. The purpose of each business case is to identify, to the extent possible, how much benefit the collaboration could generate and how much effort would be required to do so.

Each business case was discussed in depth with the full committee, after which further research, if requested, was conducted before the committee was asked to approve the idea. Each case includes:

- *Overview.* What opportunity would this collaboration address?
- *Stakeholders.* Who would be the lead on the project? Who would be involved in implementation? Who would be affected?
- *Impact.* What specific impact would this project achieve? How would it improve efficiency and effectiveness of City/County government, e.g., cost / time savings, service improvements? How would it impact jobs and economic vitality of the region?
- *Benefits to the public.* How would the public be able to assess this project's success? What changes would they see? How would we track the return on investment?
- *Proposed "future state" organization.* Which organization is best suited to be the service provider and which would be the client? Is a third structure that services both organizations the best option?
- *Key activities and resources required.* What would be required to implement this project? What internal and external skills would be needed? For how long?
- *Considerations for implementation.* What are the concerns of stakeholders? How do these ideas affect legal structures, such as collective bargaining agreements? What challenges would need to be overcome?

Considerations for Implementation: Labor-Management Relations

The City and County together employ 58,000 people. The majority of their operating budgets goes to salaries and benefits for these employees. Therefore, any significant change to the budgets is likely related to personnel expenses. Some of the current collective bargaining agreements also specify how these changes should be approached. (This report does not constitute notice of intent to outsource or subcontract, per collective bargaining agreements.)

The committee considered how their recommendations would affect employees, especially unionized employees, and recommends that management and labor together approach the collaboration opportunities.

One labor-management approach that has worked in other metropolitan areas is called managed competition. The competition is between the current government workforce and potential private-sector companies. It is "managed" competition because the government helps its existing employees as a unit respond to requests for outsourcing a government function. The labor-management partnership helps existing government employees prepare bids that cost less than private-sector options.

The most expansive managed competition happened in Indianapolis-Marion County in 1990s. The government held vendor and union competitions for more than 70 services ranging from fleet services to water billing. Together, management and labor saved \$230 million and reduced the budget 7% in five years. To make the managed competition successful, the government provided consultants for three years to help union leaders learn activity-based costing and prepare their bids.

Managed competition takes longer than simple outsourcing, due to the technical assistance provided to union leaders. The committee recommends this approach in several business cases, because managed competition will help the County and City both to get better prices for services and reward their employees for innovation and efficiency.

Sequencing for Maximum Impact

The cases were also reviewed by the executives from each government responsible for these operations. Based on this input, the team proposed how to sequence the opportunities for maximum impact by placing each idea into one of five categories:

- *Do now 2011.* Those opportunities that do not require budgetary action or significant legislative action can be accomplished immediately, this year.
- *Budget for 2012.* Collaboration that may require modest organizational change or systems investment should be included in the 2012 budget, if the case for collaboration is clear.
- *Plan for 2012 to 2014.* Items that require significant organizational change or systems investment should be included in future budgets, pending available funds.

Business Cases for City-County Collaboration

Out of 51 ideas for collaboration, 19 business cases were chosen for in-depth analysis. The business cases reflect interviews with government officials and outside experts, examples from other regions, budget analysis, and extensive discussion by the committee.

Administration

1. Custodial Services	26
2. Energy Management	29
3. Facilities Maintenance	31
4. Fleet Management	34
5. IT Support Services	37
6. Joint Purchasing	41
7. Real Estate Management	45

Health and Human Services

8. Healthcare	48
9. Workforce Development	54

Infrastructure

10. Capital Construction	58
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Legislative Services

11. Elections	62
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Public Safety

12. Homeland Security	67
13. Public Safety Data Sharing	70

Regulatory Functions

14. Administrative Hearings	74
15. MBE/WBE Certification	76
16. Revenue Collection and Enforcement	81

Other Basic Services

17. 311	85
18. Geographic Information Systems	88
19. Open Data	91

The committee identified a few models of collaboration. These models also reflect the successful case studies from other regions.

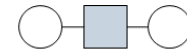
- *Collaboration.* In some cases, better coordination of current efforts is sufficient to yield regional benefits. In these cases, both the County and City would continue to provide services. The Mayor and County President would assign a task force or issue a joint executive order.
- *County provides / City provides.* In several cases, analysis found strong operations already in place at one or the other organization. The government with the strong operation would provide services to the other. Enforceable service levels agreements are needed to ensure the client receives high quality and efficient service and the provider's costs are covered. When recommending one organization as the lead, the committee looked for areas of strength, based on previous investments, excellent customer service, or other strengths that could be leveraged across both entities.
- *Third party.* In some cases, the committee recommends that the City and County jointly contract with a third party to perform the service. Managed competition should be used to offer existing employees the chance to outperform the private sector. Managed competition will help the County and City both to get better prices for services and reward their employees for innovation and efficiency.

MODELS FOR CITY-COUNTY COLLABORATION

COLLABORATE	COUNTY PROVIDES	CITY PROVIDES	THIRD PARTY
<p><i>City and County each continue to provide services, in coordination with each other</i></p>	<p><i>County and City enter a contract with the County as the provider and City as the client</i></p>	<p><i>County and City enter a contract with the City as the provider and County as the client</i></p>	<p><i>City and County jointly contract a third party or run a managed competition</i></p>
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Healthcare ▪ Homeland Security ▪ Public Safety Data Sharing ▪ Purchasing ▪ Revenue Collection and Enforcement 	<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Elections ▪ Geographic Information Systems 	<p>Opportunities</p> <ul style="list-style-type: none"> ▪ 311 ▪ Administrative Hearings ▪ Fleet Management 	<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Capital Construction ▪ Custodial Services ▪ Energy Management ▪ Facilities Maintenance ▪ IT Support Services ▪ MBE/WBE certification ▪ Open Data ▪ Real Estate Management ▪ Workforce Development

Administration Business Cases

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
<p>Custodial Services Expand the City’s request for proposals (RFP) from third party custodial service providers to include part or all of the County's service requirements.</p>		\$5M	
<p>Energy Management Centralize the procurement and oversight of energy resources and outsource the management of energy efficiency programs.</p>	✓	\$9M - \$23M	Reduced emissions
<p>Facilities Maintenance Develop joint approach to maintaining facilities; potentially pursue joint third party contracts for trade work.</p>		\$6M	
<p>Fleet Management Consolidate fleet maintenance, with the City as the lead and the County as the client.</p>		\$0 - \$1M	Fewer vehicle breakdowns, faster repairs
<p>IT Support Services Collaborate on a joint bid for a third party to provide information technology (IT) support.</p>		\$4 - \$8M	More reliable uptime for key services, such as websites
<p>Joint Purchasing Work together on select upcoming bids. Hold regular Chief Financial Officer and Chief Procurement Officer roundtables.</p>		\$12M - \$24M	Vendors bid once for both City and County
<p>Real Estate Management Jointly contract to a third party for real estate management services to improve space utilization and reduce real estate costs.</p>		\$4M - \$9M	



CONTRACT:
THIRD PARTY

Custodial Services

Expand the City's request for proposals (RFP) from third party custodial service providers to include part or all of the County's service requirements.

Overview

Many jurisdictions have seen significant savings from hiring contractors to perform custodial functions. The City currently outsources custodial services for all buildings except for the satellite libraries and portions of the Department of Aviation. The current vendors are Triad and Nationwide, whose contracts will expire at the end of 2011. The City has already begun the procurement process to replace these contracts by the beginning of next year.

The County has in-house custodial staff. There are two separate groups performing cleaning services: one for Health and Hospitals, overseen by an Independent Board, and one for all other County facilities, for which oversight was recently transferred from the Sheriff to the President's Office.

The City spends \$31 million annually on custodial services, including aviation and libraries; the County spends \$9 million, not including hospitals. The County Health and Hospital system spends \$11 million annually on custodial personnel.

A joint RFP for custodial services could lower unit costs for both the City and County, due to the increased size of the contract. To pilot the collaboration, specifications for

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Dept. of General Services		
Outsourced contractor	17.0	--
Personnel	0.2	2
Aviation	10.7	203
Libraries	3.0	31
Total City	30.9	236
<i>Cook County</i>		
Dept. of Facilities Maintenance		
Personnel *	8.8	240
Health and Hospital	11.0	295
Total County	19.8	240
Combined Total	50.7	476

* Does not include Department of Corrections, which is maintained by inmates.

the County Building could be included in the RFP and then the bidders' cost estimates compared to those of the current in-house custodial.

The City should consider including specifications for pricing of custodial services in the public library system and the airports and also compare these bids with the cost of providing in-house service.

Impact

Reduce operating costs. In 1997 and 2003, the City outsourced custodial services for the Police and Fire Departments, respectively, and saved \$1.6 million, or 18%. In 2005, the City outsourced custodial services at terminals 1 and 3 at O'Hare International Airport and saved \$2.1 million, or 20%. Other jurisdictions that have outsourced custodial services have seen even higher savings; for example, Los Angeles County replaced in-house crews for 15 buildings and saw a more than 50% savings with the same level of service. The City and County could both realize conservatively 15% savings through additional outsourcing while maintaining current levels of service. Savings are estimated at \$2 million for the City in the areas of airports and libraries, \$2 million for the County Health and Hospital System, and \$1 million for the remainder of the County.*

Benefits to the Public

Lowering custodial costs would allow the City and County to address budget gaps without significant impact on core services.

Project Leader

City and County Facilities Directors.

Stakeholders

County Facilities Management, City General Services, County Purchasing, City Procurement, County custodial employees, City custodial employees at Libraries and the airports.

Key Activities and Resources Required

Develop specifications. The County would require procurement expertise to help develop specification for inclusion with the City's bid. After bids were received, they would need analytic support to evaluate vendor bids versus current costs.

Implementation Considerations/Key Barriers or Challenges

Collective bargaining agreements. Union contracts require that the County give five months' notice to workers and union leadership when subcontracting is contemplated. The contracts also require that the County make reasonable efforts to

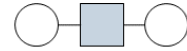
* Jail custodial costs are not included, because cleaning is provided by inmates.

place any displaced employees in other bargaining unit positions where there are vacancies.

Managed competition. These arrangements could be eased into through managed competition, where employees are encouraged to submit their own bids to compete with private-sector providers for the contract.

Timing

The City contract must be signed before the end of 2011. The County could give immediate notice to the unions that the County building specifications will be included in this contract. The broader approach would require more time than the 2012 budget process allows. Therefore, this collaboration should be underway no later than the 2013 budget.



CONTRACT:
THIRD PARTY

Energy Management

Centralize the procurement and oversight of energy resources and outsource the management of energy efficiency programs.

Overview

The City and the County each operate independent programs to promote energy-efficient buildings, including at the shared City Hall / County Building. Energy is also procured independently.

The County spends \$33 million on natural gas and electricity.

The City spends \$116 million per year on natural gas and electricity. More than half goes to buildings—including \$36 million for airport facilities, \$28 million for powering the water pumping stations, and \$12 million for funding street light electricity.

In Illinois, as throughout the country, an industry has arisen around energy management. Many organizations use Energy Service Companies (ESCOs) to design and implement energy savings projects, outsource energy infrastructure, procure power generation and energy supply, and manage risk. For example, at the Tobyhanna Army Depot in Pennsylvania, emissions were reduced by 60% using an ESCO, for savings of \$5 million per year.

Relying on a third party like an ESCO for energy services would help the County and City reduce energy costs and accelerate their sustainability programs. The provider could be for-profit, non-profit, or a governmental organization. This provider would develop and implement an energy management plan, including joint procurement of energy and areas for shared capital investment.

OPERATING BUDGET: Fiscal Year 2011

	\$ million
<i>City of Chicago</i>	
Natural gas and electricity	32.3
<i>Cook County</i>	
Natural gas and electricity	32.5
Combined Total	64.8

City figures exclude water pumping stations, street lights, and aviation.

The City and County can collaborate on comprehensive energy monitoring and accessing funding from utilities and from the State for energy efficiency capital programs. They can pool their efforts to determine whether improvements can be financed by the savings generated.

A sophisticated energy management program could identify further ways to decrease costs and increase revenues, such as combined heat and power facilities or demand response services. The City engages a contractor to help with energy pricing and the timing of purchases. This contract could be made available to the County immediately. In future years, the City and the County may consider a jointly funded position with deep energy market knowledge that can advise them, as well as other local agencies on when to place orders to get the best prices.

Impact

Cost savings. Energy efficiency programs such as retrofitting have demonstrated annual energy savings of 25%. Typically, these programs produce a high return on investment, which is used to finance the cost of the energy improvements. The City could save \$6 million – \$15 million per year; the County could save \$3 million – \$8 million per year.

Benefits to the Public

Lower cost and environmental improvements from lower energy use.

Project Leader

City and County Real Estate Management Directors.

Stakeholders

County Facilities Director, City General Services Commissioner.

Key Activities and Resources Required

Legal resources would be needed to create the energy management structure.

Implementation Considerations/Key Barriers or Challenges

Capital funding is scarce, and municipalities are reluctant to assume further debt. The Illinois utilities provide funds for energy retrofits; however, they require significant local matching funds, which can be difficult to secure. The City, for example, typically budgets \$100,000 each year for capital retrofits.

The City and County would also need to consider the procurement requirements and timeline to create an energy oversight process and structure.

Timing

Implement in 2012.



CONTRACT:
THIRD PARTY

Facilities Maintenance

Develop joint approach to maintaining facilities; potentially pursue joint third party contracts for trade work.

Overview

The City and County perform nearly identical facilities maintenance tasks at their properties, but do so separately. The City spends \$24 million per year; the County spends \$52 million per year.

At the City Hall / County Building, two operating engineers work for the two sides of the facility. Both governments use separate work order tracking systems and independently engage unions for similar work. Both employ carpenters, laborers, and plumbers that service the building independently. If the two governments jointly addressed their work, the building could be maintained more efficiently.

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Dept. of General Services		
Personnel	18.4	234
Non-personnel	5.2	--
Total City	23.6	234
<i>Cook County</i>		
Dept. of Facilities Maintenance		
Personnel	33.2	384
Non-personnel	6.4	--
Health and Hospital Personnel*	13.7	167
Total County	53.3	551
Combined Total	76.9	785

* Includes Stroger, Provident, Oak Forest.

There are a range of options for collaborating on facilities maintenance:

- *Information sharing.* Improved sharing of best practices and data generally.
- *City Hall / County Building Savings Task Force.* Coordinate and improve operations on both sides of City Hall / County Building and jointly set a goal to lower the operation costs of the building by 20%.
- *Outsourcing.* Pursue joint contracts for trade work to price private sector versus public sector costs. For example, at the Daley Center both entities contract with the PBC.

Impact

Cost savings. In 2009, the Reason Foundation prepared a detailed policy briefing for the City of San Diego entitled "Savings for San Diego: Buildings Maintenance / Management Outsourcing Opportunities." In the report, the Foundation documented nearly a dozen local and state jurisdictions that had outsourced building maintenance functions and saved 30% or more. Requiring the contractor to be unionized may limit these savings; in either case, larger contracts lower the cost per square foot due to more efficient management, task order tracking, resource deployment, and equipment. Based on these examples, the County and City could see significant benefits from outsourcing or managed competition. The cost could be reduced \$4 million – \$12 million per year for the County and \$2 million – \$6 million for the City.

Benefits to the Public

Lowering the facilities management overhead would allow the City and County to invest more dollars into programs and services.

Project Leaders

City and County Facilities Maintenance Heads.

Stakeholders

County Facilities Management, City General Services, City and County facilities maintenance employees.

Key Activities and Resources Required

The activities depend on the collaboration option:

- *Information sharing.* Schedule a best practices meeting attended by City and County facilities maintenance staff.
- *City Hall / County Building.* Establish a task force to focus on achieving a City Hall / County Building cost savings goal.
- *Outsourcing.* Develop and issue a joint RFP. This would require procurement and legal resources.

Implementation Considerations/Key Barriers or Challenges

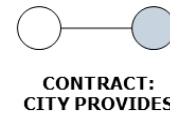
Collective bargaining agreements. Changing how the facilities are maintained would affect unionized employees. Labor would need to be included in exploring how to achieve these savings.

Managed competition. These arrangements could be eased into through managed competition, where employees are encouraged to submit their own bids to compete with private-sector providers for the contract. Exploring pricing options through a combination of third-party contracts and managed competition would allow the County and City both to access better prices through economies of scale and reward existing employees for innovation and efficiency.

Chicago-based workforce. Should the City and County choose to pursue new options for facilities maintenance, they may choose to give preference to local companies to keep all the work in the region.

Timing

Information sharing and City Hall / County Building options could be developed for the 2012 budget. Outsourcing would likely require more time to include labor's perspective.



Fleet Management

Consolidate fleet maintenance, with the City as the lead and the County as the client.

Overview

Currently, the City spends \$116 million per year managing 13,000 vehicles at 14 repair facilities. The City's Fleet Department is annually ranked as one of the top government fleet operations in the country by *Government Fleet Magazine*. The department has innovative programs such as green technology and parts outsourcing to NAPA that have been copied by the private sector. The department has a robust vehicle maintenance system (VMART) that tracks a vehicle's maintenance vehicle information, fueling logs, and maintenance history. The City also has GPS tracking on nearly all fleet and repair vehicles.

In addition to being the centralized service provider for all City departments, City fleet management provides maintenance and fuel via intergovernmental agreements to Chicago Transit Authority (labor rate of \$110.52/hour, signed in 2008), the Chicago Park District (labor rate of \$62.32/hour, signed in 2001), and Chicago Housing Authority vehicles (labor rate of \$80.00/hour, re-signed in 2011).

County fleet management is highly decentralized, with departments providing their own vehicle maintenance at inconsistent quality. The County should work towards both centralizing its fleet management and maintenance and also jointly outsource services to the City. Since the mix of vehicles maintained by the City is similar to County vehicles, the City could easily provide fleet maintenance services to the County. Outsourcing should begin with a pilot targeting some facilities maintenance

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Dept. of Fleet Management		
Personnel	47.0	517
Non-personnel	38.0	--
Fuel	31.0	--
Total City	116.0	517
<i>Cook County</i>		
Highway Dept.		
Personnel	3.0	29
Non-personnel	0.7	--
Fuel	0.5	--
Total County	4.2	29
Combined Total	120.2	546

functions in the County Highway Department. The Highway's Department spends over \$4 million in personnel, non-personnel, and fuel on its vehicles and equipment.

Impact

Lower operating costs. Similar organizations found outsourcing their fleet maintenance resulted in at least 15% cost savings, meaning the County Highway's department could save \$300,000 – \$700,000, depending on how many of the five district maintenance facilities they decided to shut down.

Improve service quality and transparency. The City's Fleet Department has vehicle repair and availability rates of 93%. The County would obtain better service and tracking, as City towing / repair vehicles are tracked by GPS.

Consolidated purchasing power. The City would benefit from an additional revenue stream, which would decrease its overhead rates related to maintenance services and increase its purchasing power for parts.

Utilization of facilities. County maintenance would increase the utilization of repair facilities further from the City center.

Benefits to the Public

Taxpayers would benefit from a lower cost to service vehicles. Suburban residents would benefit from higher vehicle reliability and repair transparency, allowing more effective delivery of vehicle-related services.

Project Leader

City Fleet Director.

Stakeholders

City Department of Fleet Management, County departments with vehicles (initially Highway), union workers, and drivers on Cook County highways.

Proposed "Future State" Structure

The City would manage fleet maintenance for County Highways Departments at a defined labor rate plus invoiced cost of parts. Intergovernmental agreements would be put into place between the County and City Fleet Management, starting with a pilot in the County Highway Department. Services could be provided at any of the City's 10 repair facilities, but would most likely be provided at the shops closest to the City borders (e.g., O'Hare, Midway, Far South Side). Vehicles in need of repair would be taken to City shops and returned upon completion of service.

Key Activities and Resources Required

Create and approve an IGA. An intergovernmental agreement would need to be approved by both the City Department of Fleet Management and the County Highway

Department initially. The IGA would need to commit to a detailed costing for performance of maintenance—labor and parts—and also detail items such as response time for vehicle pickup from the County, transparency of repair process, approval of significant repair costs, and responsibility for vehicle return from City shops to the County.

Implementation Considerations/Key Barriers or Challenges

Labor considerations. There are 29 employees at the County Highway Department who are represented by various unions.

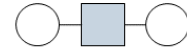
Distance from County areas to City repair facilities. Two of the five districts in the County's Highway Department have repair facilities which are located more than 10 miles from the closest City repair facility. The largest concern is District 1, which is 18 miles from the closest City shop. These areas would either require additional time for repair or could be excluded from the initial pilot.

Timing

The planning for this project could begin immediately, and the Highway Department pilot should be prepared for the 2012 budget cycle.

Further Opportunities for Collaboration

Numerous other County agencies run vehicle maintenance facilities, such as the Sheriff. If the concept is proven with the Highway Department pilot, other County departments should be considered for referral to the City.



CONTRACT:
THIRD PARTY

IT Support Services

Collaborate on a joint bid for a third party to provide information technology (IT) support.

Overview

For more than a decade, the City has outsourced its IT network, help desk, and data center to private vendors for support. The City uses one contractor for support of its data center environments (mainframe and web servers) at a cost of \$4 million annually. It employs a second vendor for network and help desk support at a cost of \$12 million annually in addition to another \$1 million in project enhancement work annually. The same vendor has held the network and help desk contract over a 12 year period, supporting approximately 15,000 users in all City departments except Emergency Management, Libraries, and Aviation. Through this relationship, the City has developed strong service-level agreements for support, conducted a complete assessment and inventory of all City IT equipment, installed remote PC monitoring, and enhanced disaster recovery ability. Because of their service-level contract agreements, the City has the ability to withhold payments for noncompliance with performance standards.

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Dept. of Innovation & Tech.		
Help desk, network support (break, fix)	12.0	3
Mainframe, web servers	4.0	1
Total City	16.0	4
<i>Cook County</i>		
Bureau of Technology		
Help desk, mainframe	2.0	40
Network support (break, fix)	3.0	1
Total County	5.0	41
Combined Total	21	45

Note: The City's help desk and mainframe services and the County's network support are also provided by contractors.

The County structure is highly decentralized, with many of the separately elected office holders, such as the Clerk of the Circuit Court, Sheriff, and Treasurer, having different support structures for technology. In addition, the Health and Hospitals

System has its own technology largely separate from the rest of the County. The Bureau of Technology under the President's Office is the largest technology operation at the County and supports critical countywide applications such as the financial and human resources systems. Like the City, the County's Bureau of Technology uses a private vendor for network support at a cost of \$3 million annually for up to 10,000 users. The County uses approximately 40 in-house personnel to support its data center and help desk operations, costing approximately \$2 million annually.

In August 2011, the County contract for network support will expire. An option to extend the agreement for one additional year to 2012 was recently exercised. The additional year will afford the County and City the opportunity to evaluate a combined bid for network support.

The City and County contracts for IT support differ from each other in terms of scope of services. Contracting would require that they work together on aligning service requirements. For example, the County's contract for internet service provision also includes co-location of web servers for the County's websites, while the City contracts separately for these services. Efficiencies may be gained by combining some other services that are currently contracted for separately, such as commodity hardware purchases and "break-fix" support. Joint bidding should include consideration of appropriate contract scope for each area of IT support. Where possible, the timing could be aligned to have the City and County jointly develop specifications to jointly issue bids. In the next year, the City and County should work to price the market on joint IT support services.

Impact

Lowers costs for service. Jointly bidding for technology support would lower the cost for service. Technology support companies' pricing are typically based on a per user rate—the greater the number of users, the lower the cost per user. Currently, the City is paying a vendor for 15,000 seats for network support, while the County is paying for 10,000 seats of network support. Jointly paying a vendor to support 25,000 users would drive down the price. Examples from around the country, such as Indianapolis-Marion County, and Evansville-Vanderburgh County, have shown joint purchasing of IT support services to lower the cost per seat 20% – 40% while maintaining or improving service. Such a cost reduction would bench the City and County \$4 million – \$8 million per year.

Standardizes services. The process of contracting with a vendor requires that the agencies set service level agreements and document the required process for support. When service standards are written down, internal clients do not receive services based on informal relationships and are more likely to have clear priorities established and service expectations clearly communicated to users.

Benefits to the Public

Critical applications to support City and County services would be reliable at low costs, e.g., websites and on-line payment functions would not be broken as often and would be more reliable.

Project Leaders

City Chief Technology Officer, County Chief Information Officer.

Stakeholders

City Department of Innovation and Technology, County Bureau of Technology, employees, bargaining representatives.

Proposed "Future State" Structure

The City and County would prepare joint specifications for service in the area of help desk, data center, and network support. The provider would offer discounted pricing if both governments entered into contracts and shared service provision. The IT support vendor would have both the City and the County as clients, with established service level agreements around support standards.

Key Activities and Resources Required

Procurement resources would need to be dedicated to developing the specifications. A joint evaluation committee would need to be established to review the vendor proposals. Legal support would be needed to negotiate the contracts.

Implementation Considerations/Key Barriers or Challenges

Employee considerations. Where workers might be affected by contracting for services, the City and County should consider managed competition and allow existing workers to bid on performing the work.

Different environments. The City and County have different technology environments. The County relies much more heavily on mainframe technology than does the City. The specifications would need to be clear about what support is needed for each environment.

Longer procurement process. The City and County would undoubtedly save more by contracting together than by bidding alone. However, there is a trade-off with the time added to the procurement process to manage the complexity of developing joint requirements.

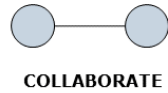
Timing

The City and County should include this collaboration in the 2013 budget because of the time required to prepare bids, select a vendor, and enter into contracts.

Future Collaboration Considerations

In future years, the City and County could consider expanding the collaboration to include County offices such as Health and Hospitals, other elected County offices, and City departments such as Aviation, Libraries, and the Office of Emergency Management and Communications.

Collaboration on IT support services could lead to additional collaborations that might include a consolidated Wide Area Network, more shared applications such as online payment processing, joint camera support, consolidated telecommunication, or joint broadband investments.



Joint Purchasing

Work together on select upcoming bids. Hold regular Chief Financial Officer and Chief Procurement Officer roundtables.

Overview

Together, the City and County purchase approximately \$1.5 billion in goods and services annually.

Prior to this year, the City and County never engaged in sharing procurement services, specification development, buying plans, or procurement best practices. Under the direction of the City's Chief Procurement Officer (CPO), local agencies have begun a series of roundtables (one set for CPOs, and another for CFOs and CPOs) to explore collaboration possibilities. Participants include the City, the County, Chicago Public Schools, Chicago Transit Authority, Chicago Park District, Chicago Housing Authority, and the Public Building Commission.

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Dept. of Procurement Services	5.8	76
<i>Cook County</i>		
Purchasing Agent	1.8	24
Combined Total	7.6	100

By working together, both entities could see significant savings through:

- Increased buying leverage via higher volumes
- Reduced complexity via standardization/optimization of specifications and service levels—jointly sharing a standard specification library
- Joint technical assistance to regional vendors such as a joint “buying fair” for upcoming purchases and “subcontractor fairs” introducing City prime vendors to certified minority and women owned subcontractor firms
- Minimizing other total cost of ownership (TCO) elements (duplicate inventories, overlapping provision of goods and services, etc.)

The City regularly develops a citywide buying plan to forecast buying opportunities 18 months out. The City has reviewed its upcoming buying plan for 2011 with the roundtable participants to identify commodities or services where the timing of the

City's bid would lend itself to collaboration with other agencies. The roundtable's initial efforts are driven primarily by the timing of contract expirations. The roundtable has helped the City and County identify several commodities where collaborative buying could yield savings beyond the leveraging of additional buying power:

- *Fuel (City \$25 million annually; County \$3 million).* The City's contract has a pricing advantage over the County. The City pays \$0.095 price over cost per gallon of truckload-delivered mid-grade gasoline; the County pays \$0.10 to \$0.20 depending on delivery location. County spend on this grade is nearly \$2 million annually; if the County could adopt City pricing across the board, savings would total \$25,000.
- *Road Salt (City \$18 million annually; County 25,000 tons, cost not available).* Joint bid under way.
- *Armored Car Services (City \$260,000 annually, County \$145,000).* Bidding these services together could create efficiencies for a vendor and thus create a small amount of savings. The County pays \$3,248 monthly for three different weekday pickups by two different vendors at the County Building; the City also pays one of these vendors \$944 a month for two different weekday pickups at City Hall.
- *Credit Card Processing (City \$2 million per year, County N/A).* Joint bid preparation is under way; any savings are likely to be small as the County currently accepts credit cards only for jail bond payments; these costs are born by the individuals making bond payments.

As the City does, the County should develop a buying plan to forecast 18 months of contracting opportunities. Based on these plans, the City and County could together hold annual or semi-annual supplier fairs to notify potential bidders of upcoming purchasing opportunities. Increase vendor participation in bidding on contracts would drive down pricing.

Impact

Lower costs in purchasing goods and services. The consulting firm Accenture has worked extensively in the area of government procurement, and their studies show that savings of up to 10% are possible when government entities purchase collaboratively. These savings vary based on scalability of the procured good or service, availability of qualified suppliers to meet increased volumes, natural tension between maximizing procurement scale and reaching Minority-owned Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) award targets, market conditions, and the ability of the governments to formulate a single buying specification. Given these constraints, savings would likely be lower than what other jurisdictions have seen: 2% – 4% on roughly half of the total spend base, for a

combined total of \$12 million – \$24 million across the City and County. Given contract lengths, it will likely take 3 – 4 years to fully realize this potential.

Project Leaders

City of Chicago CPO, County Purchasing Agent.

Stakeholders

City and County Departments purchasing goods and supplies, suppliers.

Proposed “Future State” Structure

Since the City and County each would be required to enter into a contract separately upon receipt of the bids, any procurement request should include pricing for business with one entity and the discount if both the City and the County enter into the contract. All phases of procurement should be collaborative, from spending plan to specification to award. The final technical contract would be administered by each agency independently. Therefore, the City and County should each continue to operate a procurement office. Through roundtables and 18-month buying plans, they could work on combined specification and bid materials and joint timing of awards.

The City and County should work to share a specification library for standard procurements. They should also hold joint procurement fairs as outreach efforts to the vendor community to provide information about buying plans and subcontractor opportunities.

Key Activities and Resources Required

As the work required is ongoing, no additional resources would be required. The City and County are working on the Intergovernmental Agreement required by the Governmental Joint Purchasing Act (30 ILCS 525).

Implementation Considerations/Key Barriers or Challenges

Maintaining MBE/WBE participation and local vendors. Economies of scale would help the City and County lower costs. Larger scale could also make it difficult for minority-owned, women-owned, and regional firms to handle the entire contract. When combining specifications for greater scale, the County and City should make provisions to maintain MBE/WBE and local participation, such as awarding contracts to multiple providers.

Legal constraints. The Illinois Intergovernmental Cooperation Act (ICA) prohibits the award of a contract by one municipality on behalf of another unit of government; therefore, the City and County could collaborate on the administrative work required for the preparation of bids and award of business, but they would need to contract separately. This would somewhat limit the leverage of combined purchase volumes, as a bidder could not be assured that they would be awarded both contracts. Some

additional labor savings could arise by having the City and County focus on different areas of procurement expertise in preparing specifications on behalf of each other, eliminating duplicative work.

Participation in broader collaborations. Both the City and the County are participating in the CPO/CFO roundtables, which work toward collaborative procurement across the range of sister agencies mentioned earlier.

Ongoing transformations. Both the City and County are undertaking efforts to revamp and improve their purchasing functions. Attributing savings to collaboration may prove difficult and, in the case where a partner in the purchasing transformation is paid based on savings realized, problematic.

Timing

The City and County could undertake this collaboration immediately in 2011 and include projected savings in 2012 budgets. In Fall 2011, for the veto session, the City and County should jointly go to Springfield to amend the Illinois Governmental Joint Purchasing Act (30 ILCS 525).

Further Opportunities for Collaboration

The City and County could extend the benefits of joint purchasing to suburban entities.



CONTRACT:
THIRD PARTY

Real Estate Management

Jointly contract to a third party for real estate management services to improve space utilization and reduce real estate costs.

Overview

The County manages 86 facilities totaling 11 million square feet. The City manages 425 facilities also totaling 11 million square feet. They do not collaborate in any meaningful way with their real estate portfolios. Real estate acquisition, space utilization, lease management, and property disposition are not typically core competencies for government.

Some government organizations, such as the Chicago Transit Authority, have contracted with real estate management companies to provide real estate management services.

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Dept. of General Services		
Personnel	0.2	2
Lease payments	26.8	
Total City	27.0	2
<i>Cook County</i>		
Office of Capital Planning		
Personnel	0.3	3
Lease payments	4.7	
Total County	5.0	3
Combined Total	32.0	5

With increasing budgetary pressures, each year both the City and the County have eliminated vacant positions and have seen an overall reduction in the number of personnel. Over the past 10 years, the City has reduced its payroll by 5,880 positions, or 15%, and the County has eliminated 4,002 positions, or 15%. These headcount reductions have increased the amount of vacant office space, yet neither government has systematically reviewed its footprint and space utilization needs.

The City and County are currently developing strategies to hire real estate management expertise to help them reduce cost for space. The City and County should consider jointly contracting their real estate management services to a third party company to gain further economies of scale. This could also allow for more and better opportunities to co-locate services.

Impact

Cost savings. The City and County would be able to lower the cost for space and maximize potential revenues of owned space. State and Federal agencies that have outsourced real estate management functions have seen 15% – 25% improvements in savings or revenue. Looking at the combined portfolio of the City and County, the financial benefit would be \$3 million – \$7 million for the City and \$1 million – \$2 million for the County.

Benefits to the Public

A smaller, right-sized footprint for facility operations would lower the cost of providing services without affecting how services are delivered.

Project Leaders

City and County Real Estate Management Directors.

Stakeholders

County Facilities Management, City General Services, City and County employees.

Key Activities and Resources Required

Analyze current real estate portfolio and costs. Both the City and County should develop a comprehensive inventory of all leased and owned properties. This inventory would include current expenditures on these properties with fully loaded costs, including items such as maintenance and insurance costs.

Issue a joint RFP. The City and County should issue a joint RFP to procure an expert third party real estate management company. Procurement and legal resources would be needed to develop the RFP and negotiate the third party contract.

Implementation Considerations/Key Barriers or Challenges

Combining the City and County RFPs could slow down the process down on both sides. However, the lower price gained by the combined portfolio would outweigh the costs of this delay.

Timing

Issuing an RFP and awarding a bid would likely extend beyond the schedule for preparing the 2012 budget. This effort should be planned to be included in the 2013 budgets.

Health and Human Services Business Cases

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
<p>Healthcare Pursue immediate tactical collaboration in areas such as pharmacy services, mammography, and a neighborhood clinic. Develop a comprehensive regional public healthcare strategy.</p>		TBD	More access to services, e.g., mammography, pharmacy
<p>Workforce Development Combine the Chicago, Cook County, and Northern Cook County Workforce Boards into a single nonprofit board. Expand the Chicago Workforce Investment Council model county-wide.</p>		TBD	Unified program for job seekers, employers, service providers



Healthcare

Pursue immediate tactical collaboration in areas such as pharmacy services, mammography, and a neighborhood clinic. Develop a comprehensive regional public healthcare strategy.

Overview

Healthcare in the Chicago region is a massive, tangled web of patient groups, public and private clinical care providers, public health services, funding sources, labor unions, and regulations. Effective, efficient delivery of public health services can provide a cornerstone for economic development by raising the wellness of the overall population. Conversely, ineffective provision of public health services can result in a large underserved population and create a drain on economic resources. Therefore, addressing healthcare in a coordinated fashion is critical for the economic viability of the region.

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Dept. of Public Health		
Corporate	33.7	N/A
Grant	153.7	N/A
Total City	187.4	993
<i>Cook County</i>		
Health and Hospitals System		
Corporate	922.8	N/A
Grant	14.1	N/A
Total County	936.9	6,881
Combined Total	1,124.3	7,874

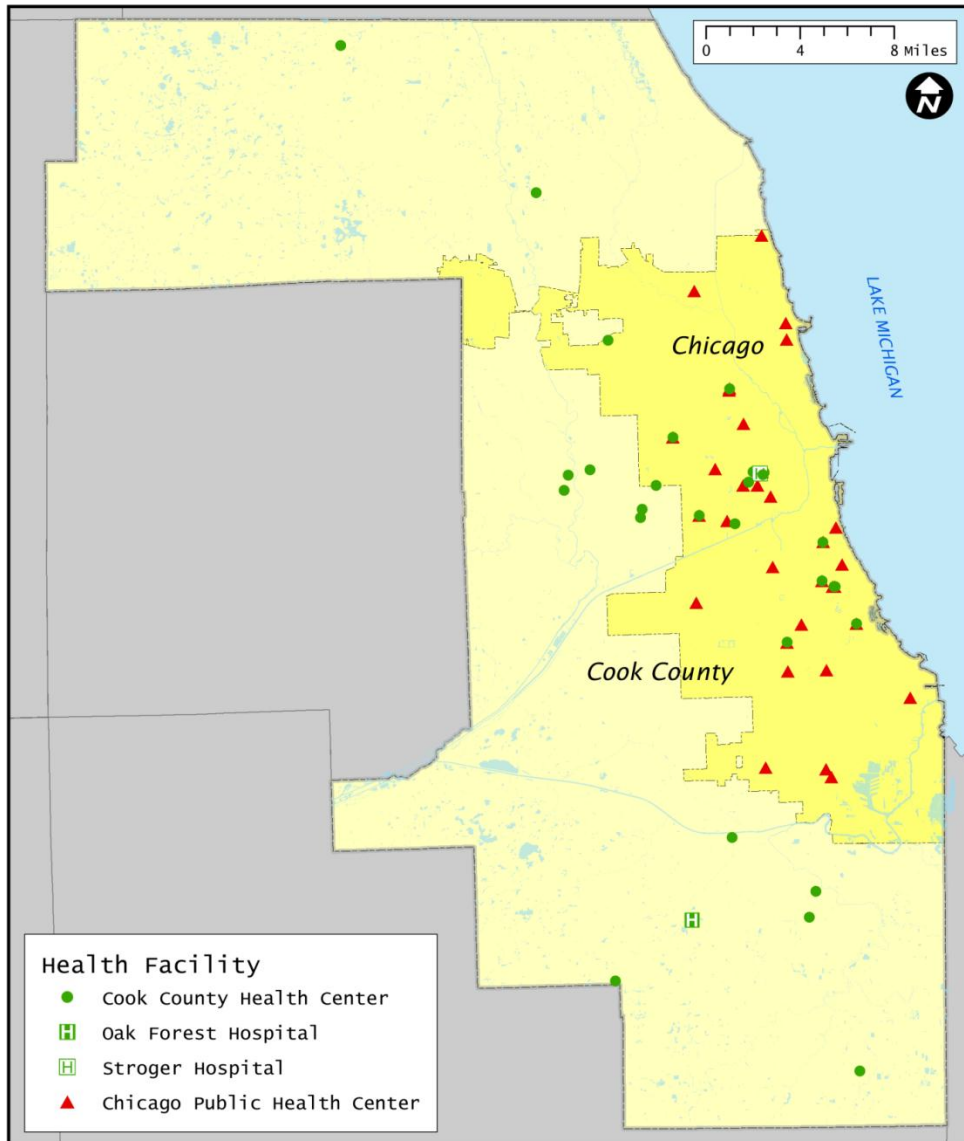
The Chicago Department of Public Health (CDPH) has a budget of \$187 million and employs nearly 1,000 people. Corporate funds provide \$34 million; grants from the Center for Disease Control (CDC) and other sources make up the balance. CDPH provides the following services:

- Primary healthcare services at seven health centers for 30,000 patients
- Mental health services at 12 centers for 6,400 patients
- Women and children's health services
- Oral healthcare for 100,000 students at Chicago Public Schools

- Immunizations
- STD and HIV/AIDS prevention; testing; and care, including case management and housing services
- Communicable disease and tuberculosis control
- Chronic disease management
- Substance abuse and violence prevention
- Public health and emergency preparedness.

CDPH's 2010 Annual Report focuses on five "Winnable Battles"—obesity, tobacco, breast cancer disparities, teenage pregnancy, and HIV/AIDS—which will serve as the cornerstone of a citywide public health agenda to be released in 2011.

City of Chicago and Cook County Health Facilities



Map prepared on Jun. 10, 2011, Department of Geographic Information Systems, Cook County Bureau of Technology; cook_collabReprHthB2_2011.pdf
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The Cook County Health and Hospital System (CCHHS) consists of three hospitals, 16 Ambulatory and Community Health Network clinics, the Cook County Department of Public Health (CCDPH), the Ruth Rothstein CORE Center for outpatient care of infectious disease patients, and Cermak Health Services for the medical needs of detainees in the Department of Corrections. CCHHS has a budget of \$936 million and employs 6,800 people. The majority of the budget comes from the Cook County general fund, with \$14 million and 125 positions funded by grants. CCHHS provides services to over 500,000 patients annually.

The majority of CCHHS funds and personnel are devoted to hospital and clinical care. In addition, the County provides \$17 million per year to CCDPH to provide public health services similar to those provided by the City. For example, both the City and County provide STD and HIV/AIDS services, immunizations, and services for women, infants, and children.

CCHHS released their strategic plan in 2010 after intensive preparation. The planning effort found sufficient beds available for emergency care; however, the wait time for specialty care, such as for an oncologist or ear, nose, and throat specialist, is extremely long, especially in underserved communities. Therefore, the strategic plan recommends shifting resources from emergency beds to specialty outpatient care.

Based on the work that has already been done in the region, there are three immediate opportunities for the City and County to collaborate:

- *Pilot program for unified primary care clinics.* In several neighborhoods, the City and County separately operate clinical facilities within blocks of each other. The two governments should pick a pilot neighborhood in which to consolidate the City's clinic into County operations. This pilot would serve as a model for similar unifications in other neighborhoods.
- *Expand City mammography services to County patients.* There are two levels of service in mammography: initial screening and diagnostics for women with abnormal screenings. The City already has capacity to provide additional initial screenings. The County should refer patients to City facilities for initial screening in order to free up capacity for diagnostics.
- *Automated pharmacy prescriptions.* The County has a new automated pharmacy system that has increased their capacity to fill prescriptions. By referring patients to County pharmacies, the City would free up resources at their clinics.

These changes would create tangible benefits for residents and reduce costs.

Beyond these immediate tactical improvements, the current environment—budgetary pressures at all levels of government, high numbers of unemployed and uninsured residents, and the uncertain impact of the Federal Patient Protection and Affordable Care Act (PPACA)—make this a particularly challenging time for local public health departments. Other municipalities and counties have pursued collaborative public health structures—Seattle-King County WA, Toledo-Lucas County OH, Madison-Dane County WI, and Akron-Summit County OH are a few examples. These collaborations sought to reduce costs by eliminating duplicative services, improve quality by extending more consistent levels of service to broader populations, improve effectiveness by creating a single point of disease tracking and control, and (in more recent cases) potentially increase access to PPACA funding.

New leadership at the City and County creates a unique opportunity to craft a comprehensive response to these challenges. The scope of the issue and the changing nature of the healthcare landscape demand a comprehensive strategy that exceeds the expertise and timeframe of this committee. The Mayor and County President should create a panel of healthcare experts and stakeholders to evaluate the provision of healthcare in the region and define the future role of CDPH and CCHHS in balance with the private sector to maximize the quality of care to all residents in the region.

Impact

Immediate collaboration. Coordinating mammography and extending the automated pharmacy would provide greater services for residents. Consolidating a neighborhood clinic would provide the same level of services at a reduced cost.

Long-term regional coordination. A comprehensive roadmap for regional healthcare would ensure that residents continue to have access to quality care. In many instances, the quality of care would even increase, as resources are more effectively aligned with need. Such an approach is critical for the long-term economic viability of our region.

Project Leader

Panel Chair (TBD), Commissioner of Chicago Department of Public Health, Chief Executive Officer, Cook County Health and Hospital System.

Stakeholders

CDPH, CCHHS, local Federally Qualified Health Centers (FQHC), Illinois Department of Public Health (IDPH), Illinois Department of Human Services (DHS), Illinois Department of Healthcare and Family Services (DHFS), doctors, patient advocacy groups (including mental health), labor unions for healthcare workers, private hospitals, health insurance companies, topical experts such as the Health and Medical Policy Research Group and the Institute of Medicine, other private providers (e.g., Walgreen’s quick clinics), and the business community and local employers.

Proposed “Future State” Structure

Immediate collaboration. One clinic in a pilot neighborhood would provide services currently provided by both the City and County in separate facilities. The City and County would coordinate mammography initial screenings and diagnostics. The County’s automated pharmacy would be available to more City patients.

Long-term regional coordination. The City and County would reduce costs by eliminating duplicative services. More consistent and higher-quality services would be available to broader populations. Public health would be managed more effectively through a single point of tracking and control. The region would have greater access to Federal and grant funding.

Key Activities and Resources Required

For the immediate collaboration, CDPH and CCHHS personnel would evaluate and implement shared pharmacy and mammography services and a single shared clinic operated by the County.

The broader issue of the future provision of public health services in the region demands additional in-depth study. The panel appointed by the Mayor and the County President should include representatives from each of the stakeholder groups listed above, and should address two primary questions:

- Who are the optimal providers of primary clinical care and mental health services within the public/private sphere?
- What is the right structure and relationship of CCHHS and CDPH to provide the necessary clinical, hospital, and public health services to the residents of Chicago and Cook County?

The proposed timeline for the panel is as follows:

- *Map current state of healthcare provision (2 months).* What services are provided, where and by whom? How are these services currently funded? Where are the gaps in service either in primary, specialty services, or other issues to be addressed?
- *Map future state of healthcare provision (2 months).* Given changes in demographics, healthcare trends, and the impact of PPACA, how is the current state likely to change by 2020? What will be the role of technology in producing better health outcomes? How will providers evaluate their performance? What new challenges is this future state likely to create?
- *Address current and future issues (2 months).* What is the optimal regional public-private approach to address each of the issues raised in the current- and future-state mapping? What is the role for CDPH and CCHHS within this approach? What is the best structure for CDPH and CCHHS to fulfill this role?

Implementation Considerations/Key Barriers or Challenges

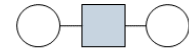
Immediate collaboration. CDPH and CCHHS would need to determine how many patients were being referred from one facility to the other and ensure that the service levels on each side met or exceeded current levels. Communication to patients would need to be clear and easy to understand. Significant changes would need to reflect community involvement. Changes to pharmacy and mammography services would have no impact on current collective bargaining contracts. Labor would need to be involved in piloting the unified clinics.

Long-term regional coordination. The City and County would need to consider how access to health services could be improved and made more efficient for all residents. PPACA, which will largely be implemented by 2014, will impact the future role of public health providers in the region, including affecting the number of people served, the types of services covered, funding of public and private providers, and other grant funding sources. The coordinated approach would need new billing and administrative capabilities. Which services would be provided by CDPH and which would be provided by CCHHS could change, so that the most effective organization would provide services throughout the region. As a result, the City and County would each need to reevaluate the structure and organization of its health department.

Revenue functions. In reviewing the current operations of City and County health services, a significant weakness that impacts the sustainability of both organizations is billing and collection functions. Neither organizations performs these functions as well as needed. For collaboration to succeed, a robust revenue stream would be required. Therefore, improving billing and collection must be a high priority.

Timing

Immediate collaboration should be included in the 2012 budgets. The long term regional coordination would require a panel. The panel should be convened immediately and be given six months to produce their recommendations. These recommendations should be included in the 2013 budgets.



CONTRACT:
THIRD PARTY

Workforce Development

Combine the Chicago, Cook County, and Northern Cook County Workforce Boards into a single nonprofit board. Expand the Chicago Workforce Investment Council model county-wide.

Overview

The City, the West and South Suburban County, and Northern Cook County each constitute a Local Workforce Investment Area (LWIA) and have three separate workforce boards. Each workforce board receives its own Federal Workforce Investment Act (WIA) funds. Last year, more than \$60 million in Federal funding was directed through scores of services providers to conduct employment training, placement, and job retention programs. This is in addition to some separate grant and corporately funded programs.

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions	Board Size	Structure
<i>City of Chicago</i>				
Chicago Workforce Investment Council	3.0	12	14	Non-profit
Chicago Workforce Investment Board	30.0	25	42	Chicago Dept. of Family and Support Services
Total City	33.0	37	56	
<i>Cook County</i>				
Cook County Works Workforce Investment Board	13.5	33	28	Cook County Works
Workforce Board of Northern Cook County	14.0	8	30	Non-profit
Total County	27.5	41	58	
Combined Total	60.5	78	114	

There are 72 employees that collectively work directly for the three workforce organizations—many providing similar functions, such as financial and programmatic reporting separately for each of the three agencies.

In addition to its Workforce Board, the City has the Chicago Workforce Investment Council (CWIC), a nonprofit created to staff the Chicago Workforce Board, perform research on the workforce market, and drive local coordination on workforce development.

Across the County, however, there is no coordination among the three workforce boards, nor is there a strategy organization like CWIC to perform regional research and drive government-business collaboration. This hurts the quality of service for residents and businesses, as they are not easily able to seek positions or employees across LWIA borders.

To improve quality of service and save administrative costs, the three LWIAs should be combined into a single LWIA with one workforce board to receive all WIA funds for the region. The combined board should be a nonprofit and should be staffed by a countywide version of CWIC, which would perform strategic workforce development planning for the entire region.

Impact

Cost savings. Administrative costs would be reduced for public agencies and non-profit delegate agencies.

New funding opportunities. The City receives performance bonuses from the Federal government; the other boards do not. Extending the City's best practices to the entire region would expand the Federal bonuses received. The combined non-profit board would also be able to apply for additional, non-Federal funding for workforce programs.

Benefits to the Public

Greater convenience and improved service quality. Businesses and clients would be able to interact with one seamless system to access workforce services across the region. The effectiveness of workforce programs would improve due to sharing of job information and best practices.

Expanded services. By sharing best practices and by jointly seeking grant funds, the region should be able to increase funding for workforce development. The increased funding would allow the City and County jointly to provide more workforce development services to residents and employers.

Project Leader

The Mayor and President should jointly select a director for the new organization.

Stakeholders

Chicago Workforce Board, Cook County Workforce Board, Northern Cook County Workforce Board, CWIC, Illinois Department of Commerce and Economic Opportunity, regional employers, job seekers, community colleges, workforce development providers.

Key Activities and Resources Required

The authority to combine the three LWIAs into one rests with the State. Officials from the State, City, County, and Northern Cook would need to meet and agree on terms under which to combine the LWIAs.

The joint LWIA would require a more complex joint agreement between the County President and the Mayor to act as co-signatories for the Federal grant applications. This is important as grant funding liabilities for any misused or unused funds by the organization. The structure of the new non-profit board would need to be determined.

Implementation Considerations/Key Barriers or Challenges

The State would need to approve the consolidation of the LWIA boards.

Each area would need to receive a fair share of the jointly allocated funds. This should be determined by an agreed-upon formula reflecting needs and capacity.

The new regional board would need to have the capacity to handle grant management and reporting (State and Federal) for the entire region.

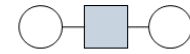
Given the state of the Federal budget, the U.S. Department of Labor may significantly reduce WIA funding nationwide or re-structure the Federal funding system for workforce development. All plans surrounding the allocation of these Federal funds should be flexible.

Timing

Meetings to plan the combination of the three boards could start immediately.

Infrastructure Business Cases

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
Capital Construction Collaborate on capital construction projects to achieve economies of scale.		TBD	Higher quality and faster construction



CONTRACT:
THIRD PARTY

Capital Construction

Collaborate on capital construction projects to achieve economies of scale.

Overview

The City and County oversee their capital programs independently of each other, without collaboration.

The City has a capital program of approximately \$300 million, which is overseen by the City’s Department of Budget and Management. Transportation

projects, such as subway stations and street repairs, are managed through the Department of Transportation. Facilities such as police stations are managed through the Public Building Commission (PBC). The City is at the tail end of the PBC’s “Neighborhoods Alive” building program. In all, the program included 10 police stations, 10 fire stations, and seven libraries.

The PBC is a municipal corporation created pursuant to the Public Building Commission Act. In 1956, the City, County, and other agencies (Cook County Forest Preserve District, City Board of Education, Metropolitan Water Reclamation District of Greater Chicago, and Chicago Park District) joined in the organization of the PBC.

Since 2007, the PBC has been granted the authority to develop over \$2 billion in capital projects on behalf of its clients, including the City and its sister agencies. The vast majority of the capital programming at the PBC currently is through building and renovating schools for the Chicago Public Schools. Most of these projects are “prototype” projects, where many buildings are built to the same specifications (e.g., fire and police stations, libraries, schools). The PBC has also constructed a handful of atypical projects such as a water purification plant and Park District beach houses.

The County is a member of the PBC and is represented on the PBC board. Nonetheless, the County does not use the PBC and addresses its capital development in-house: the Office of Capital Planning and Policy oversees construction

CAPITAL PROGRAM

	\$ million
City of Chicago	300.0
Cook County	682.0
Combined Total	982.0

Note: Does not include capital projects for Departments of Water or Aviation

management and real estate management. For its 2011 capital improvement program, the County has 86 current projects totaling \$489 million and 34 new projects totaling \$70 million. Combined with projects under construction, the 2011 capital improvement program represents a total value of \$682 million.

The County is committed to improving its capital program as soon as possible. Some of the areas for improvement include:

- *Improved data collection through web based tools.* The County, unlike most professional capital construction management vendors, does not have the use of any web-based tools to rigorously track and monitor performance, supplier diversity, and labor compliance. The County seeks better systems to understand if projects are on-time and on-budget.
- *Better change orders management.* Managing how much of a project's total cost is incurred by change orders is an important part of construction project management. Recently completed projects for the County show a design change order percentage of 17% and a construction change order percentage of 6%. Industry standards for change orders vary by the type of project, and range from 2% – 7%. For example, the PBC reports an aggregate change order percentage for all active projects of 3%.
- *Better tracking of MBE/WBE compliance.* The Minority Business Enterprise / Women Business Enterprise (MBE/WBE) participation goals for the County is 24% MBE and 4% WBE. The County does not have MBE/WBE compliance figures available; private third party providers typically track minority and women business participation in government projects. For example, in 2010, the PBC reported 31% MBE participation and 5% WBE participation.

The City and County should better coordinate their capital program and work together to achieve economies of scale. As new capital projects arise, the City and County should price the projects with the PBC or through another third party provider to find the best value—quality at a low cost—for taxpayer's dollars.

Best value does not always mean lowest cost. Best value for the whole project includes total cost of ownership of a building or asset over the life of the project, which would include the costs to maintain a building. Often, higher quality and more costly materials or construction design at the beginning of the project lead to lower maintenance and operation support costs in the long run.

Whether the City and County choose the PBC or a different provider, there needs to be consideration of the right oversight structure. At a governance level, the oversight should be representative of the regional population. At a project level, the client organization needs to have close control over decisions about quality and cost and change orders. The shared approach should be transparent with its cost estimates, cost structures, and project management decisions.

Impact

Potential economies of scale for construction projects. When larger projects are brought together for management or bidding, there are lower costs for overseeing the work. The City and the sister agencies currently pay the PBC an administrative fee of 3% of the construction costs for each project, regardless of its size. Additional fees are added for project management and other costs. The PBC is considering imposing fees on a sliding scale based on the size of the project. The PBC has suggested that if the County, City, and sister agencies choose the PBC for more of their capital project management needs, the increased volume of work will achieve economies of scale and reduce the unit cost for all clients. The PBC has not quantified these savings.

Benefits to the Public

Cost savings. Coordinating the City's \$300 million capital program and the County's \$682 million program would provide economies of scale, reducing the administrative overhead on each project. Enhancing the County's project management tools would better control change orders and hence timeliness and costs.

Project Leaders

County Capital Construction Director, City Deputy Budget Director for Capital.

Stakeholders

County Office of Capital Planning and Policy, City Office of Budget and Management, third party providers such as the PBC.

Proposed "Future State" Structure

The City and County would jointly review their portfolio, receive prices from the PBC and others, and jointly decide on the provider with the best value.

Key Activities and Resources Required

The County would need an agreement or contract with the third party provider.

Implementation Considerations/Key Barriers or Challenges

Transparency. Both the County and City expect transparent pricing and project management. Whether they choose the PBC or another vendor, there should be clear requirements for reporting, both to the client agency and to the public.

Oversight. The governance structure should be representative of the residents providing funding to the capital program. Each project should reflect the close involvement of the client agency.

Timing

This project could be implemented in 2011.

Legislative Services Business Cases

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
Elections Consolidate election services into the County.		\$5M - \$10M	Easier to find where to register, where to vote

Elections

Consolidate election services into the County.

Overview

The City and County are governed by separate election authorities. The Chicago Board of Election Commissioners (CBEC) conducts elections in the City, and the Office of the County Clerk conducts elections in suburban and unincorporated Cook County.

CBEC has three members that are appointed by the Cook County Circuit Court to three-year terms. One member's term expires each year. By law, the board membership must include at least one member from each of the state's two leading political parties. The board oversees the staff of 124, with a \$19 million annual budget.

The County Clerk is elected by the County's residents. He has a staff of 126 and an election year budget of \$20 million. In addition, he chairs a three member appeals board that hears objections to candidate nominating papers, petitions, and other disputes over candidacies and referenda. The other two members of the appeals board are the Clerk of the Circuit Court of Cook County and the Cook County State's Attorney, both of which are elected positions. Because elected officials oversee elections, there are potential conflicts of interest.

The CBEC and the County Clerk provide the same services to voters: they oversee activities related to voter registration programs, election management, equipment, budgeting, purchasing, and human resources, with a combined total budget of \$39 million per year.

In Illinois, the county clerk typically serves as the elections authority. The committee recommends that our region follow this model. Consolidating election

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Board of Election	19.2	124
<i>Cook County</i>		
Office of the County Clerk	19.7	126
Combined Total	38.9	250

services into the County would save money and streamline services for residents. In addition, the committee recommends that there be a new regional appeals process that is transparent, non-partisan, and representative.

Discussions with the County Clerk and CBEC Chair and review of the budget and other pertinent data for each election authority indicate that, over time, annual savings of \$5 million – \$10 million are possible.

Impact

Lower personnel costs. The greatest savings are likely to be achieved in the area of personnel. There are 124 full time equivalent employees who work for the CBEC and 126 who carry out election duties in the County Clerk’s office (although some of these employees have additional duties in the County Clerk’s office). By eliminating redundancies in areas such as voter registration, communications, human resources, purchasing, and information technology, consolidation may reduce the number of permanent election personnel by 30% – 50%.

Lower purchasing costs. The joint purchasing of items such as ballots and envelopes is likely to result in substantial economies of scale.

Potential reduction of election day staff, precincts, and early voting sites. The City and the County each serve 1.4 million active voters and over 0.5 million inactive voters. The County has 1,937 precincts and assigns five election judges to each precinct on election day. The City has 2,570 precincts and assigns to each precinct five election judges and one polling place administrator. There are currently 51 early voting sites in the City and 44 in suburban Cook County. The CBEC is already taking steps to reduce the number of precincts and the number of election day staff at each precinct and is exploring ways to reduce the number of early voting sites (which may require legislation). The implementation of these efforts by one entity may foster geographic and other efficiencies, for example, consolidating space for early voting at 69 West Washington.

Potential reduction of the need for outside legal counsel. Currently, the City hires outside legal counsel to handle election disputes at an annual cost of \$500,000 – \$1,000,000, while the County uses the State’s Attorney. In the event election services are merged into the County Clerk’s office or another County entity, savings may be realized if the State’s Attorney has the capacity to handle City election disputes.

Benefits to the Public

Accessible, easy-to-navigate government. The current system is often confusing, since a voter may not realize that moving across the street from the City to the County jurisdiction requires a change in one’s voter registration and also a change in the entity with which one registers. Determining the results of elections requires the

public and media to examine results from both governments. Similarly, in the event of an election contest, attorneys for the candidates must obtain the results from two separate warehouses. Consolidation would eliminate this confusion, make services more accessible, and promote simplicity and consistency in the conduct of elections.

High quality, cost-effective services for residents. Consolidation would eliminate the duplicative services provided by County Clerk and CBEC. As detailed above, substantial savings may be realized if the two election systems are consolidated. This type of merger occurred in 1996 in Springfield, when voters abolished the city board of election commissioners and transferred its responsibilities to the Sangamon County Clerk's office. According to published articles discussing the consolidation, the transfer to a single election authority reduced election-related expenses by 40%.

Project Leader

The structure that is selected will determine the project leader. If election services are transferred to the Office of the County Clerk, it can be expected that the County Clerk will be the project leader. If a third party structure is selected, it is likely that the Cook County Clerk and CBEC Chairman will have equal involvement in the transition.

Stakeholders

County Clerk, CBEC, voters, candidates.

Proposed "Future State" Structure

The County would provide all election services for County and City residents. A new appeals process would be transparent, non-partisan, and representative. Should merging into current County functions prove untenable, a new structure could be created along the lines of the DuPage County Election Commission, which was established in 1974.

Key Activities and Resources Required

Legislation. While it may be possible for the City and County to consolidate and share certain administrative functions informally (as they sometimes do now) or to share those services through an intergovernmental agreement, any comprehensive modification of the current election system will require legislation by the General Assembly.

Legal resources. Various internal and external resources would be needed to accomplish the project. Lawyers would be called upon to draft the proposed legislation.

Implementation Considerations/Key Barriers or Challenges

Legislative. The Illinois General Assembly would need to approve the structure of the elections process. A State legislative change would be required.

Appeals process. It is important that consolidated election functions include a transparent, non-partisan and representative appeals process.

Funding split. The annual election budget, particularly the City's, changes dramatically based on the number of elections in a particular year. Once every four years, there is no election at all in the City. The portion of the CBEC budget that is charged to the County averages almost 50% in even numbered and Federal election years and 2% – 4% in odd and municipal election years, per applicable laws. The appropriate funding split between the City and County would need to be determined.

Timing

State legislation would be necessary, and the upcoming presidential election would delay any overhaul until after November 2012. Therefore, it is highly unlikely that any comprehensive consolidation effort could be implemented prior to 2013. The City and County should act on those incremental administrative efficiencies that are immediately possible, such as buying ballots together, prior to the legislative consolidation.

Public Safety Business Cases

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
<p>Homeland Security Coordinate to increase the effectiveness of emergency planning and the impact of Federal grant dollars.</p>		TBD	Better coordination on emergency response
<p>Public Safety Data Sharing Assemble data experts and policy leaders from both governments to share public safety data in order to reduce violence and crime.</p>		TBD	Better intervention, rehabilitation, re-entry



COLLABORATE

Homeland Security

Coordinate to increase the effectiveness of emergency planning and the impact of Federal grant dollars.

Overview

The City and the County together and administer more than \$50 million in Federal grants for homeland security each year. They each operate emergency management and grants offices.

Emergency management and oversight of the grants are performed by both the City and County, in addition to grant-funded employees specifically assigned to projects funded by the grants.

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
OEMC Emergency Mgt.	180.5	31
<i>Cook County</i>		
Dept. of Homeland Security and Emergency Management	33.1	16
Combined Total	213.6	47

Many stakeholders in addition to the City and County are intimately involved in homeland security. At the State level, the Illinois Emergency Management Agency and the Illinois Terrorism Task Force work with local jurisdictions on both Grants and operational issues, consequently affecting the formulation of grant projects. At the local level, 129 municipalities work closely with the County and City.

The Urban Area Security Initiative (UASI) is the largest of nearly a dozen grant opportunities for the region. UASI totals \$50 million per year and is split by mutually agreed upon formulas between the State, City, and County.

Many of the purchases made with UASI funds are similar, e.g., cameras, vehicles, training, yet previously only coordinated on a case by case basis. More broadly, the greater metropolitan area lacks shared, objective standards for assessing risk or prioritizing investments across the region.

The directors of the City's Office of Emergency Management and Communications (OEMC) and the County's Department of Homeland Security and Emergency Management are both new to their roles. These transitions—as well as the new directors' mutual commitment to working together—present an opportunity to re-evaluate how things have been done in the past and to approach the metropolitan area's security in innovative, objective, and collaborative ways.

Opportunity

Better coordination could increase the effectiveness of emergency planning and reduce the overhead to administer the Federal grant dollars given to the region. There are numerous areas to explore, including grant management, such as joint standardized procurement, and operations, such as leveraging past technology and facilities investments.

Impact

More effective service delivery. Setting mutually agreed upon priorities based on regional need, rather than a strict formula approach, would enhance the impact of Federal funds. Capitalizing on the regional benefit of past investments, such as the City's fiber system, would provide a platform for future security improvements and projects.

Cost savings. Closer coordination between the City and County—as well as with the State and suburban municipalities—presents opportunities large and small for effectiveness and efficiency. Examples of areas to explore include joint grant applications and standardized joint purchasing. Applying for grants jointly, for example, could provide for a more effective approach to the application and administration process and result in efficiencies that would benefit the entire metropolitan area. Coordinating each equipment purchase regionally, rather than by jurisdiction, would promote interoperability and would help purchasing jurisdictions find lower prices due to the scale of the combined purchasing power.

Benefits to the Public

In the case of emergencies or disasters, the public would receive better coordinated responses. Lowering the overhead costs would enable the County and City to invest more in emergency planning.

Project Leaders

County Director of Homeland Security, City OEMC Executive Director.

Stakeholders

City OEMC, County Department of Homeland Security, Illinois Emergency Management Agency, Illinois Terrorism Task Force, municipalities comprising the metropolitan area.

Proposed “Future State” Structure

Regional collaboration. Federal grant guidelines from the U.S. Department of Homeland Security recommend how the future state of regional collaboration should look: "Program implementation and governance must include regional partners and should have balanced representation among entities with operational responsibilities for prevention, protection, response, and recovery activities within the region."

Objective risk assessment. Federal guidelines for assessing risk and prioritizing grants nationally provide a starting point for a regional approach to assessing risks objectively and prioritizing investments. In particular, the Federal government considers: "the potential risk of terrorism to people, critical infrastructure, and economic security . . . [and] the populations in a particular area that could be at risk, the concentration of people in the area, and specific characteristics of their location that might contribute to risk, such as Intelligence Community assessments of threat, proximity to nationally critical infrastructure, and the economic impact of an attack."

Key Activities and Resources Required

Joint consultation with stakeholders. The City and County will jointly reach out to both State and suburban stakeholders. Items for discussion include how risks are assessed, opportunities for joint investments/procurements, and future grant opportunities.

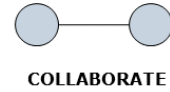
Implementation Considerations/Key Barriers or Challenges

Future homeland security grant purchasing decisions should be based on mutually agreed upon criteria and prioritization. Priorities that have already been agreed upon should be recognized in future endeavors.

The broad level of coordination with the State and suburban municipalities meets Federal guidelines and reflects the fact that homeland security is a regional issue.

Timing

Initiate joint consultations with metropolitan stakeholders by the City OEMC Director and County Homeland Security Director within the second and third quarters of 2011. Timing for future collaboration will be determined by the results of these initial engagements.



Public Safety Data Sharing

Assemble data experts and policy leaders from both governments to share public safety data in order to reduce violence and crime.

Overview

Separate technology and policies make it difficult to share data for case management or planning and evaluation in public safety. For example, transferring a student's records between detention and CPS does not happen systematically. There is not one database to assess outcomes across the system from Police to Prosecutors and Public Defenders to Jails, Courts, and so on.

As violence typically increases during the summer, it is urgent to find ways to share data better immediately as well as address the systemic needs for long-term sharing. Data can provide invaluable information to policy-makers to improve public safety and efficiency. But with disparate systems, there is no readily available way to assess process efficiency or map and analyze data geographically. The lack of good data leads to expensive and ineffective practices.

Furthermore, lack of redundancies for current IT systems poses disaster recovery issues for some critical data sets.

Agencies from the City and County, as well as academic researchers, would like to pursue better data sharing. There are several options for data sharing:

- Expanding a current data warehouse (e.g., the Chicago Police Department's data warehouse)
- Building out a third-party data warehouse with data sharing agreements (e.g., Chicago Workforce Investment Council Statistics model)

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
OEMC Technology	37.6	136
<i>Cook County *</i>		
	N/A	N/A
Combined Total	N/A	N/A

* Public safety data management is decentralized across the Sheriff, Chief Judge, Clerk of the Circuit Court, States Attorney, and President's Offices

- Developing intergovernmental agreements for data sharing to solve specific gaps and issues.

To explore these options, the County and City should assemble a working group of data experts from each agency, as well as policy leaders. Their mandate should be to identify what data need to be shared and how to share them in order to support violence reduction initiatives and help the systems operate more efficiently. The task force should begin implementing ideas as soon as they identify them and have a full report in time for their findings to be incorporated in the 2013 budgets.

Impact

Sharing data would improve case management of those involved in the justice system, enabling more efficient processing and better outcomes. For example, if probation officers were automatically notified when their clients were disciplined at school, they would be able to connect these youth to the appropriate services. Better access to arrest data would help the States Attorney build more effective prosecution cases.

Data sharing would also enable comprehensive evaluation of the justice system. Whether by policy makers, professional evaluators, or both, analysis of end-to-end data would identify where the inefficiencies are between and within agencies and where results were not meeting expectations. Based on this information, the Mayor and County President, along with other elected officials, would be able to target their reforms.

Benefits to the Public

Those involved in the criminal justice system would receive better services, e.g., better ability to stay in school after arrest, faster time to trial, more informed sentencing decisions. A more coordinated public safety approach would help allocate resources to the greatest need.

Project Leaders

City's Executive Director of the Office Emergency Management and Communication, County's Chief Information Officer.

Stakeholders

Chicago Police Department, Chicago Public Schools, Chief Judge, Clerk of the Circuit Court, Juvenile Temporary Detention Center, Justice Advisory Council, Office of Emergency Management and Communications, Public Defender, State's Attorney, Sheriff. Representatives from each of these groups should be present on the working group.

Proposed “Future State” Structure

The future state will depend on the recommendations of the working group; for example, whether to expand an existing data warehouse, develop data standards for third-party analysis, or draft tactical inter-governmental agreements.

Key Activities and Resources Required

The task force of data experts and policy should:

- Identify current data sets and assess quality
- Identify what data are needed
- Define data dictionaries
- Document rules of engagement for data sharing
- IT resources to be determined based on findings of task force

Implementation Considerations/Key Barriers or Challenges

Other than staff time, the task force is unlikely to require significant new resources to undertake their work. Based on the working group’s findings, some level of capital investment will be required.

To the extent that these efforts relate to State of Illinois initiatives, such as Sentencing Policy Advisory Council's effort to analyze the impact of Sentencing policy or jail/prison costs and public safety and the Risk, Assets, Needs Assessment Task Force’s work to develop a comprehensive risk assessment tool, the working group should collaborate with the State.

These data affect the lives of tens of thousands of residents each day. To the extent that immediate improvements can be identified, data sharing should be enhanced right away.

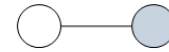
This collaboration does not affect current collective bargaining agreements.

Timing

The task force should be launched immediately. Their recommendations should be implemented as soon as they are available, and no later than 2013.

Regulatory Functions Business Cases

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
<p>Administrative Hearings Use the City’s technology to upgrade the County’s paper process.</p>	✓	TBD	Shorter wait time, easier to file appeals
<p>MBE / WBE certification Jointly provide certification of Minority-Owned Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE), possibly through a third party.</p>		--	One stop certification
<p>Revenue Collection and Enforcement Share tax enforcement data and resources to increase compliance with similar City and County taxes. Use the City’s technology to upgrade County collections and enforcement.</p>	✓	\$19M - \$38M	Fewer scofflaws, fairer taxation



**CONTRACT:
CITY PROVIDES**

Administrative Hearings

Use the City's technology to upgrade the County's paper process.

Overview

The City has a robust Department of Administrative Hearings (DOAH), staffed with 44 full time employees and with a budget of \$7 million. It hears more than 555,000 cases annually (including over 370,000 vehicle violations) using computer-based systems that pick up a matter from inception, record all the pleadings and judgments, send notices automatically when the circumstances warrant, and

move the files on for collection. Administrative Law Judges can pull up case files on computer screens during hearings so that files are available immediately and nothing gets lost. Last year, DOAH imposed over \$97 million in net fines and costs. It is a paradigm of efficiency in no small measure because of the investment of millions of dollars in technology to manage the massive volume of information it receives and creates. Hearings are held at 400 West Superior and at two other facilities on the north and south sides of the City.

The County's fledgling Administrative Hearings currently hears approximately 10,000 cases with a staff of seven and a budget of about \$750,000. As does the City, the County retains Administrative Law Judges to hear its cases. All of the case files are on paper; each file needs to be pulled manually many times over the life of a case. Last year, the County imposed \$3 million in fines and costs and collected just over \$1 million. Beginning July 1st, the County will hear cases involving violations of the new vehicle code; these cases are expected to increase the caseload significantly without any technology to mitigate the burden.

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Dept. of Administrative Hearings	7.3	44
<i>Cook County</i>		
Administrative Hearing Board	0.8	7
Combined Total	8.1	51

As with other paper-based processes, the County's Administrative Hearings will eventually be automated; continuing to run the system on paper is simply too inefficient. Modifying the City's systems to absorb the County's caseload would be substantially less expensive than building such systems from scratch. (Building from scratch cost the City several million dollars.) Whether the County builds its own system or accesses the City's, the operating costs would be comparable.

Impact

The County would handle cases more efficiently and more accurately. It would avoid significant capital investment to build a second system. The City's CANVAS and AHMS systems handle hundreds of thousands of cases. These systems are proven. Integrating the hearing process into an automated system would allow the County to take on more types of cases, reducing the cases sent to the Circuit Court.

Benefit to the Public

The public would benefit from the efficiency with which their cases were heard.

Project Leader

City Administrative Hearings Director, County Administrative Hearings Director.

Stakeholders

City DOAH, County Administrative Hearings, City Department of Innovation and Technology, County Bureau of Technology.

Proposed "Future State" Structure

The County would continue to issue citations for violations of its code and continue to retain Administrative Law Judges to hear its cases. Processing the cases would be done by the City's automated systems.

Key Activities and Resources Required

The City's systems would need to be modified to receive the County's cases. In some cases, how citations were issued would change to facilitate computer-based tracking. These costs would need to be determined, most likely with work orders to the City's existing IT contractors; the County would need to cover these costs.

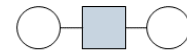
The City's ongoing case management costs would need to be determined and a method set up for the County to reimburse these.

Implementation Considerations/Key Barriers Or Challenges

See Key Activities above.

Timing

The project could be included in the 2012 budgets, if scoping begins immediately. If not, it could be included in 2013 budgets.



CONTRACT:
THIRD PARTY

MBE/WBE Certification

Jointly provide certification of Minority-Owned Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE), possibly through a third party.

Overview

The MBE/WBE programs at the City and County serve as important economic development tools, by providing opportunities to small, historically disadvantaged businesses—in the City alone, contract awards to MBE/WBEs total over \$100 million annually. The City Department of Procurement Services and the County Purchasing Agent each maintains goals for the amount of

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Office of Compliance	1.0	9
<i>Cook County</i>		
Office of Contract Compliance	0.8	12
Combined Total	1.8	21

contracted work to be awarded to MBEs and WBEs. In order to qualify for these awards, a small business must first be certified as a valid MBE/WBE.

The City’s Office of Compliance offers certification for MBE and WBE enterprises. It also offers a certification for Business Enterprises owned by People with Disabilities (BEPD) and for Disadvantaged Business Enterprises (DBE), including Airport Concessions Disadvantaged Business Enterprises (ACDBE). Federally funded transportation projects require local governments to offer DBE certification. The City charges \$250 to process an MBE/WBE certification application, and the certification is valid for five years. DBE certification is free.

As of April 2011, the City’s database included a total of 2,728 certified businesses, including: 1,250 MBEs, 672 WBEs, 391 companies certified as both MBE and WBE, and 415 as DBEs only.

The City Office of Compliance recognizes DBE certifications from the Illinois Department of Transportation, CTA, Metra, and Pace as part of the Illinois Unified

Certification Program (IL UCP); however, the City does not recognize any MBE/WBE certifications other than its own.

The City has reduced application processing time to 90 days from receipt of last materials. However, small businesses and corporate supplier diversity professionals reported in interviews that the full process takes 6 – 9 months (from initial application).

The City’s Inspector General reviewed the certification and compliance functions and determined that resources in certification were misaligned. The City spent resources certifying firms that had a remote likelihood of doing business with the City, such as temporary employment firms that would not be able to work with the City, given the employee hiring provisions in the Shakman Decree. The Inspector General recommended the City reprioritize its resources so that it could devote more attention to compliance functions.

The County Office of Contract Compliance offers MBE and WBE certification, as well as certification for Veteran-Owned Business Enterprises (VBE) that qualifies vendors for a separate procurement target. The County began charging for certification on March 15, 2011. New MBE/WBE applications now cost \$200, and the certification is valid for three years. At the end of the first and second years, the certified enterprise must file a no-change affidavit, for which there is a \$50 fee, and at the end of the 3-year period, the enterprise must be re-certified at a cost of \$100.

In addition to its own certifications, the County also recognizes MBE/WBE certifications from the City of Chicago, the Women’s Business Development Center (WBDC), and the Chicago Minority Supplier Development Council (CMSDC).

As of April 2011, the County recognized 770 enterprises in its MBE/WBE program: 357 MBEs, 241 WBEs, and 172 companies holding both MBE and WBE certification.

NUMBER OF MBE/WBE BY CERTIFIER

	City	County	City and County	City, County, and third party
MBE	1,250	357	255	N/A
WBE	672	241	190	54
MBE and WBE	391	172	N/A	N/A
DBE	415	--	--	--
Total	2,728	770	N/A	N/A

Reciprocal certifications with the City or third parties are not included in the County’s database.

Despite the County's recognition of City certification, many small businesses have paid for certification by both the City and County. Of the 529 County-certified MBEs, 48%) also hold City certification; of 413 County-certified WBEs, 46% also hold City certification, and 54 also hold a third party certification.

Several nationally recognized certification programs in Chicago have a history of certifying women and minority businesses, and their certifications are accepted by many private-sector and government organizations. The County already accepts certifications from third party agencies. The City's section 2-92-495 of the Municipal Code permits it to do so as well.

To reduce the regulatory burden on minority and women businesses, the County and City should coordinate their certification programs. Options include relying on qualified third parties, consolidating into one current program or creating a new joint certification organization. Regardless of which model the City and County choose, compliance with contracted targets is an important consideration. The joint approach should include a standard program for ensuring compliance with each contract.

Impact

Maintain or improve certification quality. Major third-party certifiers (such as WBDC and CMSDC) are backed by national organizations and have highly standardized, audited certification processes. They conduct site visits for every applicant and repeat the full certification process annually. Their certifiers go through rigorous, standardized training. Increased reliance on these organizations would maintain or improve the quality of the certification process.

Option for increased compliance. Exact numbers are difficult to obtain without an in-depth study of certification roles and processes within each compliance office. Initial analysis suggests that the County dedicated 2 – 4 full time employees and \$140,000 – \$280,000 per year to certification. The City MBE/WBE certification dedicates 2 – 3 full time employees and \$200,000 – \$300,000 annually. A joint program, possibly through a third party, would allow the option to reallocate some of these resources towards compliance.

Benefits to the Public

Eliminate duplication. A more streamlined certification would reduce confusion for the region's MBE/WBEs, many of which go through multiple certifications.

Improve responsiveness. The City's certification process is notoriously slow. The City claims to have processing times down to 90 days from receipt of final application materials; anecdotal evidence suggests that the entire process takes 6–9 months from start to finish.

Improve trust. There have been several well-publicized instances of abuse in the City MBE/WBE program; creating a different model, either through third-party certifications or a joint City-County certification program, could enhance the public perception of the program.

Project Leaders

City Director of Compliance, County Director of Contract Compliance.

Stakeholders

County Procurement, County Department of Contract Compliance, City Department of Procurement Services, City Department of Compliance, prime vendors that engage subcontractors, firms certified as MBE/WBEs.

Proposed “Future State” Structure

There are three different options for consolidating the City and County’s certification programs: relying exclusively on third parties and ceasing to offer their own MBE/WBE certifications; consolidating into one existing program; or creating a new joint program structure. The City would continue to conduct DBE, ACDBE, BEPD certifications, and the County would continue to conduct VBE certifications.

Key Activities and Resources Required

The City and County should determine the best model for revamping the certification program and implement that change by the end of 2011. No new resources are required for these changes.

Implementation Considerations/Key Barriers or Challenges

Federal DBE requirements. Some certifications are either not offered by third parties (City – BEPD; County – VBE) or required for Federal funding (City – DBE, ACDBE).

Fees for MBE/WBE applicants. The appropriate model should consider the fee structure paid by MBE/WBE businesses. Third party certifiers have a different cost structure than the City or County. For businesses under \$2 million in annual revenue (approximately 80% of MBE/WBEs) the certification costs are as follows:

FEES FOR MBE/WBE CERTIFICATION			
Certifying Agency	One-year	Three-year	Five-year
City of Chicago	\$250	\$250	\$250
Cook County	\$200	\$300	\$450
Third party MBE certifier	\$500	\$1,050	\$1,600
Third party WBE certifier	\$350	\$900	\$1,450
City, County and third party WBE*	\$800	\$1,450	\$2,150

Timeliness. In interviews, current MBE/WBE firms expressed greatest concern about the timeliness of getting the certification/recertification approvals and assistance with understanding bidding opportunities. The cost of certification and recertification is a lower consideration in deciding whether or not to look at vendor opportunities with City and County governments.

Meeting City and County requirements. Third party providers must meet the City and County’s requirements around what a certified firm needs to demonstrate, following City and County ordinances. To maintain oversight of the certification process, the City and County could seek participation in the certification committees of the selected third party partners. Another option would be to require regular external audits.

Timing

The proposed changes could be implemented immediately.

* 21% of County-certified WBEs are also certified by both the City and a third party.



COLLABORATE

Revenue Collection and Enforcement

Share tax enforcement data and resources to increase compliance with similar City and County taxes. Use the City’s technology to upgrade County collections and enforcement.

Overview

Both the City and County impose taxes on tobacco, at the rates of \$0.68 per pack for the City and \$2.00 a pack for the County. Non-compliance with the cigarette tax is high: last year, of the 2,410 business inspected by the County, 819 had not paid the tax. Each violation of the County tax in the City is also a violation of the City tax, yet the two governments do not share the results of their inspections. The City and County should immediately share this data.

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
Dept. of Revenue	52.9	467
<i>Cook County</i>		
Dept. of Revenue	1.9	29
Combined Total	54.8	496

Both the City and the County impose taxes on amusements, cigarettes, fuel, liquor and parking fees, and yet each collects its own tax, even though all affected taxpayers within the City file with and pay taxes to both entities. The City filing, payment, and collection of taxes is automated, whereas the County’s systems are largely on paper. Some of the business processes are different for example the time cycles for filing and payment.

It seems unnecessary for both governments to administer taxes from the same taxpayer. Thus for amusement, fuel, liquor, and parking taxes, the City could collect for both and remit what is owed to the County. Because the County’s revenues from cigarette taxes are five times those of the City, the County should take primary responsibility for the cigarette tax, as it does in Evanston and Cicero. (The City would continue to enforce violations uncovered in inspections and would share these results with the County.) The two would collaborate on a system for a single administrator of the sale of cigarette tax stamps.

The City's tax and licensing functions are nearly all automated; 70% of tax returns are filed online. Payments can be made online or at remote pay stations. Collection of parking and red light violations is also automated.

The County's functions are all paper-based, from filing through enforcement and collection. The County will be responsible for further enforcement beginning in July, namely, of the vehicle code. The County enforces the cigarette tax significantly. For other taxes, enforcement is trivial. Ease of compliance and the level of enforcement affect the revenues collected.

The County will be required to invest significant capital in automating its revenue operations, or it can pay the City for access to its systems. Operating costs will be incurred either way.

Impact

Increase revenue from tax violators. Both the City and the County will gain revenues from sharing data on compliance with their cigarette taxes and common tax types and the costs incurred to do so will be small. The County collects \$375 million in home rule taxes and fees. Ease of compliance and robust enforcement where little exists today will certainly raise revenue. If the rate of increase were only 5%, revenues would increase by \$19 million; a 10% increase would yield \$38 million. These revenues would be offset somewhat by fees paid to the City to reimburse costs incurred in performing functions for the County. (These operating costs would largely be incurred in any event if the County automated its systems and ran them itself.) The initial investment necessary to replicate the City's systems would be avoided. If fully reimbursed for the incremental costs incurred by implementing the proposal, the City would not be adversely affected.

Benefits to the Public

Simplify tax payments. Paying taxes and filing return with the County would be greatly simplified. Options such as online filing would lower the administrative overhead costs for businesses in the region.

Maintain a lower tax structure. Increasing revenues from non-compliers would lessen the need for future taxes to make up the shortfall, and the increased rate of compliance would reassure those who voluntarily comply.

Improve fairness. Improving enforcement efforts against businesses that are not in compliance with the payment of City and County taxes presents a more fair and level playing field for businesses that do follow the laws.

Project Leader

City and County Directors of Revenue.

Stakeholders

City and County Revenue Departments, businesses that pay appropriate taxes.

Proposed “Future State” Structure

The City would handle amusement, fuel, liquor, and parking taxes for both jurisdictions, and the County would take primary responsibility for the cigarette tax. The County’s tax and collection functions would be automated. The City and County would collaborate on future improvements to the automated systems.

Key Activities and Resources Required

Create and approve an IGA. The City and County would need an intergovernmental agreement to share cigarette tax data. The costs incurred by the City to perform functions for the County would need to be determined and the mechanics of remittances of collected taxes and reimbursements for additional costs incurred would need to be sorted out.

Align City and County ordinances. The City and County should consider revising their ordinances that impose common taxes to bring them into line with one another to the extent practicable. This could greatly simplify the processes necessary to adapt the City’s systems to handle the County’s taxes and processing of citations.

Implementation Considerations/Key Barriers Or Challenges

None identified.

Timing

The intergovernmental agreement for sharing data on cigarette tax compliance is a short-term project.

Determining the changes necessary to use a common automated system for both the City’s and County’s taxes and citations would be a substantial effort and time consuming; time to implement would depend on funding availability.

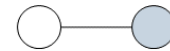
Reviewing and revising tax ordinances will take a few months.

Further Opportunities for Collaboration

One avenue for further consideration is to coordinate revenue enforcement activities with the State of Illinois. Another avenue is a consolidated revenue department for the City and County.

Other Basic Services Business Cases

Collaboration Opportunity	Capital Required	Benefit to Taxpayers	Service Improvement
311 Merge the County's main information number, (312) 603-5500, with the City's 311 call center.	✓	--	24/7 access for County information
Geographic Information Systems Consolidate Geographic Information Systems (GIS) services, with the County as the lead and the City as the client.	✓	\$2M - \$4M	More access to more information
Open Data Create a joint regional portal with City and County data. Collaborate on a joint application development competition.		--	More access to more information, new apps



CONTRACT:
CITY PROVIDES

311

Merge the County's main information number, (312) 603-5500, with the City's 311 call center.

Overview

City 311 runs 24 hours a day, answers 3 million calls a year, 8,219 calls a day, and has a 13% abandoned rate. The County main line operates 8 a.m. – 5 p.m., receives 179,000 calls annually, 650 calls a day, and has approximately a 12% abandoned rate. The wait times range from a few seconds during low volume times and more than 10 minutes during peak periods at 311. The City handles calls

from residents requesting City services. The County's main information number accepts calls from residents and forwards calls to the proper County agency.

Occasionally, residents call 311 seeking information about County services and contact information. Last year, there were 174 calls a day for the County redirected through the 311 auto-attendant and 73 calls to 311 a day reaching live operators regarding County services for a total of 247 daily County-related calls to 311. These do not represent a significant portion of the 311 call volume, less than 1%.

The County should redirect the main County information number, develop operator scripts for answering County calls at 311, and provide resources to assist with answering calls received. Residents who are not calling from within the City's jurisdiction and cannot dial 311 would still be able to call the main County number, (312) 603-5500, to reach the 311 call center.

Impact

Lower operational costs. Assuming the same level of call service would be provided, the County could potentially save approximately \$100,000 annually. This assumes

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
OEMC 311 City Services	4.9	79
<i>Cook County</i>		
Dept. of IT Solutions & Services – Call Center	0.2	5
Combined Total	5.1	84

that the County would fund 3.5 additional operators at an average of 120 calls per operator per shift. The City would receive payment for calls from the County that they are taking today with no reimbursement.

Improved call tracking for analysis of service delivery. The City has a robust system for tracking caller information to help in making improvements in service delivery. The County can use that system to perform more analysis on why people are calling and how services can be best delivered.

Benefit to the Public

24-hour, 7-day-a-week accessibility. Currently, an operator at the County is only available to answer questions during business hours during the week. The new arrangements would allow for an operator to be available at all times for County information.

No bouncing between the City and the County. Residents are sometimes confused by which services are provided by the City and which are County functions. For example, a resident calling 311 with a birth certificate question might talk to an operator at 311 and be given the number to the main County number. With a consolidated system, residents calling 311 about County services could potentially talk with fewer people to get the information they needed.

Project Leader

City 311 Director

Stakeholders

City 311, City Department of Innovation and Technology, County Bureau of Technology

Proposed "Future State" Structure

The County should fund 3.5 operators to the City, and the 603-5500 number should be redirected to 311. This staffing level would maintain current service quality. If the City and County want to decrease the abandoned calls and wait times to the public, funding for all five positions would allow for better service delivery.

Key Activities and Resources Required

The County should direct its operator calls to the City's 311. The City would need to develop new scripts for County calls. Reports would be need to be written to track County calls.

Create and approve an IGA. The City Council and County Board would need to approve an intergovernmental agreement committing to service levels for wait time and abandoned rate as well as reports on calls received and a schedule for County to reimburse the City for calls received.

Implementation Considerations/Key Barriers Or Challenges

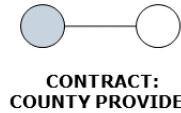
Position eliminations. The County operator position would be eliminated from the County's budget. There would be 3.5 – 5.0 new positions available at the City's 311 system. County operators are unionized, and the City and County would have to develop in their agreement how and if the workers should be transferred to 311.

IT configuration changes. While not a significant cost, the City's 311 system would need to be modified to track County information requests and calls.

Hiring operators. The transfer of calls should not take place until the additional operators are hired by the City. The City has experienced great difficulty in filling vacant operator positions in the past, and this would create a challenge for the consolidation of service.

Timing

Planning should start now, so the changes could be included in the 2012 budgets.



Geographic Information Systems

Consolidate Geographic Information Systems (GIS) services, with the County as the lead and the City as the client.

Overview

Geospatial data is now critical to government operations globally. Both the City of Chicago and Cook County use GIS for many different purposes, from planning and zoning to crime prevention and emergency management. Across the country, many cities and counties have seen considerable benefits and cost savings from consolidating GIS.

The County has made a significant investment in technology and has a high-quality, current geographic computing platform that supports location-based operations in the County. The County has the detailed parcel information that is the building block of GIS information systems.

The City also has made major investments in GIS applications, specifically GPS tools that will need to continue to be supported.

Rather than continue to invest in two separate GIS operations, the City and County should consolidate systems both to save tax dollars and to improve service delivery. The County should be the primary provider of GIS services, and the City should become a client of the County for GIS data and functionality.

Impact

Lower operating costs. At a minimum, once consolidated, the organizations could jointly hold an enterprise license for the software and lower their licensing fees. Savings could be realized in the cost of computer hardware, leveraging the cost of

OPERATING BUDGET: Fiscal Year 2011

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
DoIT Geographic Information Systems	3.4	6
<i>Cook County</i>		
Bureau of Technology: Geographic Information Systems	12.8	12
Combined Total	16.2	18

enterprise licensing agreement, editing of maps for geospatial data, and application development. This estimated annual savings of up to \$1 million could be split.

Maintain or improve service delivery. The GIS staff at the City could be consolidated with the County staff, and City GIS users would still receive the same level of support and services. Data currently transferred manually by paper or email between the City and County would be available in the same system. The consolidation would eliminate redundancy and improve reliability of GIS systems. There would also be clearly written service level agreements around the access to data, applications, and project support for the City as a client of the County.

Lower future capital investment. In 2011, the City invested over \$1 million on capital on GIS, while the County used more than \$6 million of special fund balances to invest in additional capital projects. With a consolidated City-County GIS, capital and project work could be coordinated and leveraged across both organizations.

Enable future projects and applications. The County has plans to provide its GIS services to other municipalities in 2012. The County has developed a countywide reporting application and a street address project and has started a countywide zoning project. If consolidated, these tools could be provided for other cities and villages in the County. In addition, the City has robust GPS tracking applications for City-owned vehicles that could be shared with County vehicles.

Benefits to the Public

Fewer resources would be required to maintain the GIS system with the same service to the public, County, and City.

Project Leader

Director for GIS at the Bureau of Technology at the County.

Stakeholders

County CIO, County GIS Director, City CIO, City GIS Director, Cook County Clerk, County Assessor, Recorder of Deeds, County Sheriff, County e-911 Center, GIS users, and City and County GIS employees, Labor Union Representatives, as well as other municipalities and regional GIS organizations.

Proposed "Future State" Structure

The County would be the provider of GIS services to Cook County including Chicago. The GIS software vendor would remain the same. There would be data sharing agreements between the County and the City. While the City's help desk could still be utilized to trouble shoot basic GIS application issues as it does today, for more advanced training and troubleshooting in the future, City department users would call the City-County GIS department at the County for support.

A multi-agency Geographic Information Systems Steering Committee exists today, consisting of representatives from all the land-based agencies within Cook County. The City of Chicago should be an added member to the Steering Committee.

Key Activities and Resources Required

Create and approve an IGA. The City Council and County Board would need to approve an intergovernmental agreement committing to service levels for access to data, application support, and any and all shared services. For example, it would need to detail items such as application availability and the response time to service requests. There would need to be clear language about a governance model between the City and the County for how decisions were made about advanced applications or projects prioritization.

Implementation Considerations/Key Barriers or Challenges

Labor considerations. Of the six employees in the City's GIS unit, two are union workers and four are non-union. Ten of 12 employees at the County's GIS department are unionized. These workers are in different labor unions. One GIS project manager should remain at the City to manage the agreement and act as the primary client contact for City departments. The City would need to either transfer GIS staff to the County or lay off GIS workers and fund positions to be filled at the County.

GIS and FOIA. Currently, the City provides all GIS as requested by the Freedom of Information Act (FOIA). County GIS has revenue targets for the sale of GIS data. The City and County would need to be clear about what data would be made available to the public and which would be for sale.

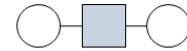
ESRI License. The County's enterprise geospatial software and services licensing agreement would need to be modified to include the City.

Timing

The planning for this project could be started right away and have a phased implementation around transferring resources as part of the 2012 budget.

Further Opportunities for Collaboration

In addition to the central IT department at the City, the Police Department, Office of Emergency Management, and Water Department also hold separate smaller instances of ESRI GIS software licenses. Once the central GIS unit is consolidated, other City Departments using separate GIS instances should be considered for consolidation.



CONTRACT:
THIRD PARTY

Open Data

Create a joint regional portal with City and County data. Collaborate on a joint application development competition.

Overview

Governments across the country make their data available online in a machine readable format. Cities and counties such as Washington DC, Sacramento, San Francisco, and New York have posted vast data sets online. Based on these data sets, they have held competitions with prize money for the application development community to make creative online and mobile applications for residents.

	\$ million	Full-Time Positions
<i>City of Chicago</i>		
<i>Cook County</i>		
Combined Total		

Neither the City or the County has personnel dedicated to open data. The City's direct expense is a \$30,000 contract. The County would incur costs to move in this direction.

The City has had an open data portal for approximately a year at data.cityofchicago.org. It now offers 60 – 90 data sets, and more are being prepared to be released. The City holds an annual contract with Socrata, which is the back end of the website for open data. Setting up Socrata required an initial investment of \$30,000, as well as training for approximately 50 City employees on how to upload data to the site.

The County does not yet have a central open data platform. The County Board passed an ordinance in May requiring an open data website be launched within 90 days. The goal of the ordinance is to have high-value data sets posted and cataloged by each agency in 120 days.

Collaboration is beneficial for both residents and government employees because it makes data more accessible and usable. The City and County should collaborate on the creation of a regional portal that allows seamless access to City and County data—as well as that of other organizations such as Chicago Transit Authority, Chicago Public Schools, and Chicago Metropolitan Agency for Planning. Seamless open data would require coordinating a hosting platform, open data tool, data

dictionary, data releases, and best practices. The City and County should host a joint application development competition for the IT community to make the information meaningful and functional for residents.

Impact

Free application development. Open data application competitions in DC and New York have resulted in \$2 million – \$4 million worth of free application development. It is likely that a competition promoted by the City and County would generate similar results.

Increased usage / utility of the data. One regional portal for data would attract more users and developers than separate efforts. Furthermore, users could combine and compare inter-agency data in ways that would not otherwise be possible.

Regional reputation for transparency. Other parties, such as CMAP and the State, are interested in sharing data with the City and County for competitions. This would be an unprecedented level of collaboration: no other metropolitan region in the country has coordinated at all of these levels. Leadership in this area would help brand our region as a leader in open government.

Cost savings. Both the City and County are committed to open data. The two governments would save resources by developing one platform rather than two.

Benefits to the Public

Increased transparency and accountability. Residents would be more informed about what their governments does.

New technology jobs. In other regions, access to government data has led to investment in IT, both through entrepreneurship and expansion of existing businesses.

Higher quality services. Open data would lead to new applications for residents, as well as enable them to make recommendations more easily to their government agencies on how to improve services. As a result, there would be new services for residents and improved efficiency of existing services.

Project Leaders

County Chief Information Officer and City Chief Technology Officer.

Stakeholders

City Department of Innovation and Technology, County Bureau of Technology, State and regional data organizations, Chicago Public Schools, Chicago Transit Authority, Chicago Parks District, Chicago Housing Authority, City Colleges of Chicago, CMAP,

State of Illinois, nonprofit organizations, application developers, open data advocates (e.g., EveryBlock, MCIC).

Proposed “Future State” Structure

A regional portal would provide a single point of access to County, City, and other data sets. This catalog of data would be available on the regional portal as well as on the sites of the organizations providing the data.

City and County data should be hosted on individual websites, possibly through the same tool or separate tools with similar usability. The compilation on a regional portal could be hosted by a third party.

The City and County should work together to share best practices in obtaining and cleaning data and to identify high-value data sets. They should also create a sustainability plan to ensure that data remains updated and useful.

Key Activities and Resources Required

Ensure data can be used together. The City and County should define shared standards for data to ensure that developers can compare and combine their data in applications and analyses.

Regional portal. The City and County would jointly work to develop the regional site.

Application contest. Once the data sets are identified and are in an open data format, the City and County should hold an application competition to encourage the developer community to access the data for the benefit of residents.

Implementation Considerations/Key Barriers or Challenges

Usability. Data collected for regular government operations is not always formatted in a way that is useful for open data. Therefore, the data would need to be “cleaned” to ensure that they are as easy as possible for developers and residents to understand and use. For some data sets, this can be a significant activity and cost.

Sustainability. As much as possible, the data should be auto-updated, in order to increase the utility of the data and avoid an inconsistent manual process.

Security and privacy. When releasing data, the City and County must be careful to protect individuals’ privacy and regional security, as well as comply with relevant data security laws.

Timing

Immediately, Summer 2011.

Additional Collaboration Opportunities to Consider

The committee considered and reviewed 19 in-depth business cases and identified several areas to be considered in future collaboration work.

For many of these other areas, preliminary research found that the total expenses across the County and City are not as significant as the areas for which business cases were developed or that the number of people served is not as great. In other cases, the service areas for two jurisdictions do not overlap significantly. As a result, they do not represent as significant opportunities for efficiencies or broad service impact.

In future, once the City and County have a track record of collaboration, these areas may prove fruitful for further study.

COLLABORATION OPPORTUNITY	PRELIMINARY FINDINGS
Animal Control	Combined spend is \$7 million
Buildings / Zoning	Jurisdictions do not overlap significantly; neither is recognized as a leader with best practices
Environmental Inspections	Combined spend is \$5 million
HUD-funded programs	Programs are quite diverse; for some, jurisdictions do not overlap; for others, total funding does not afford opportunities for significant savings
Human Resources: Hiring / Training	Federal monitor presents additional complications, requiring significantly more time than allotted to the committee
IT Data Center	Benchmarking shows successful consolidation requires very significant capital investment
Policing	Patrol areas do not overlap
Road Repair	Jurisdictions do not overlap significantly

Ordering the Collaboration Initiatives for Maximum Impact

The committee reviewed each business case at great length. The cases were also reviewed by the executives from each government responsible for these operations. Based on this input, the team proposed in what order to take on the opportunities for maximum impact.

Based on the ease of implementation as well as the likely impact, the committee identified a few windows for timing:

- *Do now 2011.* Six opportunities can be done immediately.
- *Budget for 2012.* Four opportunities require organizational change or systems investment and should be included in the 2012 budgets, which the City and County are currently developing.
- *Plan for 2012 to 2014.* Five opportunities require significant organizational change, systems investment, or State legislative action, and therefore have a longer timeline.

Two cases can be started now and will take more time to complete; two cases should be included in the budget and will take longer to complete.

PROPOSED SEQUENTIAL ORDER FOR COLLABORATION

DO NOW 2011	BUDGET FOR 2012	PLAN 2012 – 2014
Joint Purchasing	Homeland Security	Custodial Services
Capital Construction	Fleet Management	Energy Management
MBE/WBE Certification	Facilities Maintenance	
Revenue Enforcement	Administrative Hearings	IT Support Services
311	GIS	Real Estate Management
Open Data	Healthcare	
Workforce Development		
		Elections
Public Safety Data Sharing		

Conclusion

The Joint Committee on City-County Collaboration only began to uncover opportunities for collaboration.

With less than two months from start to finish, the committee left many areas for future consideration. Even so, the committee identified \$66 million – \$140 million in annual savings opportunities and numerous opportunities to improve the quality of service.

The urgency instilled by the Mayor and County President infected both the committee and the government leaders working with the committee. As a result of the committee's investigations, several of the collaboration efforts are now underway, notably joint purchasing, open data, and public safety data sharing.

The compressed schedule allotted to the committee also helped force decisions and focus the priorities. Continuing to set aggressive due dates will keep the momentum going. For example, the Mayor and President may wish to reconvene this committee or a new one in three months to assess how well the 2012 budgets reflect the spirit and content of collaboration.

The composition of the committee worked well for the task the Mayor and President set. With the City Council, the County Board, labor, business, and several communities represented, the committee was able to consider the various facets of each opportunity.

Accountability is critical. At the top, the President and Mayor could regularly and jointly report on collaboration, perhaps to a joint committee like this one. Such reports would include clear metrics, such as accrued savings, tons of carbon emissions averted, or rates of vehicle availability. These reports would also identify challenges the committee did not foresee, so that future collaboration efforts can learn from them.

Case studies of successful collaboration all indicate that each collaboration initiative must have clear project leaders and agreed project plans. Therefore, in the business cases, the committee recommended a leader for each effort, identified which agencies and outside organizations should be involved, and sketched out the beginning of a project plan.

Across the portfolio of opportunities, the committee provided a map of where to start, based on the effort required, and how to find new ways to work together. Experience from other regions attests that managing a portfolio like this requires close attention from budget, policy, and the executive offices. Where additional expertise and effort is required, the City and County will find talent and enthusiasm throughout the region's business, nonprofit, academic, and civic communities.

As the committee saw from looking at metropolitan efforts around the country, good intentions do not in and of themselves lead to good outcomes. Getting there requires leadership and structure and a clear sense of direction. Our new administrations each provide a model of leadership. This committee has strived to provide the structure and direction, with a roadmap for an historic collaboration between the City of Chicago and Cook County.

Together, we can help our region—already among the most prosperous, innovative, and inclusive in the world—excel even further. ■

