



Date of Council Meeting: May 23, 2016

**TOWN OF LEESBURG
TOWN COUNCIL MEETING**

Subject: Outsourcing of Certain Town Operations

Staff Contact: Keith Markel, Deputy Town Manager

Council Action Requested: Work Session Discussion

Staff Recommendation: Not Applicable

Commission Recommendation: Not Applicable

Fiscal Impact: None at this time

Work Plan Impact: Not Applicable

Executive Summary: At their March 28, 2016 Work Session meeting, Town Council requested a preliminary report on potential outsourcing opportunities that may increase organizational efficiencies. As a result, staff has compiled the attached list of current job functions that are performed by Town staff that may be candidates for outsourcing along with a substantial list of tasks that are currently performed in part or in whole by outside resources.

Background: Outsourcing, the use of outside help, to provide certain functions of Town Government operations or services is not new to Leesburg. Because of specialized tools, skill sets, and economies of scale, there are many government services where the obvious choice has been to outsource. The Town departments continue to evaluate where staff can get the best value for the tax dollar. In some cases the Town provides a service so infrequently or the service is so specialized that it would be very difficult to justify performing the work in-house.

There are also functions that become more cost effective when they are performed by a company that can take advantage of the economies of scale that come with providing a similar service to multiple customers. Firms like Merkle are used by the Town to receive and process thousands of tax and utility bill payments from residents. This firm has specialized staff and equipment to efficiently process these items and can do it cheaper and quicker than the Town can afford to do internally.

In some instances, Town staffing has not been able to increase at the same rate as customer service demand. For example, the Parks and Recreation Department has outsourced the landscape maintenance on several park areas and facilities to a private landscape contractor. The landscaping around the Town Welcome sign at Masons Lane, at the Police Department

and the Airport, and the landscaped island near Mom's Apple Pie are all locations where the Town has had to hire outside help to keep up with work demands. Snow removal is another area where the Town relies heavily on contract support to clear the streets after major snow falls.

When considering outsourcing of operations, contract management and project monitoring are essential. As an example, when work such as snow plowing or mowing is contracted out, there is an increase in demand for Town inspectors to monitor the work to make sure tasks are completed and invoicing is accurate.

Another consideration when weighing the cost/benefits of outsourcing is the Town's tolerance for giving up absolute control over the quality of service and response time. The Town can specify levels and quality of service in contracts, but in practice, it is not always easy to enforce. For example, with the Town's trash and recycling hauling contract, staff is not able to demand that trucks work later into the evening when trash collection has taken longer than expected or to guarantee that a truck will be immediately dispatched to a street that may have been missed in the collection route. Not having complete control over a service can put the Town in a difficult position between a disappointed resident and an underperforming contractor. There are also different tolerances for delayed response times depending on the service being provided - e.g. a sanitary sewer main backup versus the mowing of the highway median. The Town is also not able to reward or discipline contracted service staff so in some cases there are individuals providing contracted services who may not perform their duties to the same high standards that the Town is able to provide from its own staff.

The outsourcing discussion also must look holistically at the work and utilization plan for equipment and staff throughout the calendar year. The best illustration of this can be found in the Department of Public Works. The dump trucks, and staff that drive them, are used in the winter for plowing and salt/sanding the roads. In the spring these same trucks pick up trash and debris, haul mowing equipment, and fill potholes. In the summer the trucks haul materials for Town construction project and brush collection, and in the fall they are used for leaf collection. If it makes good business sense to outsource on or two of these services, then the Town would need to strongly consider outsourcing all services that rely on these employees and equipment.

The preparation for this outsourcing report allowed the department directors to spend time considering all of the aspects of their operations and preliminarily evaluate why or why not certain services or operations are outsourced. The attached outsourcing report is broken down by department and lists those functions that are currently outsourced, followed by those functions that may be candidates for outsourcing. The "possible outsourcing" list is not a recommendation by staff to outsource these items, only that they are functions that might be candidates for outsourcing dependent upon a detailed financial and service level analysis. Staff looks forward to discussion outsourcing possibilities with Council and providing additional information and analysis if requested.

Attachment: Outsourcing Report

Outsourcing Report

Department	Pros:	Cons:	Notes:
Airport			
Currently Outsourced:			
Fixed Based Operator	Provides services and staffing with minimal oversight from Town. The FBO provides revenue to the airport through fuel-flow fees and space rentals.	Town has limited control on some levels of service and fees charged to customers	Having a quality FBO such as ProJet allows the Town to provide a very high level of customer service without having to staff and manage a significant number of employees
Elevator Maintenance			
HVAC Periodic Maintenance and Repairs	This contract provides for all periodic maintenance (filters, fan belts, etc) and repairs to be performed by a licensed HVAC technician. This method provides a good level of service to tenants by proactively maintaining the system and preventing heat/air outages.		The terminal and FAA building heating and air conditioning systems are maintained under a preventive maintenance and service agreement. The airport is responsible (by lease) for maintaining the FAA facility hvac units.
Custodial Services	Reduced demand on staff	Level of service	
Landscaping	Reduces demand on staff. Fence line maintenance costs are recovered through the state maintenance grant program		Landscaping services including mulching beds, fertilizer, tree trimming, and fence line weed control are contracted out.
Snow Removal (parking lots)	Allows limited airport staff to focus on clearing runway, taxiway, and aprons.	Response time can impact operations	Only clears parking lots - Only airport staff are trained and experienced to comply with the FAA standards, reporting requirements, safety, and aircraft communications during a winter aviation operations. Contractors are not trained on aviation requirements.
Asphalt Repairs	Repairs are 80% funded through state aviation maintenance grants.		Asphalt repairs, milling, seal coating, and markings are contracted through pavement companies.
Storm Water Permit Inspections and Compliance	Consultant has the necessary in-depth knowledge of DEQ regulatory requirements and personnel. The result has been the airport maintains compliance with the program.		As required by the Virginia DEQ, the airport maintains a storm water permit and Storm Water Pollution Prevention Plan which is separate from the Town. The airport contracts all work related to compliance and water quality inspections required to maintain the storm water permit.
Potential Outsourcing:			
Airport Management		This type of contracting is not typical at general aviation airports such as Leesburg	The airport department could be wholly contracted to airport management firm. The firm would employ and manage airport personnel. The Town would typically be responsible for paying operational expenses inclusive of a management fee. Excess airport revenues might be shared with management firm as a performance incentive.
Airfield Mowing	Reduces demand on staff	Mowing inside the aircraft movement areas requires special training and familiarization with airport operations.	The airport covers a total of 315 acres of property and is currently mowed by the airport staff.

Outsourcing Report

Department	Pros:	Cons:	Notes:
Airfield Snow Removal			The airport is responsible for clearing snow from 64.3 acres of pavement including the runway, taxiways, and aprons. The runway is required to be cleaned to a condition the same as wet pavement in order for aircraft to safely land and takeoff.
Hanger Door Service	Scheduled preventive-maintenance and inspection service contract could increase reliability of the door systems which may reduce negative customer impacts (such as an inoperable door).		The airport maintains 47 electrically operated hangar door systems. These systems require frequent service and repair to ensure reliable operation. The majority of repairs and alignments are currently accomplished by staff.

Economic Development

Currently Outsourced:			
Tourism			Town makes an annual contribution to Visit Loudoun to provide tourism outreach and marketing. The Town's contribution also supports the tourist information center at Market Station

Potential Outsourcing:			
Outsource entire Economic Development functions and budget to Loudoun County	Town could eliminate two staff positions and related expenses associated with running the department	While there is a staff of 23 in Loudoun County Economic Development department, there would not be adequate support for Leesburg business issues and events. It would be highly unlikely that the County would ever be able to come close to providing the level of services and events that Town staff are able to provide. The Town also provides a comprehensive economic development package to businesses including: Business Attraction, Business Retention, and Entrepreneur support for all industry sectors, not just what the County is interested in.	

Finance and Administrative Services

Finance Division			
Currently Outsourced:			
Banking services			Wells Fargo Accounts Payable ACH processing
Purchasing Cards			JP Morgan Chase
Time and Attendance hosting services			Andrews Technology
Custodial services for bond proceeds, payments to DTCC			US Bank

Outsourcing Report

Department	Pros:	Cons:	Notes:
Real Estate/Personal Property assessment			Loudoun County
Internet Firewall and security services			Loudoun County
Real Estate /Personal Property bills printing/ mailing			Datamatx
Payment receipt (lockbox) processing taxes/water & sewer			Merkle
Credit Card processing - Elavon			Elavon
Financial System software and hosting in the cloud – Munis			Tyler Technologies
Certified Annual Financial Report (CAFR)			PB Mares prepares the report, not just auditing services
Actuarial services			Boomershine
Financial advising			Davenport
Bond Counsel			McGuireWoods
Insurance/risk management consulting			Service contracted by McNeary
Arbitrage rebate reporting – as bid			
Investing services (PFM, VML/VACO, John Marshall Bank, Local Government Investment Pool)			
Transparency hosting services			Service contracted with OPENGOV
Shredding sensitive information			Service contracted with Shred It
Budget book/CAFR printing			M&M Printing
Budget Document Publishing			Finite Matters LLC
Internet fiber optic network between Town locations			Verizon

Potential Outsourcing:			
e-Lockbox services (intercepting online banking checks and processing them directly to the bank) - Wells Fargo (setup in progress)	Long-term transactional cost savings, ability for customers to pay with online check without convenience fees and getting rapid credit without penalties.	Setup costs and staff time to operate	Utilities bills going live June - July. Real Estate Taxes live with Fall bills and Personal Property Tax live with April 2017 billing
Billing, Printing, mailing and collection of Personal Property and Real Estate taxes –	Would allow for Loudoun County to bill and collect Town fees for a percentage of the revenues. Would be more efficient for tax payers with one stop payment.	Cons are that the County may not be willing to do it. County may want more money to do it than the savings would be to the Town. Loss of control of the process to the County. Town would have to conform to County billing schedules and processes. Town might have to go back to prorating bills and change its budget approval schedule to conform to County deadlines.	Loudoun County will likely require a percentage of the revenue to consider this business process change. There will not be a headcount reduction, since we do not have any in house staff who handles these tasks; this is project work for staff). County will almost certainly not be willing to move on this until it completes its Oracle system implementation and almost certainly not before Tax Year 2018.

Outsourcing Report

Department	Pros:	Cons:	Notes:
Human Resources Division:			
Currently Outsourced:			
COBRA Administration			Partnered with P&A Group P&A group will take over the responsibility to provide proper legal notification to employees who newly join health plan & those employees/and or dependents who lose their health plan eligibility. Additionally, receive/record monthly payments from COBRA participants & notify the Town to reinstate or terminate coverage as appropriate.
Workers Compensation			Partnered with VML Insurance Programs (Virginia Local Government Specialists)- Provides comprehensive workers compensation services to ensure that all injured employees receive high quality medical care/treatment. VML keeps the Town appraised of the status of the claim and when return to work opportunities identified. They are the liaison and communicator between employee, employer and medical provider.
Benefits Consulting			Partnered with Wells Fargo. Wells Fargo provides additional resources and knowledge in regards to healthcare providers, insurance alternatives and benefit packages for open enrollment and new hire distribution.
Criminal Background Check/Verification			Screening One – Online service that provides comprehensive pre-employment screening
Fingerprinting			Leesburg Police Department takes finger prints of new hires and VA state police processes information and reports results to HR.
Reporting			Town uses Cimplx, and online service that provides assistance with Affordable Care Act (ACA) compliance and filing of the required tax forms to IRS
Potential Outsourcing:			
Orientation/Onboarding	Third party perspective on how to approach program design and delivery; Frees up manpower to focus on other projects	Lack of personalized experience ; Potential failure to deliver quality orientation program; Cost of service; Indirect communication with vender of leadership and stakeholder needs; Administrative burden of correcting issues with service delivery and monitoring of contract guarantees ; Substantial cost of service delivery	

Outsourcing Report

Department	Pros:	Cons:	Notes:
Recruitment Support	Frees up manpower to focus on other projects; Network of resources; Fresh perspective; Third party perspective on how to approach program design and delivery; Third party responsibility for compliance with federal, state and local applicant tracking laws and regulations	Lack the understanding of the culture; Removed from the day to day operations; Personal touch with prospective candidates is removed; Lack of vested interest; Staff compatibility/failure to deliver right kind of candidate; Resistance, no buy-in; Potentially highest cost item for HR	
Employee Benefits Management	Frees up manpower to focus on other projects/boosts efficiency; Third party perspective on how to approach program design and delivery; Possible automated solutions for open enrollment sign up and benefit changes	Loss of human factor, no familiar face; High potential for lower quality service ; Failure to deliver agreed upon services; Resistance, no employee buy-in; Security & confidentiality more challenging to manage externally and internally; Third party database with sensitive employee information creates more complex file and tracking for reporting and meeting compliance with VA records retention requirements; Potentially very high cost of service delivery	
Personnel Procedures Manual	Third party perspective on how to approach policy design and delivery; Frees up manpower to focus on other projects	Loss of human factor, no familiar face; High cost of service; Difficulty of obtaining stakeholder feedback from various internal sources and coordinating between vendor and Town Manager/Town Attorney offices	
General Training	Develop and deliver a variety of programs ; Frees up manpower to focus on other projects; Third party perspective on how to approach policy design and delivery	May not be able to customize training to fit our specific needs; Can be more efficiently and less expensively done using existing staff with subject matter expertise	
Employee Relations / Performance Manage	Neutral third party outside of organization for dispute resolution; Shared third party responsibility for compliance with federal, state and local applicant tracking laws and regulations	Negative impact on employee morale; Loss of human factor, no familiar face; Confidentiality; Management? Are employees & supervisors getting the services and training needed; Third party database with sensitive employee information creates more complex file and tracking for reporting and meeting compliance with VA records retention requirements	
Information Technology Division:			
Currently Outsourced:			
Geographic Information Systems (GIS) Basic Data Set	Cost savings of over \$150K in personnel for two additional GIS technicians FTE to obtain and maintain the data provided by the County.	Data that the Town receives is not 100% current. Once a quarter it is updated until we get data replication set up to obtain data real time.	The Town uses the County's GIS data for base planometric layers.

Outsourcing Report

Department	Pros:	Cons:	Notes:
Firewall Security	Cost savings of \$225K for at least two advanced level technicians (including overtime). Additional cost savings of software licenses and subscriptions (unknown).	The Town has no administration control allowing our network administrator to make Changes to the firewall. All changes to the firewall have to be routed through the County Department of Information Technology Help Desk. Possible 2 FTE would be needed to setup and administer Town Firewall and security.	The entire Town network accesses the internet through the County's firewall. The County provides all our internet security policies, procedures, implementations and updates.
Internet Service Provider (ISP)	We have not estimated the monthly cost of this service.	There is no real downside to this being outsourced to the County. The Town would need to pick up two separate carriers for backup internet security which would add to our operational budget.	The County provides the Town access to the web via multiple routes to multiple internet service providers.
Surf Control	We have not estimated a cost for purchase of software/hardware or personnel costs.	The Town has no administration over making exceptions to the content filtering. The Town needs to open a help ticket with the Loudoun County Department of Information Technology Help Desk.	The County provides content filtering to the Town. They block certain websites to which both Town and County employees should not have access.
Council Chambers Equipment Maintenance	Outsourcing maintenance to a third party saves the cost of hiring a part-time in-house A/V specialist and provides a wide range of technical services on an as-needed basis.	Still need staff to troubleshoot small issues, and bigger issues may take longer time to fix.	Maintenance and upgrades to specialty equipment.
Land Management Information System (LMIS) Software	Saves an estimated \$300K up front and \$30K annually for a comprehensive permitting system.	The system is designed by the County for the County's needs. Any enhancements for the Town are few and far between. Cost for a new system has been estimated at \$150K- 300K.	The Town is using LMIS to track/manage development applications.
Email filtering	We have not estimated a cost for purchase of the required software/hardware or personnel cost.	In order to make changes or troubleshoot email issues we need to open a help desk ticket with the Loudoun County Department of Information Technology Help Desk. We have no direct administration of the system. Possible 1 FTE to Town Staff to administer email and content filtering.	The county provides first point of entry filtering of e-mail before forwarding email on to the Town email system.
Cisco Smartnet	The Town does not have to employ expensive technical specialists in three major infrastructure areas. It is unlikely one employee could cover all three areas.	Even if you outsource network systems administration you still need to cover the cost of the software/hardware maintenance.	Break-fix/advanced level troubleshooting covered under software/hardware maintenance cost (only major systems are covered). Provides safety net for critical infrastructure such as switches, phones, and servers.
Granicus (Webcast)	Limits the cost of special expertise and time required to perform this function. Provides business continuity/uptime.	Still need staff for some troubleshooting and server maintenance.	Video recording and hosting of Town of Leesburg Council, Boards and Commission meetings.
Copiers	All maintenance, equipment, service and supplies (toner) are provided in the cost of the machines. Leasing allows for predictable budgeting and business continuity.	none	Multi-function copier/printer/fax/scanner.
Cybernetics	Break-fix/advanced level troubleshooting covered under software/hardware maintenance cost for predictability and business continuity.	Only major systems are covered. Still requires staff troubleshooting.	Provide safety net for critical backup environment in case of failure.
Mobile Device Management	Saves cost/time maintaining hardware and software required for the system.	Still need staff to operate/administer the system.	Management of mobile devices is hosted in the cloud.

Outsourcing Report

Department	Pros:	Cons:	Notes:
MUNIS	Personnel savings of one to two FTE Database and Network Admins for software and hardware maintenance, operation, and updates. Capital and Operations cost savings of maintaining software and servers.	No control over the security of the Town's Data. Modest in-house IT support is still needed (not including enhancement development/programming).	Financial ERP includes Finance, HR, Purchasing, Budgeting, Revenues, Utility Billing, Treasury, Inventory, Work Order, Customer Service and Employee Benefits portal, etc. Hardware and software hosted off-site with built in redundancy. All systems support and maintenance handled by MUNIS staff.
Website	Personnel cost savings on an FTE for developments and administration. Saves costs of software purchases and maintenance. Minimal access needed protects the Town's network.	Updates are made by the hosting company that breaks custom code that the Town has developed or paid to implement. Host has poor track record of testing updates.	Hardware and software is hosted offsite. Only minimal access needed to the Town network.
HP Services	Break-fix/advanced level troubleshooting covered under software/hardware maintenance cost. Allows for speed and security of on-site servers.	None	Business continuity for critical virtual server environment in case of failure.
Symantec Back-up systems	Break-fix/advanced level troubleshooting covered under software/hardware maintenance cost.	Only major systems are covered. Still requires staff troubleshooting.	Business continuity for critical virtual server backup systems in case of failure.
Application Development/ Programming	Staff can do administration of systems and have someone else create any applications and programming as needed. Also any updates to systems that interact with the applications, upgrading the code can be handle by outsourced programmer.	May need to increase operational budget as the IT world has made a major shift over to application development. More programming will need to be done increasing the IT budget for these services.	Application development and programming for tax and utility billing and alerts via ERP payment portal.
Help Desk	All tickets now filtered through a single employee. This employee can also perform the more mundane tasks allowing the rest of staff to manage the network, web and other technologies. The addition of this help desk position has allowed IT staff to focus on projects to support town-wide functions, rather than individual crises.	Cost is the main driver even though we are on General Services Administration (GSA) contract, the cost of having on-site contract employee is greater than having a regular FTE. Also a regular FTE can have more access to the network to allow him or her to cover more areas and back up others when needed.	When IT Manager was temporarily reassigned (one year), the Town outsourced the help desk position to remaining IT staff to continue their project work.
Potential Outsourcing:			
Applications Outsourcing: Software As A Service (SaaS)	Staff has the ability to mange and administer to customers needs effectively without having to maintain the hardware.	Increased operational cost to move software to the Cloud at this time for the multiples systems. Staff would still be needed on-site to administer and connect to the cloud. This is an evolving transformative technology that staff should research the cost saving periodically.	SharePoint, Laserfiche, Geographic Information Systems, SQL Databases, Microsoft Office, Microsoft Exchange Server, ListServe, quest archive manager, Solar Winds network monitoring, Track-it.
Hardware Outsourcing: Infrastructure As A Service (IaaS)	Moving certain back end hardware systems to the cloud will save on capital hardware cost over time.	Capital costs would be moved to operational cost for data storage, virtual servers, backup systems, and disaster recovery services in the cloud. Still need staff on-site to administer cloud systems. Current configuration would require additional infrastructure upgrades to connect to cloud services due to single point of failure. This is a technology that staff should continue to research for cost savings.	Virtual Server environment, Email, data storage, backups, disaster recovery, virtual desktop

Outsourcing Report

Department	Pros:	Cons:	Notes:
Remote Help Desk	Multiple people could handle help desk tickets remotely.	Any travel time would be invoiced, adding yet more overhead to the cost. Also incidental cost for covering rare items needs to be factored into a contract.	Information Technology Help Desk
Network Operations Center (NOC)	Maintain network equipment remotely. This can include phones, cameras, servers, switches. A (NOC) can monitor and maintain multiple network systems remotely through a virtual private network connection to the network. The network can be monitor 24/7 for failures of hard drives/systems.	Operational cost would increase above current personnel levels and any on-site work would cost more as the majority of the work can be done remotely.	Switches, Phone system, certain servers
Data Storage/Back-ups Cloud	Hardware savings as the Town's data is in the AWS Cloud. Capital cost would shift to operational cost. Scalable services (only pay for what you need). Backup systems included in the price.	Slow connections to the internet. Potential loss of access to the internet would prevent the Town access to their data. No backup access to the Cloud currently.	Data storage, back-ups and security.
Contracted on-site network administrators, software developers, GIS technicians, project managers.	Don't need to pay salary and benefits for staff.	Pay approximately three times the market hourly rate for contractors, do not control quality of products and services, no flexibility in assignment or ability to adapt to the Town's evolving services (requires change orders to SOWs). Third party an extra level for human error. IT Staff would still have to manage contracts in the interests of the Town. Quality of services necessarily reduced due to lack of on-site office space affecting prompt responses.	Contract out IT operations. Contractors work on site.
Contracted off-site network administrators, software developers, GIS technicians, project managers,	Don't need to pay salary and benefits for staff. Don't need to provide office space.	Pay approximately three times the market hourly rate for contractors, do not control quality of products and services, no flexibility in assignment or ability to adapt to the Town's evolving services (requires change orders to SOWs). Third party an extra level for human error. IT Staff would still have to manage contracts in the interests of the Town.	Contracted off-site network administrators, software developers, GIS technicians, project managers,

Parks and Recreation

Currently Outsourced:			
Downtown Park Staffing			
Pool Acid Washing			Work is contracted due to lack of available staff during time of year the duty is performed.
Major HVAC & Plumbing Repairs			Handle specific repairs that require outside resources
Recreation Programs (some)			Specialized recreation programs that are conducted by outside providers. Compensation is typically a 75% - 25% gross revenue split, with the majority going to the contractor.
Major Pool Repairs			Handle specific repairs that require outside resources
Fitness Equipment Repair and Maintenance			Specialized task

Outsourcing Report

Department	Pros:	Cons:	Notes:
Graphic Design & Printing			Specialized task that requires specific equipment and computer programs
Tennis Court Repair			Specialized task
Snow Removal Support			During periods of heavy snow additional resources are contracted to assist with removal of snow around the tennis bubble to ensure there is no damage
Window Cleaning			Requires specialized equipment to reach elevated windows
Gymnasium Floor Refinishing			Specialized task that requires specialized equipment
Tennis Court Light Replacement			Requires specialized equipment to reach elevated lights
Elevator Maintenance			Specialized task
Fire Extinguisher Maintenance			Specialized task
Transportation Services			Contract with outside transportation provider for various program uses.
<i>Pest Control</i>			Specialized task
Tree Trimming			Tree trimming services that require specialized skills and equipment
Event Sound and Stage			Specialized task and equipment.
Sponsorship Generation			Solicit and recruit sponsorships for various events. Significant time expenditure required to secure sponsorships.

Potential Outsourcing:			
Tennis Center Operations	Dealing with companies that have the expertise to operate a tennis facility.	Typically companies will manage the facility and program operations for a fee of 40% - 50% of NET revenue. In FY15 the tennis net was \$334,000. The annual impact to the Town would be (\$167,000). Will take away opportunity for Town to set the direction of the tennis program. Level of customer service may not be what the department is known for.	
Pool Lifeguards	Will relieve the administrative burden of continually finding staff to fill shifts throughout the day.	Typically contracted staff is significantly more expensive than direct hires. The staffing levels may not be maintained at the same levels currently in place. The level of in-service training currently in place would not be maintained by a pool company. Level of customer service may not be what the department is known for.	

Outsourcing Report

Department	Pros:	Cons:	Notes:
Athletic Field Mowing / Prep	No benefit expected	Could impact the quality of athletic fields currently provided and ease of response to customer needs. Will typically be more expensive than in house work. Would reduce Parks staffing levels by 3 FTE's, limiting the departments ability to respond to other park or Town related matters.	
Town Green/Library/Police Department Mowing and Landscape Maintenance	This would free up current staff to perform other duties.	This work is currently performed by the 3 FTE's that were reduced as a result of athletic field contracting, so there is no cost savings reflected.	
Project Design Renderings	The ability of in house staff to produce design renderings and ideas in a timely manner to respond to Council or management requests. This work is currently performed in house for approximately \$80 HR(including benefits).	Outsourcing costs are approximately \$100 - \$120 per hour. Impact to the Town would be (\$40/HR)	

Plan Review

Currently Outsourced:			
Scanning of "Approved" Plans			DPR has only one technician and no admin. Therefore, we must outsource the scanning of approved plans to ensure that they are properly archived and available digitally as quickly as possible. DPR has been sending approved plans out for scanning for over almost 3 years. Hard to put a value on this but taking this task off the Technician's plate has allowed her to do admin tasks as well allowing me to not replace my Executive Admin who retired a few years ago.
ESI Peer Review for completeness and acceptance check			In the past, Town Staff would gather in the 2nd floor conference room on Thursday afternoon for 3-4 hours to review all plans submitted over the past week. This would include staff from Public Works, Utilities, P&Z, Plan Review and others. All told there were at least 10-12 staff members tied up for 3-4 hours per week to do a cursory completeness check every week. If you do the math, that's almost \$125,000 of staff time every year. We get a similar service from ESI for \$15,000 per year. (This is a completeness check only and not a technical review!)
Structural Engineers			DPR does not staff a Structural Engineer as it is not a sustainable full time position. However, we occasionally need a structural engineer to review specialty storm structures, retaining walls and small bridges. Therefore, we must outsource this type of work.

Outsourcing Report

Department	Pros:	Cons:	Notes:
Environmental / Geotechnical Engineers			DPR does not staff an Environmental/Geotechnical Engineer as it is not a sustainable full time position. However, we occasionally need an environmental/geotechnical engineer to review and recommend approval of Virginia state regulated dams and also to review geotechnical reports in certain situations. Therefore, we must outsource this type of work.
Plan Review Engineers (Utilized during periods of peak workload)			DPR typically does not staff for periods of peak workloads. Therefore, we must outsource portions of our workload in order to meet state mandated time frames.

Potential Outsourcing:			
Plan Review	Reduces staff salaries and benefits	When consultants are doing plan review, the Town loses control of and may hinder the predictability of the land development process. Specifically, consultants typically put inexperienced staff on plan review contracts and use numerous staff to review plans.	

Planning & Zoning

Currently Outsourced:			
Courier Service for Planning Commission meeting packet delivery			The US Postal Service proved to be very unreliable and packets were not delivered in a timely manner. Staff had tried to have the packets delivered electronically with large plans to be picked up at the reception desk. The Planning Commission strongly objected to that process. Staff then delivered the packets but found that it was actually less expensive to hire a courier service. For the past year, the packets have been delivered by a courier at a cost of \$50 per meeting for a total of \$1,200 per year. However, at the Town Manager's direction, this service will stop in the near future.

Potential Outsourcing:			

Outsourcing Report

Department	Pros:	Cons:	Notes:
Traffic Analysis for the East Market Street Small Area Plan			The Town has a transportation model but there is no one on town staff who has the knowledge to maintain and run our model (The initial planner hired to do this quit and the FTE for that position was eliminated in the downsizing of 2011). However, VDOT has agreed to run the model for us. They will not; however, provide an analysis of the model runs. As such, DPZ has requested money to hire a consultant to analyze the data that VDOT produces. I have partial funding for this project in our department budget (the final estimate for this work came in much higher than earlier estimates when I submitted my request in the budget process). I'm working with Jason to find money to fully fund this work.
Graphics/Document layout for the East Market Street Small Area Plan			Staff will be developing the content based on public input, and direction from stakeholders, the PC and TC. However, we do not have the in-house expertise or time to produce a well-designed and formatted document.
Digitization of approved land development documents	Outside help will provide the capacity to get this project completed.	Additional Cost	While we digitize current permits and land development cases as they are submitted, we have not been able to make much progress to digitize the hundreds of land development records that are physically archived in our department. An intern was hired to help with this process last summer and made some progress by getting all approved rezoning files digitized. I had planned to repeat the process this summer by hiring an intern and getting all past special exception files digitized. However, the East Market project will be a priority and I may have to use available funds for that. The advantage of hiring someone to do this is that it will get done. Staff simply has no time to do this project.

Police

Currently Outsourced:			
Custodial Services			
Potential Outsourcing:			
None			Do to the unique nature of the Police Department's operations no additional outsourcing opportunities exist

Public Works and Capital Projects

Outsourcing Report

Department	Pros:	Cons:	Notes:
Currently Outsourced:			
Mowing (certified letter noncompliance):			due to work on private properties and liability associated with this work, it is contracted out.
Concrete			(curb, gutter, sidewalk, handicap ramps for mill and pave program, some trip hazards): due to the volume of work, DPW does not have the resources or staff to complete all of this work in-house.
Asphalt (milling & paving program)			due to the volume of work, DPW does not have the resources or staff to complete all of this work in-house.
Snow Removal			due to the number of lane miles, DPW does not have the equipment resources or the staffing to perform the needed service in-house.
Vegetation Spraying:			due to the volume of work and the number of lane miles involved, DPW does not have the resources or the certified staff to do all of this work in-house.
Striping of Roads			due to the lane miles that need to be striped each year, DPW does not have the equipment needed or the staffing to perform this work in-house.
All tree trimming:			due to the hazards associated with tree removal and trimming, also not enough resources in-house to deal with this work.
Potential Outsourcing:			
Mowing			Parks – large tracts, not the specialty mowing - medians and side of roadways, primarily Route 7, 15, and the Bypass. Locations primarily outside of the bypass itself
crack sealing			
Concrete Work			additional amount of trip hazards and minor curb repairs
Brush Collection			
Leave Collection			
Asphalt Patching			
Street Sweeping			
Fleet Maintenance Division			
Currently Outsourced:			
Auto Body Repair			Contracted out because we don't have the facility or equipment to do this type of work.
Transmission Repair			Contracted out because our techs don't have the training to keep up with the technology. Also we don't have all the special tooling required to rebuild transmissions.

Outsourcing Report

Department	Pros:	Cons:	Notes:
<i>Alternator and starter repair</i>			Found it to be more economical to have this work done by a vendor who specializes in this repair.
<i>Diesel injection pump and injector repair</i>			The shop doesn't have the tooling and our techs are not trained to do this type of repair.
Vehicle towing			The town doesn't have the equipment and for the small amount of towing the town does it's more cost effective to contract this service out.
Large welding and fabrication jobs			With large enough fabrication projects it's more efficient to contract this service out instead of tying up a man to do this.
Potential Outsourcing:			
<i>Oil changes of vehicles</i>	Reduce demand on staff time	Vendor won't provide the same level of inspection as the town shop does now. If we were to decide to contract oil changes out the shop should still do annual inspections of the vehicles. My other concern would be catching when the brakes need replaced on police vehicles.	
<i>Lease large construction equipment</i>			The Town does not put very many hours on this specialty equipment, It would be good to look into a lease verses a purchase cost comparison.
<i>Lease cars:</i>			This is another option we should look into for town cars that don't go very many miles in a year.
Building Maintenance Division			
Currently Outsourced:			
<i>HVAC Maintenance (Balch, Town Hall, Police)</i>			outsource this function due to lack of staff and emergency response.
<i>Janitorial Services</i>			We outsource to eliminate staff janitorial positions. We have outsourced this function since the building was opened. By outsourcing we save staff salaries.
<i>Elevator Maintenance</i>			Required for life safety code requirements.
<i>Fire Alarm System Maintenance</i>			Required for life safety code requirements.
<i>Fire Sprinkler Maintenance</i>			Required for life safety code requirements.
<i>Access Card Reader</i>			Specialized software and hardware knowledge.
<i>Painting</i>			We use contractors on jobs that would tie up staff for long duration. Small jobs completed in house.
<i>Concrete Repairs (Garage)</i>			Pre stressed concrete repairs. Small repairs completed in house.

Outsourcing Report

Department	Pros:	Cons:	Notes:
Generator Maintenance			Generators covered by extended warranties. Use factory authorized contractors during warranty period. Provides emergency service.
Potential Outsourcing:			
Snow Removal / Shovel Labor at Town Hall and Balch Library	Current staff could be cross trained to use Street Department equipment	Increase in cost and coordination concerns when the buildings are open during snow events.	
Day Porter	Free up Town personnel for other duties, such as additional support at the airport.	Additional cost to the janitorial budget	Could outsource a position to handle recycling pick up from Town Hall and Balch. Meeting set ups for Balch and Town Hall. This position could also provide cleaning for some areas in Town Hall, and Liberty St break area. This could also provide minor snow removal help at town hall.
Engineering and Inspections			
Currently Outsourced:			
MS4 Permit			Some items currently outsource with AMEC. We have had some form of contract with AMEC since 2003. They have prepared our MS4 registration statement every five years along with our program plan.
Specialty/Expert Tasks			Creation of Chesapeake Bay TMDL and Goose Creek Sediment (Benthic) TMDL Action Plan; review and provide comments on Standard Operating Procedures and Nutrient Management Plans (certify as well); provide on-call Stormwater support services, and review end of year report
Potential Outsourcing:			
<i>MS4 Permit: Additional items</i>			Education, internal and external; Inspections of outfalls, BMPs and ponds; Housekeeping, mapping, data collection, etc.; Industrial SWPPP for CMF/WPCF testing and reporting of DMR's to DEQ
Capital Projects			
Currently Outsourced			
Design services including surveys, design and studies			
Utility services including designation, test pits and coordination services during condemnations			

Outsourcing Report

Department	Pros:	Cons:	Notes:
Land acquisition services including plat preparation, appraisals, appraisal review, and legal and engineering assistance during condemnations			
Construction services including construction, construction management (partial – some performed in-house), and inspection (partial – some performed in-house)			
Potential Outsourcing:			
Design services including design consultant procurement, design contract negotiation and administration, management of project budgets and schedules, design decision-making, plan review, lead public outreach, outside funding agreement administration, engineering and environmental studies management, and environmental permit applications.			
Utility services including coordination of utility easements.			
Land acquisition services including procurement of surveying and appraisal services, administration of outside contracts, plan and plat review, land rights valuation preparation, deed preparation, land owner offers and negotiations for property rights; deed recordation, manage compliance of Federal Acquisition Regulations, and perform surveys.			

Outsourcing Report

Department	Pros:	Cons:	Notes:
Construction services including constructability reviews, construction estimates and schedules preparation, construction bid document preparation, bid process management including bid analyzation and bid award, provide construction recommendations, procure outside construction management and inspection services, outside funding agreement administration, obtain construction and VDOT permits, construction contract administration, perform public outreach, perform project closeout for construction, and perform all construction management and inspections.			

Town Manager's Office

Town Clerk			
Currently Outsourced:			
None	-	-	-
Future Potential Outsourcing:			
Minutes and Meeting Support	Reduces work load on Town staff if keeping up with an increasing volume of meeting minutes became too consuming		No need at the present time to do this
Public Information Officer			
Currently Outsourced:			
Security Guard Service	Eliminates the need for the Town to hire 1 to 1.5 additional personnel		Provides security coverage in Town hall after normal office hours
Mailing of Annual Report	Free up staff time for other projects		
Potential Outsourcing:			
Design of Annual Report	Free up staff time for other projects	Costs would be higher than doing work in-house	
Town Attorney			
Currently Outsourced:			

Outsourcing Report

Department	Pros:	Cons:	Notes:
<i>Special Legal Services for issues such as condemnation proceedings, subject specific matters such as Utility or Construction litigation</i>	Reduces the demand on Town staff attorneys and allows them to focus on general legal matters for Town departments	Cost per hour for outside attorneys is significantly higher than using in-house staff	
<i>Issues covered by VML attorney services</i>	Reduces Town Attorney staff time. Services are provided as part of our VML insurance coverage		

Potential Outsourcing:			
None			

Thomas Balch Library

Currently Outsourced:			
Facility Cleaning	Saves cost of custodial staff	town takes the lowest bid and the cleaning reflects that – a considerable amount of staff time is wasted tracking the work and trying to get it done right. Cleaning staff is also unavailable if emergency need arises during the day to clean up leaks, spills, etc.	
Facility maintenance/safety equipment			Regular maintenance and of TBL facilities, including equipment such as the elevator and HVAC systems is outsourced to a specific service providers. This also includes safety and security providers who maintain necessary equipment and systems. These include vendors who provide regular service for elevator maintenance, HVAC maintenance, Pest Control, Fire and Security Systems, Fire Extinguishers, First Aid Supplies
Library Equipment			Lease of one Ricoh fax, copier, scanner; two Xerox copiers (includes a special book copier); four Minolta microfilm readers/printers
Cataloguing of books and periodicals	Saves TBL the cost of purchasing and maintaining an electronic cataloguing system (ILS); the cost of a full time professional cataloguer (salary + benefits). Partnership with LCPL reduces the expense of IT support for the library catalogue, hosting, and other maintenance.		Published materials at TBL are cataloged by LCPL’s professional staff and are searchable via LCPL’s online catalog. We budget \$6,372.

Outsourcing Report

Department	Pros:	Cons:	Notes:
Library Catalogue-networking and Interlibrary Loan	<p>\$1,500 is budgeted annually for OCLC membership and access to FirstSearch for Interlibrary Loan services. This allows TBL to connect with thousands of participating libraries in the US and internationally and to request a loan of (potentially) any cataloged item in their collections for our library patrons. Saves TBL the cost of purchasing and storing materials held in other library collections, including rare and out of print materials. A \$5 is collected for every ILL request from patrons plus whatever charges may incur from the request to another facility.</p>		
Cataloguing of Manuscripts:			<p>The Library of Congress' National Union Catalog of Manuscript Collections provides free cataloging of TBL's manuscript collections based on collection guides produced by TBL staff. Catalog records are available in NUCMC, ArchivesGrid, and in WorldCat catalogs online, expanding access and marketing TBL collections to a world-wide audience. TBL has contributed records to NUCMC for around 20 years saving around \$104 per record created by NUCMC – an estimated \$35,000. This estimate is for the records only and does not include overhead costs such as staff, equipment and space. If NUCMC and LCPL cataloging were not available, TBL would need to convert to Library of Congress catalogue system – the preferred system for special collections libraries – the cost of converting would have been in the millions of dollars. This service is a limited replacement for a professional employee trained to catalogue specialized materials. Savings include salary plus benefits of a staff position that would function part-time as a manuscript cataloguer. This position currently does not exist due to inadequate funding for TBL staffing.</p>

Outsourcing Report

Department	Pros:	Cons:	Notes:
Virtual Library of Virginia / Virginia Model for Preservation Services			TBL has provided EAD – encoded collection guide information to the Virtual Library of Virginia Heritage Consortium for around 10 years. For the content TBL contributes to the Consortium’s catalog, we receive server space, off-site backup of our collection . TBL has been invited to participate in a working group toward a statewide network for preservation and digitization of rare and unique material with a goal similar to VIVA. information, technical support and marketing of our collections to Virginia researchers free of charge. Off-site server space and backup for collection guides must be provided by an organization other than TOL to ensure preservation of this data in event of a disaster.
Software programs to search and organize the collection			TBL has used PastPerfect Software for almost 10 years to catalog and make photographic and other visual collections searchable, as well as to record and organize accession and donor records.
Conservation & Binding			These services have never been undertaken in house, and have been requested as needed by contract or single item. As a small library, it is not reasonable to hire staff to for conservation or preservation binding of collection materials on site. The funding for specialized materials and equipment, staff skills and expertise, and dedicated work space required to reasonably complete these tasks in-house is and will not be available in the near future.
Digitization	Outsourced digitization saves TBL the cost of purchasing equipment (scanners, printers) and materials that would be rarely used and the cost of staff time to perform the task of digitization itself.		TBL has only limited digitization ability. In the last 5 years, as needed, we have outsourced digitization of oversized materials (maps and other large format items) and audio-visual materials that require equipment or expertise TBL does not have. Previously, this has been paid for through patron fees (such as for photographic duplication) or grant funding (such as with the WAGE collection radio tapes).
Potential Outsourcing:			
Processing of Manuscript and Archives collections	Outsourcing processing would enable reduction of TBL’s backlog of unprocessed collections without the cost of added staff / benefits, making materials available more quickly than they would be under current conditions. Processing would be completed by professional archivists rather than volunteers with professional oversight.	Outsourced processing would not offer a significant savings in processing costs. Would not eliminate on-site TBL staffing costs. Staffing costs for project management, preparation of collections sent out for processing, research services, and staff review of completed collections would represent more than 50% of the total cost of processing.	

Outsourcing Report

Department	Pros:	Cons:	Notes:
Grant Writing	By outsourcing grant writing to a professional grant writer, TBL could pursue more varied sources of funding for processing projects.	TBL staff time still required for project and application development, grant management and final reports.	
Marketing	By outsourcing marketing of programs and resources, TBL could pursue more opportunities for promotion, taking advantage of a variety of different types of media covering a broader geographic area.	TBL staff time still required for oversight, creation and distribution of information	
Access / Collection Management			TBL could explore partnership with an academic institution for cataloging and digitization as an alternative to current arrangements. A partnership of this kind could offer a significant expansion of available services and access to TBL collections, but in-depth investigation would be needed to identify viability.

Utilities

Administration and Department Wide			
Currently Outsourced:			
Rate Study / Rate Structure			
Elevator Maintenance			
HVAC Maintenance			
Fire Extinguisher Maintenance			
Custodial Services			
Pest Control			
Generator Maintenance	Vendors are equipment specialists, availability fo spare parts and costs savings for not hiring staff		
Process Instrumentation (partially outsourced)	Saves Staff time / Provides greater expertise	maintenance plans are expensive	Staff performs routine maintenance/ repairs
Storage Tank Inspections and Maintenance	Vendors provide expertise and extensive reports		
Potential Outsourcing:			
Mowing (including easements)	Have control over response and more secure		
Weed Control in Easements	Have control of response and more secure		
Testing of Backflow Devices			
Asset Management Tracking			
Security / Alarm Response			
Process Instrumentation (partially outsourced)			
Customer Service and Metering			
Currently Outsourced:			

Outsourcing Report

Department	Pros:	Cons:	Notes:
Lockbox Processing of Bills			
Online Bill Payment Processing			
Printing and Mailing of Utility Bills			
Bill Printing Services			
SCADA Maintenance (partially outsourced)			
Potential Outsourcing:			
Generation of Utility Bills			
Customer Service Call Center			
Non-Payment Enforcement (including robocall)			
Monitoring Water Usage			
Setting Water Meters, Metered and MTU Change Out			
Plant Maintenance (plumbing, electrical, mechanical, PLC and instrumentation)			
Engineering and Inspections			
Currently Outsourced:			
None			
Potential Outsourcing:			
Inspection of Water and Sewer Infrastructure		May not have the same quality of inspection and assurance that Town standards are being met	
Miss Utility Identifications			
Cross Connection Control Program (Administration and Inspections)			
Pretreatment Program (Administration and Inspections)			
CCTV of Sanitary Sewer Main			
Plan Review		May not have the same quality of review and assurance that Town standards are being met	
Utility Maintenance			
Currently Outsourced:			
Trenchless Sewer Repairs (Over 10" in diameter or longer than 7' in length)			
Water Main Replacement			
Sewer Main Replacement			
Root Control of Sewer System	Reduced liability when using chemicals		

Outsourcing Report

Department	Pros:	Cons:	Notes:
Easement Maintenance Tree Trimming & Spraying	Reduced liability when using chemicals		
Sewer Manhole Rehab	Reduced liability when using chemicals in confined space		
Potential Outsourcing:			
Sewer Cleaning			
Water Main Repairs (including pavement restoration)			
Sewer Back Ups			
Fire Hydrant Inspection/painting/maintenance			
Valve Maintenance Program			
Inventory			
Raising Manholes/ Valve Boxes Prior to Paving			
Water Line Flushing			
Sewer Flow Monitoring			
Water Supply			
Currently Outsourced:			
Advanced Laboratory Testing			
Solids Removal			
Potential Outsourcing:			
Bacti Testing			
Plant Operation			
Plant Maintenance (plumbing, electrical, mechanical, PLC and instrumentation)			
Distribution System Daily Operations			
Water Sample Collection in Field			
Process Instrumentation			
Water Pollution Control			
Currently Outsourced:			
Laboratory Testing			
Potential Outsourcing:			
Plant Operations		Town staff take pride in proper plant operation. Town Ownership	

Outsourcing Report

Department	Pros:	Cons:	Notes:
Biosolids Production Process		Town staff take pride in proper plant operation. Town Ownership	