



Task Force on Consolidated Government

**Jacksonville City Council
Council Member Lori Boyer, Chair**

October 3, 2013

HIGHLIGHTS OF SEPT. 26TH MEETING

ITD Presentation – Usha Mohan

- ITD regularly meets with the independent agencies, area cities and counties, constitutional officers, and shares best practices with the private sector
- 92% of ITD's costs are pool costs divided among all users based largely on the number of personal computers they use
- ITD is developing a cost allocation new model to roll out next year that will be closer to 20% pooled costs.
- Both the current and the new allocation models will not allow for refunds of unused allocations
- ITD surcharges for special projects requested by departments that are outside their allocation
- The practice of using internal service charges encourages departmental control
- ITD has sufficient capacity to service all of the City of Jacksonville's needs,
- ITD used to have liaisons assigned to departments to understand and manage their needs, but those personnel were lost due to budget cuts.
 - Currently, the IT coordinators are employees of the user agencies and serve as liaisons to the IT division

Council President Gulliford Comments

- City Council hears a lot of complaints from departments about how central services actually work and hears stories about how much money could be saved by contracting services out to private providers rather than keeping it in-house
- CP Gulliford's idea is that if departments could bid out their service needs to both City central service departments and the private sector, those departments could find great cost savings

- CP Gulliford believes the central services have built up such a bureaucracy and inertia that they are no longer competitive with the private sector.
- CP Gulliford recommended that specifications for RFPs be written to specify several particular makes and models of equipment, for example, with a provision for “or equivalent” proposals.
- CP Gulliford believes that procurement appeals should be heard by “outside entities”, meaning some other entity than the entity that wrote the specifications, evaluated the proposals and made the initial decision.
- CP Gulliford said that the goal should be to get the most qualified bidders competing for a procurement; if bidders don’t feel they have a fair chance to compete they won’t bid and that hurts the City.

Procurement Panel Presentations

- Procurement is governed by the Ordinance Code and is a hybrid central service governed by numerous state and federal statutes.
- The agency is a hybrid because user agencies are heavily involved in the procurement process by
 - helping to develop bid specifications
 - choosing the winning bidder
 - overseeing and closing out the project
- Procurement is not a cost recovery agency and does not charge for its services; its costs are absorbed in the City’s general administrative costs
- Procurement Process
 - varies considerably by the good or service being acquired, from quick and relatively simple to more lengthy and complex
 - The user agencies are heavily involved in developing the specs
 - Procurement does the solicitation, bid opening and evaluation.
- Opportunities for Improvements
 - Clarify the protest procedures
 - Revamping the makeup of the evaluation committees
 - Remove the Office of General Counsel and the Procurement Division as voting members, eliminating Sunshine Law issues and allowing the evaluation committees to be better informed
 - Evaluating the 10 standard bid evaluation criteria and how they’re scored
 - Modifying sole source and proprietary non-competitive award processes
 - Consolidating the 3 current awards committees into 1 revised committee

- Combining the Procurement Code and administrative Procurement Manual into one document
- Studying the degree to which City and independent authority procurement efforts can be combined
- Contractor Perspective
 - Jacksonville has a very antiquated procurement process, requiring checks for payment and using hard copies of bids, instead of electronic payment and emailed bids
 - The awards process can be daunting to navigate, in part because some of the people making the decisions on bids are attorneys and not experts in construction or contracting
 - Award protests can be very difficult
 - Fixes are simple
 - Electronic and online document transfer rather than paper documents and a better protest procedure.
- Task Force Comments
 - Procurement should take seriously any reports by potential bidders of any flaws in bid specifications
 - Procurement should find out why some vendors are involved throughout a pre-bid process and then choose not to bid a project
 - Procurement should post the bid scoring forms online after the process is complete so that all parties can understand how scores were awarded and how to adjust responses for future bids
 - Both Procurement and Public Works have made strides to combat the practice of bidders “lowballing” the bid and then increasing the cost later through change orders
 - City Council adopted an ordinance to make needed changes to prevent that practice
 - The opportunity for “lowballing” contract bids results from poor quality bid specifications
 - good bid specs leave very little room wiggle room for underpricing
 - Procurement is one area of home rule where local governments have the most discretion to make good or bad decisions without repercussions
 - Absent a clear showing of fraud or blatant unfairness, local governments have wide discretion to make their own decisions
 - The performance of the independent agencies with regard to their treatment and hiring of minority and women-owned businesses varies widely – some are very accommodating and receptive to their participation, others are not
 - Some of the disparity in procurement processes among the City and the authorities is related to budgetary constraints and the charges of ITD

- is sometimes easier for the independent authorities to utilize their own IT staff or to contract out for a project than it is for City agencies to pay ITD

Central Services – Fleet Management

- Fleet is responsible for the maintenance and fueling of approximately 3,700 vehicles and equipment
- Fleet is a full cost recovery agency and bills an hourly rate according to industry standards, plus parts and fuel
- Fleet is outsourcing its parts department in FY14 to save money and reduce inventory overhead cost
- Their biggest concerns are the aging of the City fleet and the reduction of the vehicle replacement budget in tight budget times which reduces vehicle reliability
- Fleet’s cost savings in FY13 are almost entirely attributable to a reduction in fuel costs
 - Fuel accounts for 60% of the division’s budget
 - Fuel is marked up \$0.13 per gallon over actual cost
 - This surplus is currently being proposed for transfer to the Parks and Recreation Department.

Central Services – Public Works Department

- No study has been done to date of what resources would be needed to bring back under the Public Works umbrella the independent authorities that have opted out of its central services
- Public Works Department’s role in community cleanup is via litter control and right-of-way mowing and the role of the Neighborhoods Department is Code Compliance and nuisance abatement of private properties
- The City self-funds its response to disaster for events that don’t qualify for federal reimbursement by re-prioritizing available funding, and requests reimbursement from FEMA when that is available

Civil Service Panel Presentation

- Employee Services serves all City departments and the 5 Constitutional officers
- Is responsible for labor negotiations with 4 employee unions; 80% of the workforce is unionized
- Mr. Geiger stated that the collective bargaining agreements supersede the City’s civil service regulations
- Jacksonville does not provide a “medical home” for employees by having on-site medical personnel to provide primary care and preventive health services

- Mr. Geiger has seen more hiring for supervisory positions from outside the City rather than promotions from within City ranks
- He agreed that civil service has always been a pathway for promotion through the ranks, but was less sure if it is more or less of a stepping stone to appointive office (i.e. division chief) than it used to be
- Mr. Rohan stated his belief that City employees are leaving City service with less tenure than in years past, that institutional knowledge is declining as experienced people leave, and that the civil service has been decimated in favor of thousands of appointed employees
- There are still many long-term City employees, but the nature of the workforce is changing
- The City has an automated evaluation system available online, but use varies by department based on departmental culture
- An effort is underway to develop policies, procedures and training for performance evaluation and evaluations have been put on temporary hold until the new system can be rolled out
- The evaluation system is outdated and doesn't provide a good mechanism for evaluating what is important, so is not particularly useful compared to other forms of evaluation