

Long Term Planning Group  
Final Report

21<sup>st</sup> Century Demonstration Project Grant

Spring 2012



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## Introduction & Background

In 2009, the Nassau County BOCES, Nassau County, and 44 school districts applied to the New York Department of State's Division of Local Government Services for a 21<sup>st</sup> Century Demonstration Project Grant to explore and expand opportunities for cost savings and shared services between the 56 school districts, BOCES, and the County. As the Nassau County BOCES ("the BOCES" or "BOCES" hereafter) was the only BOCES with boundaries coterminous with the county and the only one classified as a Regional Information Center (RIC)<sup>1</sup>, it was deemed to be the most appropriate organization to facilitate this task and serve as the lead applicant.

This effort, led by the Grant Steering Committee, initially targeted four areas to focus efforts on cost savings and great efficiency:

- Internal Audit Services
- Out-of-District Transportation
- Information Technology and Telecommunications (ITT)
- Cooperative Purchasing

Each of the initial shared services areas was assigned a specific working group (comprised of County, BOCES, and school officials) responsible for exploring these areas for potential savings and the following:

- Identify opportunities for savings in non-instructional support services;
- Leverage \$1 million grant for recurring annual savings through economies of scale and efficient resource management;
- Work to remove legal and regulatory impediments to cooperation among Nassau BOCES, school districts and municipalities;
- Serve as a prototype for similar multi-jurisdictional collaborations in New York state and nationally; and
- Encourage widespread buy-in and participation by school districts and public agencies.

## Internal Audit Services

The Internal Audit initiative formed a consortium of school districts to solicit vendor services for school district internal audit services. The original intent of the initiative, as described in the Grant Project Application, was to develop unique school internal audit function competencies within the County Comptroller's Office. However, legal liability concerns compelled the Audit Group to solicit a third-party vendor to provide the services.

Internal Audit initiative activities were led by a Working Group of 11 members, which consisted of school board members, superintendents, business officials, County officials and consultants. The main tasks accomplished included:

<sup>1</sup> There are currently twelve RICs in New York State.

- Collection of data on current internal audit practices to measure the savings of shared internal audit services;
- Development of an RFP for a firm or multiple firms to provide internal audit services to participating districts; and
- Correspondence to State officials on internal audit competencies and best practices.

On March 14, 2011, the Nassau County Department of Shared Services issued an RFP for internal audit services on behalf of the school districts in Nassau County. The proposals were opened on April 7, 2011. Nine firms responded to the RFP and the cost proposals received were very competitive.

Based on an analysis of costs incurred for internal auditing services before and after the issuance of the RFP, five school districts saved a total of approximately \$60,000. Although participation and savings were significantly lower than initial expectations, savings account for 26 percent of total spending for participating school districts in 2010-11. It could be argued that had more school districts participated, even greater savings would be achieved as a result of volume discounts and economies of scale.

### **Building Condition Surveys (Cooperative Purchasing)**

Building condition surveys of all district buildings are required by State Education Law to be conducted every five years; in the interim four years annual visual inspections are required. The Purchasing Working Group pursued the issuance of a cooperative RFP for the 2010 Building Condition Survey and 2011 through 2013 Visual Inspections. The RFP was released in May 2010, and proposals were reviewed through August in anticipation of inspections beginning in September.

Prior to this cooperative initiative, most school districts procured building condition survey services individually. This initiative aimed to leverage the combined purchasing power of Nassau school districts and Nassau BOCES to achieve maximum cost savings. All 56 school districts and BOCES were invited to participate. Of those school districts, 25 districts and BOCES confirmed that they utilized the pricing in the RFP. School district participation was limited due to multiple school districts negotiating with BCS vendors prior to the release of the joint RFP and other unique circumstances.

Based on bids received from seven firms, school districts were able to achieve considerable savings in 2010-11 compared to what was projected to be spent in that same year and prior period historical spending. Total Actual spending for 2010-11, based on surveyed data, amounted to approximately \$0.04/ft<sup>2</sup>. Projected spending amounted to \$0.07/ft<sup>2</sup>. The projection assumed BCS spending levels comparable to 2005-06 with some minimal price inflation.

Savings estimates range from \$387,670 to \$484,145. In order to determine savings, the Working Group compared 2010-11 spending against 2005-06 actual spending and 2010-11 project spending based on inflation over the 5 year period between surveys. While other cost saving methodologies would have provided greater savings estimates (e.g., using BCS growth trends) the purchasing working group concluded that the more conservative cost savings methodologies were appropriate. For a more detailed breakdown of cost savings, please refer to the Purchasing Working Group Final Report.



## IT/Telecom

In 2008, Nassau BOCES and Nassau County agreed to explore various Information Technology opportunities that could reduce costs, enhance services and allow for mutually beneficial long-range planning. Both organizations were in an ideal position to satisfy the needs of their constituencies while providing the taxpayers of Nassau County the cost efficiencies that would be derived from this cooperation.

The Steering Committee identified IT/Telecom as a top priority area and immediately began to pursue opportunities between the schools, BOCES, the County, and other municipalities through the IT/Telecom Working Group. In the fall of 2009, a Request for Proposal (RFP) was published with the concept that the Nassau County government, Nassau BOCES, at least 35 school districts, and the Nassau County Comptroller would share common telecommunications services and infrastructure in order to reduce expenditures associated with data, and Internet costs.

To date, the Cooperative has identified almost \$550,000 in savings related to various IT/Telecom initiatives. For more detailed information regarding savings, please refer to the IT/Telecom Working Group Final Report.

Savings Area	Savings Amount
Cellular Initiative	\$160,000
NassauNet	\$96,000
Fiber Conversion	\$50,000
Phone Line Redundancy Removal	\$240,000
<b>Total</b>	<b>\$546,000</b>

## Transportation

The Working Group was tasked with achieving cost savings through cooperatively bidding contracted out-of-district transportation bus routes for Nassau County's 56 school districts. While cooperative bidding was already taking place in five regional transportation cooperatives (Southwest, Northwest, Southeast, Northeast, and Bellmore Merrick) not all school districts were participating in a consortium and the Working Group believed additional efficiencies and savings could be realized through a countywide consortium that included routes from all regions of the County.

The Working Group brought together a comprehensive group of transportation and business officials along with school superintendents, board members, and Nassau BOCES officials.<sup>2</sup> Many of the transportation officials that participated on the countywide consortium had participated in other regional transportation cooperatives, a perspective that proved invaluable. Over the course of 2010 and 2011 the Working Group met regularly to discuss how to put a countywide bid together, the administration of the bid, developing the bid documentation and supporting documents, developing bid

<sup>2</sup> Please see Appendix for a list of Working Group members



data from participating school districts, developing vital communications to participating school districts, holding meetings and develop communications to NYSED regarding transportation piggybacking regulations. Additionally the Working Group analyzed countywide bid results for participating school districts so that low bid vendors could be awarded.

The working group determined that the average savings per awarded route for the 2010-11 and 2011-12 bid was approximately \$1,400 per pupil per year as compared to the regional cooperatives. While there are many variables that will affect the exact savings, the two-year analysis indicates that a pattern of additional savings has been realized through the countywide bid platform. The working also successfully pursued revised SED interpretation of piggybacking, and it is estimated that Nassau County school districts could save around \$250,000 per year under new piggybacking interpretations.

## **New Initiatives**

### **GASB 45 Services**

#### Overview

The Purchasing Working Group is currently examining opportunities for participating school districts, as well as school districts who may wish to join in the future, to cooperatively bid for GASB-45 services. As required by the Governmental Standards Accounting Board (GASB) of all public entities, school districts are required to measure and report liabilities associated with other post-employment benefits (OPEB) not associated with employee pension plans such as the New York State Employee Retirement System (ERS) and the New York State Teachers Retirement System (TRS).

Reported OPEBS include, but are not limited to:

- ✓ Post-retirement Medical Expenses;
- ✓ Dental Expenses;
- ✓ Long Term Disability Insurance; and
- ✓ Long Term Care Expenditures (i.e. Hospice, Nursing Homes, etc.).

The RFP was released in the fall of 2011 by Nassau BOCES. Proposals were received from a number of vendors and school districts are currently utilizing pricing included in the RFP.

#### Potential Savings

***To be determined***

#### Key Considerations/Next Steps

Going forward, if the Cooperative decides to continue this initiative, it should be conscious of the following:

- ***Inclusion of Districts Currently Under Contract:*** The Cooperative should make a determination as to whether or not school districts that may wish to utilize cooperatively-bid pricing through



the RFP are eligible to join in future years. Some school districts may currently be under contract with a particular vendor and cannot join initially. This may also have an impact on proposed pricing by vendors who are anticipating a client pool that may be smaller than truly known at this time.

**Energy- Natural Gas**

Overview

Almost all schools and municipalities utilize natural gas to heat and operate their facilities and even operate some vehicles. Natural gas can also be a relatively significant cost center to all of these entities and therefore is high-opportunity area for cooperative bidding. The cost of natural gas is largely separated into two components: delivery cost (i.e. the cost of transporting the natural gas to a specific location) and supply cost (i.e. the cost the supplier charges for the natural gas).

Given the widespread utilization and cost of natural gas the County led an effort to cooperatively bid natural gas for the County and all political subdivisions (BOCES, schools, municipalities, special districts, etc.). The bid was submitted in the fall of 2010 and the winning bidder provided very competitive rates to the bid participants.

Potential Savings

Natural Gas is a significant cost to municipalities and school districts. The Schools and the County alone are estimated to spend approximately \$24,000,000 per year on natural gas.

**Estimated Natural Gas Spending**

Natural Gas Spending	\$
County	\$9,000,000
Schools <sup>3</sup>	\$15,000,000
<b>Total</b>	<b>\$24,000,000</b>

Through March 2012 the County, BOCES, nine school districts, eight libraries, and one Nassau town had participated in the Natural Gas bid. From 2010 to March, 2012, the combined savings to date are estimated at \$7.6 million.

Key Considerations/Next Steps

Going forward the County and other bid participants are working to maximize the participation of the bid. As of March 2012, the County, BOCES, nine school districts, eight libraries, and one town had participated in bid but others are likely joining. While the current bid has provided natural gas supply savings, the next time the County issues a bid for natural gas they may want to consider a guarantee minimum purchase amount if future participation/commitment is strong and additional cost savings can be achieved under this bid format.

<sup>3</sup> School natural gas spending was determined by sampling school districts budgets and prorating total natural gas spending for all 56 school districts. Complete results of this analysis can be found in the appendix.



Also, the success of the natural gas bid may leverage other energy cooperative bids in the areas of electricity, fuel oil, and gasoline—all are energy sources widely used by schools and municipalities and are significant cost centers. Schools alone are estimated to spend approximately \$40 million per year on electricity and \$15 million per year on fuel oil.<sup>4</sup>

## Equipment Sharing

### Overview

All school districts and municipalities in Nassau County currently use heavy and expensive equipment on an irregular, unscheduled basis. When a project arises where a school district or municipality requires a certain piece of equipment, they may procure the services or equipment through a private vendor, purchase the equipment outright (both through operating and capital budgets), or contract for services on an annual basis to provide these services, such as snow removal in the winter months, tree removal during the spring and summer, or lawn and facilities maintenance during the course of the full year.

Due to the fact that many, if not all, school districts utilize these types of services in some capacity, the Cooperative has been exploring opportunities to create a centralized repository and database of equipment in the County, with the goal of creating a first-come, first-serve library of equipment that school districts and municipalities can utilize when needed. The County has a significant inventory of equipment and vehicles that could likely be utilized by other school districts and municipalities. Below is a summary of the type and number of pieces of equipment.

### **Inventory of County Equipment, by Category<sup>5</sup>**

Type of Equipment	Amount
Passenger Vehicle	475
Commercial Vehicle	250
Unknown	136
Heavy Machinery	39
Lawn Care	27
Road Care & Cleaning	16
Warehouse & Facilities	13
Other	13
<b>Total</b>	<b>969</b>

### Potential Savings

Savings for this category are difficult to quantify, as each school district and municipality expends various amounts on equipment annually. However, anecdotally, by leveraging existing County assets and reducing the number of new purchases for heavy equipment and sparsely used items, school districts and municipalities can achieve significant savings while at the same time cooperatively work together and centralize storage and delivery of these items. For example, the County (and others in participating

<sup>4</sup> School electricity and fuel oil spending was determined by sampling school districts budgets and prorating total electricity and fuel oil spending for all 56 school districts. Complete results of this analysis can be found in the appendix.

<sup>5</sup> Please see the appendix for a detailed breakdown of County equipment.



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in the database) could charge a nominal fee to equipment users that would be lower than what they currently pay but would also cover some of the ownership and additional utilization expense of the equipment.

Another potential area of savings would be realized through the reduced dependence on rental equipment or at the very least a reduced rate on rental equipment due to the collective purchasing power of the Cooperative.

School districts may also realize savings in the amount of human capital and time spent devoted to finding qualified vendors and negotiating pricing and rates for renting and purchasing heavy equipment. This process can sometimes be laborious and a shared equipment database could provide significant time saved not looking for/researching outside vendors.

### Key Considerations/Next Steps

Going forward, if the Cooperative chooses to implement this shared services initiative there are many considerations to take into account, including the following:

- School districts and municipalities must take into consideration that equipment of this nature can be costly to insure. Additionally, the sharing and transport of equipment across multiple municipalities may present liability concerns. Determining how the insurance is adequate and what entity pays for it will be a key first step.
- An inter-municipal agreement (IMA) is most likely required and the cooperative should think about developing a stock IMA that can be universally used by all participants (with minimal changes)
- Equipment sharing participants may require the same types of equipment during overlapping times so careful consideration should be given to prioritization of loaning equipment and procurement of services.
- Lastly, the Cooperative should have a plan of action developed in the event of technical difficulties using the database or in the event of equipment being damaged, lost or stolen.



## Centralized Textbooks

### Overview

There are currently two existing programs within Nassau County that handle the distribution of textbooks to non-publics, both of which use Textbook Central as their vendor. The first program is the Nassau County Textbook Loan program, which had 91 participating non-public schools in the 2010-11 school year. A total of 51 public school districts participated in the program and over 18,000 students received these services. The books shipped to the non-publics are owned collectively by the 51 participating districts; however the inventory of books is maintained at the private school to which it is loaned.

The second option is the Nassau County Managed Purchase Option (MPO), which offers a streamlined system for school districts needing to purchase and distribute textbooks to its non-public school students. Currently, 31 public school districts participate in this program, most of which also participate in the Textbook Loan program.

There are issues with the current system. Sometimes non-public schools will refuse delivery of the books and they will be diverted to the public school where the student resides. This proves to be difficult to track books and ensure that students are being properly served. It can also be costly for school districts to hold and provide staff to distribute the books. Students and parents also may find it difficult and burdensome to travel to pick up their books. Finally, public school districts are reluctant to assume inventory responsibilities.

The Cooperative aims to pursue a new initiative, which would maximize direct delivery of books to non-publics. For those non-public schools that choose to not receive direct delivery, a centralized distribution center would be where these non-publics could obtain their materials, with school districts sharing staff and faculty costs.

### Potential Savings

By centralizing the distribution of textbooks throughout the County, school districts may incur savings in personnel costs related with the process. Currently, each school district individually distributes textbooks, using one or two staff members – usually a clerk level/title, although some are part-time positions. This process is carried out typically during the summer and early months of the school year (September and October). After this process is over, the clerk may be reassigned to a new task.

A conservative approach to estimating savings would be to pro-rate a clerk’s salary and employee benefits (health insurance, dental, retirement contributions, etc.) by the amount of time spent carrying out this task.

Clerk / Admin	\$
Annual Salary	\$57,255
Employee Benefits (30% of Salary)	\$17,177
<b>Total Annual Personnel Cost</b>	<b>\$74,432</b>



Based on this calculation, school districts could spend approximately \$75,000 per school year, or a cumulative \$4.2 million personnel related costs total across the 56 school districts. Although administrative staff or clerks assigned to these tasks may have ancillary or additional duties, it's assumed they could be absorbed or mitigated by existing staff. A conservative estimate of savings would be that approximately 20 to 50 percent of these positions would be eliminated through attrition, providing an expense reduction of approximately \$2.1 million although there would be offsetting new expense associated with procuring a vendor to centralize the textbook distribution function.

### Key Considerations/Next Steps

Going forward, if the Cooperative decides to pursue this initiative, it should examine and determine how funding for the purchase of these centralized textbooks will be allocated. As textbook purchases for non-public schools are an aidable expense category by the State, proper allocation of expenses between participating districts should be established and deemed appropriate by the State Education Department.

Second, as the Cooperative aims to reduce personnel hours devoted to this task, participating districts should be aware of any implications of the initiative on current collective bargaining agreements and how to properly redirect excess staff throughout their respective districts.

In addition, the Cooperative should assess the capabilities of current textbook vendors and obtain alternative proposals from competing vendors to maximize savings and ability to effectively distribute resources to students in non-public schools. Nassau County has indicated they may be able/willing to provide a county facility for holding textbooks and possibly staff support with some reimbursement for the additional County expense. The Cooperative should also compare vendor charges for services against the cost of the Nassau BOCES administering the program.

Finally, participating school districts and BOCES should determine where the central distribution center will be located. A thorough inventory or analysis of current buildings and resources should be conducted to determine the appropriate size, location, cost, and ease of distribution (i.e. access to highways, major roads).

## **Fuel Initiatives**

### Countywide P-Card

#### *Overview*

Nassau County has recently reached an agreement with a fuel vendor to provide bulk discounts to the county for gasoline purchases at a number of locations throughout the County. By using the soon to be issued purchasing cards, or "P-Cards", the County will benefit from streamlined online account tracking, up to date statistics on usage by individuals and in the aggregate, and most importantly potential for savings on a fluctuating commodity that is purchased with limited or strictly defined resources.

#### *Potential Savings*



Based on proposals received by the County from the Vendor, school districts that collectively purchase 6,000 or more gallons of fuel at participating gas stations will receive a 3 percent rebate on their purchase. In addition to this rebate, select gas stations are offering a \$0.05 per gallon discount on top of the 3 percent rebate. A map displaying the location of these sites can be found in Appendix A.

*Key Considerations/Next Steps*

Going forward, participating districts should understand that if the 6,000 gallon threshold is not met monthly, they will not receive the 3 percent rebate and will essentially be purchasing fuel at market price. Also, the \$0.05 per gallon discount is only valid at approximately 15 locations throughout Nassau County. If participating districts find that the cost to travel to these locations outweighs the discount received, any savings incurred may be negated by increased travel and mileage in order to obtain the discount.

In addition, the Cooperative should make an effort to increase participation where possible, by not only encouraging other school districts and municipalities to join, but also making staff that use fleet vehicles aware of savings opportunities that are available specific locations. If staff members using fleet vehicles opt to not refuel at pre-determined locations, savings will not be achieved.

Diesel Fuel Wholesale Purchasing

*Overview*

Nassau County has recently reached an agreement on a wholesale diesel fuel purchasing card program. The terms of the contract began on January 1, 2012 and will continue through December 31, 2012. Based on the contract terms, participating districts and municipalities will receive a 10 percent discount on the agreed upon handling charge of \$0.18 per gallon if timely payment is received. This contract also includes fleet service at 20 participating fueling stations located throughout the county.

*Potential Savings*

Based on Working Group calculations and estimates, it is assumed that initial savings for the County will be \$400,000. These savings may increase over time if additional municipalities, school districts and other political subdivisions participate.

*Key Considerations*

As with many contracts, schools and municipalities may be currently engaged in a diesel fuel contract that obligates them for a defined period of time. To maximize participation on bids that have broad application like fuel, the bid should be communicated effectively so interested schools and municipalities can plan accordingly and be prepared to participate in the bid. Additionally, as the County has done in the past, it could structure the bid so any political subdivision can join the bid throughout the period of the contract—although that bid format usually requires less staff resources to administer, it can provide less savings than a bid where minimum or maximum quantities/utilizations are provided.

## Shared Fuel Facilities

### *Overview*

The Cooperative is also exploring opportunities for centralized and shared fueling facilities throughout the county. So far, five facilities that are strategically located throughout the County have been identified as host sites. Maps of these locations can be found in Appendices B and C.

### *Potential Savings*

Currently, the Hauppauge School District in Suffolk County has contractually agreed to share fuel purchasing costs and facilities. By moving to a shared fueling facility, Hauppauge has indicated they saved approximately \$500,000 by not having to replace costly tanks and infrastructure for fueling within their school district. It is assumed that comparable savings can be achieved for school districts in Nassau County.

### *Key Considerations*

When pursuing this initiative there are many issues to consider including the following:

- Identifying school districts or municipalities that utilize their own facilities and are due for replacement
- Determining any costs (maintenance, future capital costs, etc.) that will need to be recouped by the County for additional utilization of their facilities. For example, Suffolk County charges a 15% administrative charge to users of its fueling facilities.
- Identifying sufficient access controls to fuel stations and payment format (e.g., p-card)
- Developing an IMA that is adequate for all involved participants
- Other

## **Going Forward**

### **Increasing Participation**

In order to increase participation in the future and elevate the presence of these initiatives not only at the County level, but the State as well, the following initiatives and strategies should be considered by the Consortium:

*Increased Communication & Collaboration:* Currently the Shared Services Initiative utilizes a regularly updated website to communicate with member districts, potential members, and the general public in Nassau County. Although there has been relatively measurable success using this platform, the Consortium should explore new areas of collaboration and communication. The Cooperative could provide regular e-mail “blasts” – uniform messages to a large group of individuals and organizations – with news and updates on cost savings, ideas for new initiatives, and schedule of upcoming meetings. A periodic newsletter, possibly quarterly, could also be an effective outreach format. This would increase communication between the Cooperative and the general public. This would also be a simple addition to the current websites, allowing anyone who is interested to sign up and be informed continuously.



Another avenue for increased communication would be to open an ongoing dialogue with the New York State Board of Regents. This dialogue would not only inform the Regents about historical savings and successes, but also elevate the Shared Services Initiative as a model platform that could be replicated in other counties and municipalities, if not Statewide. As the Regents meet regularly on a monthly schedule, the Cooperative should reach out to the Regents and propose a presentation at a mutually beneficial time.

The Cooperative should also continue to communicate with professional organizations such as the Nassau Suffolk School Business Administrators (NSSBA), the New York State School Boards Association (NYSSBA), and the New York State Council of School Superintendents (NYSCOSS). Each of these organizations advocates for the continued cooperation and support of school business officials and would be an invaluable asset that could convey the Cooperative's successes and ideas for savings going forward.

*Continued Cooperative RFPs for Services:* Based on the success in achieving savings in the various areas discussed earlier, the Cooperative should continue to explore potential areas where school districts and municipalities may cooperatively bid for services, leveraging economies of scale and their untapped purchasing power.

Ongoing discussions and projects related to GASB-45 services, centralized equipment sharing, external auditing services, and centralized textbook distribution should be considered seriously as barometers for future savings and success. Other areas that the Cooperative may wish to explore are cooperative purchasing of textbooks, computers, security services, and athletic or interscholastic equipment. Although these topics may not be the largest line items in school district and municipal budgets, achieving savings in these areas during stressful fiscal times could prove to be a success.

### **Leveraging New Funding Sources**

In order to sustain savings and shared services initiatives, new funding sources should be sought and retained. Three major opportunity areas for the Cooperative would be the New York State Department of State, the New York State Department of Education, and local funding sources on Long Island.

#### **State Funding Opportunities**

##### *New York State Local Government Records Improvement Fund Shared Services Grants*

Since FY2002-03, the New York State Archives has provided grant funding to local governments that endeavor to provide permanent solutions to records management projects.

Although the grants are small in scale compared to other grant opportunities previously leveraged by the Cooperative – the maximum grant is \$150,000 for a shared services applicant – funding may be used for implementation of centralized electronic records storage and maintenance facilities, which would then reduce future costs of maintenance and retention for sensitive records that must be kept in perpetuity or for a set time period.

In order to be eligible for funding, a shared services cooperative would need to designate a lead agency – potentially the County or Nassau BOCES. The lead applicant will act as the fiscal agent for the grant,



managing all funds and filing all reports and paperwork. Beyond this requirement participants may organize the cooperative arrangement anyway they choose. There are many models of cooperation.

There are numerous examples of success using this grant funding. One such example is the Town of Hamburg. Located in western New York, the Town of Hamburg established a records center which it shares with the Village of Hamburg, the Village of Blasdell, and Hamburg Center School District. Each participant signed an agreement with the town outlining all procedures. Using LGRMIF grant funds, the participants purchased records management software to track their records and each has remote access to the software. Town personnel retrieve the records when needed. A committee consisting of representatives of each participating town meets periodically to work out any disagreements or problems. The town provides these services at no cost.

*New York State Local Government Performance and Efficiency Program.*

The 2012-13 New York State Executive Budget provides for a \$40 million appropriation for competitive one-time awards of up to \$25 per capita, capped at \$5 million, which recognize local governments that have achieved efficiencies and performance improvements. If enacted, the Cooperative should consider pursuing an application for funding as they would be eligible for the \$5 million maximum grant.<sup>6</sup>

Other Funding Sources

Going forward, the Cooperative should identify and pursue additional private funding opportunities. There are numerous corporate institutions headquartered on Long Island. As the success and continued sustainability of the current school districts is an important initiative for all of Nassau County, there is potential for partnering with philanthropic organizations and corporate partners.

## Long-Term Roles and Responsibilities

### Committees

The governance structure of the shared services grant initiatives consists of the Steering Committee and six working groups. Key responsibilities include:

- Steering Committee: provide overall guidance, direction, and oversight of shared services initiatives advanced by the working groups
- Audit: lead activities related to the issuance of a cooperative internal audit RFP
- Transportation: lead activities related to the issuance of cooperative out-of-district transportation bids
- IT/Telecom: lead activities related to the issuance of a cooperative IT/Telecom RFPs and school/municipal network integration
- Purchasing: lead activities related to issuing cooperative RFPS and bids for commodities and professional services
- Long-Term Planning: Research and analyze new shared services opportunities

<sup>6</sup> Based on 2010 U.S. Census population of 1,341,245 in Nassau County, NY



- **Community Outreach:** Document and publicize the shared services grant work and lead other outreach activities

The organizational structure of the steering committee and six working groups is flat as illustrated below:

**Shared Services Grant Governance Structure**



Going forward it is likely that the current structure will no longer be necessary. Most of the working groups and Steering Committee have met monthly since the grant funds were awarded in 2009. Given that these were new initiatives that required significant planning and preparation prior to implementation having specific working groups and meeting monthly (and sometimes more frequently) was necessary for successful implementation. Now that the initiatives have progressed and been implemented this level of intensity is likely no longer needed. It is expected that some of the working groups will be merged and others will continue but will probably meet less frequently or informally (e.g. handle business via email and phone).

**New Structure**

Supporting the shared services grant has truly been a collaborative effort from the County, BOCES, and School Districts. It has also required significant time and effort from all participating members. While the membership agrees that it will continue to build off of the work that the grant initially started, it is expected that the current governance structure and meeting frequency will be different than it currently is.

It is expected that the steering committee will continue to function after the grant expires. The committee is comprised of municipal and school stakeholders and provides overall project direction. Additionally, the IT/Telecom, Transportation, and Purchasing working groups are expected to continue to function in some manner after the grant expires. IT/Telecom is advancing multi-year initiatives that will require oversight and direction for many years to

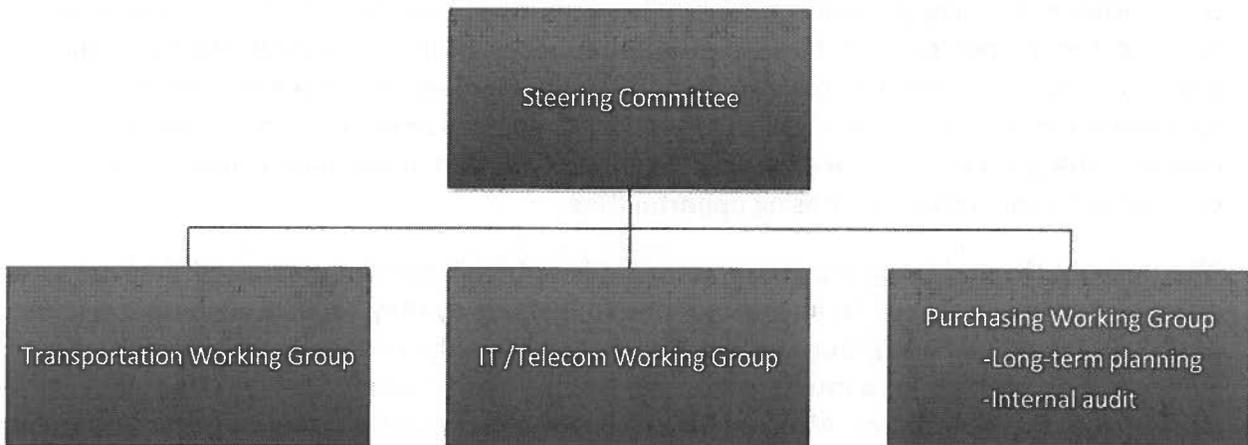


come. The members of this working group have been working on shared services initiatives before receipt of the grant and plan to continue this work well into the future. The transportation working group has successfully administered two out-of-district transportation bids and is in the process of a third bid. Given the success of the countywide bid the group plans to continue to offer this bid into the future and will meet as needed to effectively administer the bid. Lastly, the purchasing working group has been very active throughout the course of the grant and has taken the lead on identifying and implementing new shared services and cooperative purchasing opportunities.

Alternatively, the audit working group, community outreach working group and the long-term planning working group likely will no longer continue to function as they have throughout the grant period. The audit working group successfully implemented the cooperative bid for internal audit services, which is for a multi-year period and therefore there is likely minimal support needed until the RFP expires. Also, the internal audit RFP process and administration aligns well with the other professional service RFPs that have been developed and released by the purchasing working group and is likely a service that can be handled by this working group.

The long-term planning working group was responsible for researching, identifying, and analyzing new shared services opportunities. The working group identified many new opportunities, some of which are already being pursued, but given the overlapping role of the purchasing working group and the long-term planning group it is likely that the core responsibilities of the long-term planning group can and will be absorbed by the purchasing working group. Lastly, the community outreach working group has worked since the grant inception to communicate the success of the shared services initiative through all modes of communication, including developing an interactive website. Going forward, communicating new shared services opportunities and recent successes will continue to be important but this responsibility will likely be absorbed by the remaining working groups, steering committee, and or handled on a more ad hoc basis by current community outreach working group members. While there are many factors that will affect the actual governance structure and working group makeup, the following is a reasonable illustration of a likely revised governance structure after the grant period.

## Shared Services Grant Governance Structure- Post Grant Period



During the grant period the steering committee and working groups met frequently and had the resources of a project management consultant to support research, analysis, and various project administration responsibilities—all of which were critical to the successful implementation of the initial shared services initiatives. Now that the initiatives have been established and proof of concept has been demonstrated, these initiatives likely need a lower level of support and guidance. While the working groups expect some level of ongoing support and administration, some options under consideration for maintaining continuity at a lower intensity level include:

- Reduce meeting frequency (e.g. meeting bi-monthly or quarterly)
- Increased use of technology (e.g. conference calls, webinars, etc.)
- Handle business informally (e.g. via email and telephone communications)

It will likely take some time post-grant period for the exact governance structure and cooperative format to be determined but regardless all members of this initiative are committed to the continued success and expansion of school/municipal shared services. The Steering Committee and leadership from all involved entities are committed to sustain and advancing current and new shared services and believe the foundation that has been established by the grant will serve all involved participants and County taxpayers well into the future.

### Appendix A: Map of County P-Card Fueling Stations

