

“Dunwoody Split Contract Service Model”

The idea for a City of Dunwoody was first conceived in 1973 by Representative Harry Geisinger. His vision was for improved service delivery for the residents of the “Dunwoody” area of DeKalb County, GA. Over 30 years passed until the idea would be considered viable politically.

In 2005, the Georgia General Assembly flipped from a legislature dominated by the Democratic Party to a Republican controlled body. This change in leadership opened the door to discussions about cityhood for the Northern first ring suburbs of Atlanta. For many years, residents in these areas complained of their tax dollars disproportionately being spent in other parts of the County as well as their disconnection with a County government serving too large of a constituency to be able to provide adequate and effective representation.

In 2006 the City of Sandy Springs fought for and won incorporation, opening the floodgates for 3 more cities, the last being the City of Dunwoody. The City of Sandy Springs partnered with a large engineering firm CH2MHill to create a unique government experiment, eschewing traditional city government norms and instead using a private contractor to provide staff and manage the day-to-day operations of the City (excluding Police and Fire services). This model has been successful for the City of Sandy Springs and it has effectively changed the landscape for how to model a local government enterprise.

The City of Dunwoody was incorporated in December, 2008 and the forefathers of the City attempted to mimic the success of Sandy Springs and engaged in negotiations with CH2MHill for a similar provision of services. Negotiations broke down and were terminated when both sides could not agree on a fair price for services. Simply put, Dunwoody couldn't afford the Sandy Springs model due to its different revenue streams available to the City under Georgia law. The City was in a quandary with only months to go to provide services to its citizens.

It is often said that necessity is the mother of invention. The newly elected leaders of the City of Dunwoody pieced together a framework for the provision of services now known as the "Split Contract Service Model". The model was not conceived from years of research, but instead because the City needed to move quickly to provide services in advance of a looming deadline of incorporation. The City engaged a transition consultant to assist the City in quickly bidding out service delivery contracts for Public Works, Community Development and Finance and Administration. Very few private sector firms can provide all three of these services, but the City of Dunwoody discovered that there are many highly qualified firms that can provide services in any one of these service delivery areas. After a wide distribution of RFP's for services, the City of Dunwoody held a pre-proposal conference in October, 2008 that filled a large room with hungry consulting firms ready to provide services to the City of Dunwoody by December 1, 2008. Instead of having just one firm to negotiate with, the City of Dunwoody now had dozens of firms competing for their business.

After an extremely condensed RFP evaluation period, the City negotiated three contracts with three vendors to provide all of the basic services (except for Police and Fire services – State law prohibits privatization or contracting for these services). By bidding out services in these three areas, the City was able to save nearly \$3 million dollars annually from the original proposal being considered by CH2MHill. These annual cost savings could be spent on police, roads and parks. The contracts with these three firms were price fixed for 3 years and services were to commence on December 1, 2008. The award of the contract was finalized during Thanksgiving, giving the firms about 3 days to mobilize for duty.

Three years later, the City of Dunwoody has had the opportunity to properly evaluate the benefits of this unique model of governance. The benefits the City has seen include:

- Private sector creativity in the provision of services
- A seamless operation called “Team Dunwoody” in which all three firms have teamed together to create an identity as one organization focused on Dunwoody.
- Significant annual cost savings
- Elimination of personnel headaches. If an employee is underperforming they are replaced immediately without any need for progressive discipline or civil service board review.
- No need for legacy costs such as Pension programs
- Competitiveness to provide great services to earn a renewal of the contracts upon expiration

- Dunwoody has surpluses over \$10 million dollars in 3 years while other governments in our area providing a nearly identical basket of services have drained rainy day funds, laid off workers and cut back services.

Imitation is the highest form of flattery. Cities across Georgia are now contacting the City of Dunwoody to emulate Dunwoody's success using the Split Contract Service model. Even the cities that preceded us in incorporation have eliminated the single vendor methodology and turned to a model similar to the City of Dunwoody.

While contracting out and privatization are not new concepts, this model has taken the best the private sector has to offer and combined with the leadership of the City Council and Mayor have created a new model of service delivery that is cost efficient, reliable and effective.