

Public-private collaboration works for city

The issue of strategic outsourcing and public-private collaboration have been increasingly in the news these days, as evidenced by a recent New York Times front page article examining this growing phenomenon as municipalities struggle to cope with the recession and declining tax revenues. One of the newest — and I would argue, most successful — examples of this trend is right in our backyard in the city of Dunwoody.



VIEWPOINT
William J. Mulcahy

Dunwoody's remarkable success since incorporation in December 2008 includes:

- a) operating at a surplus every year;
- b) providing improved city services; and
- c) attracting numerous new business headquarters including Elekta, Ventyx, CHEP, Internap and most recently State Farm.

How has the city of Dunwoody achieved these impressive results? I would suggest that strategic outsourcing and public-private collaboration have played a key role in this success. Let me explain.

Upon incorporation, Dunwoody needed to quickly provide outstanding and affordable services to its citizens. "The forefathers of the city first attempted to mimic the success of the city of Sandy Springs and engage one large outsource provider for all of its basic city services — except for police and fire as state law prohibits privatization or outsourcing for these services" said Chris Pike, Dunwoody's chief financial officer. "However, simply put, Dunwoody could not afford this model."

"It is often said that necessity is the mother of invention. The newly elected leaders of the city of Dunwoody pieced together a framework to secure basic city services now known as the 'Split Contract Service Model.' This model was not conceived from years of research, rather its genesis was Dunwoody's need to move quickly to provide services in advance of a looming deadline," Pike said. Essentially, Dunwoody separated its basic city services into three separate outsourced contracts when the city found many companies could provide one of the three services, but few could provide all three. Furthermore, Dunwoody realized more than \$3 million in cost savings over the original estimates from this approach.

"Starting up a city government is tremendously complex. In over 40 years of experience, I have never seen a project or city get up and running so quickly," says Jo Ann Tuttle, president of JAT Consulting Services Inc. The team of JAT Consulting and Calvin, Giordano & Associates Inc. initially set up and now manages the city of Dunwoody's financial and administrative operations under an outsourced contract.

The establishment of sound financial and procurement operations has resulted in significant recognition. The city of Dunwoody was the first city ever to receive the prestigious CAFR (Comprehensive Annual Financial Report) Award in its first year of operation. The city also earned the 2010 Achievement of Excellence in Procurement by the National Purchasing Institute in its second year, one of only 56 cities in the United States to receive the award.

The city has not rested on its outsourcing successes of the first three years. Instead, the city decided to re-bid all its governmental services and strategically expanded the number of

proposals solicited by breaking out information technology, public relations and marketing, and parks and recreation as individual service areas.

Expanding the number of categories has enlarged the pool of potential service providers that can compete for city business. It has also allowed for a more competitive pricing model, according to Pike, which saved the city \$3.4 million over the four-year contract.

Recently, Dunwoody Mayor Mike Davis announced that the city, in collaboration with the Dunwoody Chamber of Commerce, would begin planning for the opening of a business incubator to be called the "Innovation

Center of Dunwoody." The city plans to provide space in a newly acquired 12,000-square-foot building on Shallowford Road. The facility will be structured like the Advanced Technology Development Center at Georgia Tech, drawing from the resources of the university and other organizations in metro Atlanta, such as the Technology Association of Georgia.

In general, the facility provides an environment for success. Community leaders, such as former Dunwoody City Councilor Danny Ross, who has led the drafting of the incubator business plan, believe this facility will be a catalyst for starting new companies and help create high-paying jobs in Dunwoody. This public-private initiative will provide assistance in securing financing, training and facilitate

professional assistance and mentoring.

I would be remiss if I didn't mention strategic public-private collaboration by the city of Dunwoody has been good for me personally, too. The charter of the city of Dunwoody at its inception called for the appointment of an internal auditor. I, like numerous other bidders, responded to a request for proposal. My selection as Dunwoody's first city internal auditor is yet another example of the city of Dunwoody satisfying its business objectives with cost effective public-private collaboration.

Mulcahy serves on the Dunwoody Chamber of Commerce board of directors, and is president and CEO of Mulcahy Consulting, a Dunwoody-based business providing accounting, auditing and governance consulting services.

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