



4800 Ashford Dunwoody Road
 Dunwoody, Georgia 30338
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To: Mayor and Council
 City of Dunwoody

From: Eric Linton
 City Manager

Date: June 13, 2020

Subject: Rebidding of Municipal Contracts

Before you today are four recommended contracts covering six service areas for municipal services for the City of Dunwoody. All are to start January 1, 2021. Staff is seeking your approval of all contracts. They are the culmination of six months of staff effort in selecting the best vendors to continue the city's public-private partnership model. Highlights include:

- The total five-year cost estimate of the areas before you today are \$28,994,596. In comparison, the same service areas for the previous five years are expect to cost \$26,049,262 or 11.3% increase. The 2021 costs are estimated to be \$5,764,573 as opposed to the \$5,765,793 million in 2020 a decrease of \$1,220 or negative 0.02%. The full analysis of this comparison is in a table within this memo as well as detailed within the accompanying narrative.
- The contracts continue the public-private partnership for the following areas: Public Works, Parks & Recreation, Planning & Zoning, Permitting & Inspections, Finance & Administration, and Information Technology. Of those areas, three services will be run by the same vendor and three services by new vendors.
- The City chose not to bid out Communications as it was determined to be more cost effective and operationally efficient to bring those actions in house. The City added Facilities Management as an area; however, the City received no bids by the deadline. That area will be rebid later this summer.
- Major service level changes within the proposals are as follows:
 - *Public Works: The overall staffing level for Public Works is proposed to be reduced by 0.4 FTEs compared to current staffing. One of the stormwater engineer positions will be reduced from full time to 10% support for a total of 2.6*

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FTEs paid for by the stormwater utility while a half time engineering technician will be added under public works administration for a total of 3 FTEs in the general fund. This change for 2021 will be a \$103,000 (24%) cost decrease in the stormwater utility, and an \$85,000 (24%) increase in cost to the general fund compared to 2020. Another change that the city requested from the previous contract is for the construction management to be included in the lump sum cost for public works rather than billed as a percentage of construction cost. Prior to SPLOST, the level of construction funding could vary significantly from year to year, and having the construction management fee based on the construction funding allowed for staffing up or down based on the amount of construction in a given year. Construction management cost will still be charged against capital project budgets and thus will not increase general fund costs. The lump sum construction management fee for 2021 is approximately 7% less than the average fee for the first 2 years of SPLOST. The five year total amount across all funds for public works increases by approximately 5.7% over the current contract.

- *Parks & Recreation: There is no change of vendor or change of current scope. The current vendor received a contract amendment for 2020 that added two additional staff, one in recreational programs and one in maintenance operations. The contract had only one FTE in 2016. The contract going forward will remain at the same level of service at which it is currently being provided with incremental cost increases year over year. While the five year cost increases by 110% due to the additional staff approved throughout the existing contract, the increase from 2020 to 2021 is only \$337,036 to \$361,178 or 7.2%.*
- *Planning & Zoning/Permitting & Inspections: Both Planning & Zoning along with Permitting & Inspections are currently run by the same firm. While the operating firm changes in this recommendation, those two areas are still united by the same vendor in this new proposal. Personnel numbers are similar with this area having numerous fractional FTEs making summary analysis rather difficult. That information is fully elaborated on in each proposal. Under the current contract, there is a lump sum for both areas and 50% of revenues are shared. Under the new contract, the lump sum is only for Planning & Zoning and 65% of revenues are shared. For comparative purposes, the 2020 year was dropped in terms of revenue sharing and the 2019 amount was used for the four years on the new contract. Given those proxies, there is a 5.0% decrease over five years (\$10.2 million to \$9.7 million) and a 1.2% increase from 2020 to 2021 (\$2.20 million to \$2.22 million).*



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- Finance & Administration:** *Mayor and Council had already approved an Assistant Finance Director position in May 2020, indicating that the new contract would not have the Accounting Manager position. Proposals were submitted before that action was taken. The final recommendation does not include that in its scope. In this year's process, the contract also adds a risk manager position. The cost comparison from 2020 to 2021 will be an increase of only \$5,058 or 0.4% with that position swap. The five-year total amount increases from \$5.5 million to \$6.0 million or 9.3%.*
- Information Technology:** *This recommendation expands staffing to include a 1.0 FTE Network Engineer II, a 0.4 FTE Security Engineer, and a 1.0 IT Support Specialist (the last position starting in 2023). After the recent successfully defended cyber-attack and with the nature of working remotely to be more commonplace, the added staffing levels are warranted. Also, due to the expanding workload of Geographic Information Systems (GIS), this recommendation adds an entry level 1.0 GIS Technician. The year over year increase from 2020 to 2021 is \$962,887 to \$951,085 or a decrease of 1.2%. The five-year total amount increases from \$3.9 million to \$5.5 million or 42.0%. As a note, without the additional positions, the increase for five years would have been 7.3%.*



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Summary Analysis of Cost (Previous Contracts v Proposed Contracts)

<u>5 Year Cost</u>	<u>2016-2020</u>	<u>2021-2025</u>	<u>2020</u>	<u>2021</u>	<u>Chng Five Year</u>	<u>Chng One Year</u>
Public Works (1)	5,515,895	5,828,632	1,142,410	1,097,580	5.7%	-3.9%
Parks (2)	912,932	1,917,545	337,036	361,178	110.0%	7.2%
Planning / Permitting (3)	10,232,196	9,716,621	2,195,762	2,221,964	-5.0%	1.2%
Finance (4)	5,501,973	6,014,007	1,127,708	1,132,766	9.3%	0.4%
IT (5)	3,886,266	5,517,791	962,877	951,085	42.0%	-1.2%
	26,049,262	28,994,596	5,765,793	5,764,573	11.3%	-0.02%

This table is a comparison of old versus new contracts. Please be aware in some cases, scope and staffing change occurs. Important information is footnoted below and also detailed elsewhere in this memo.

- (1) Project management is now folded into the Public Works figure and not a percent of projects. The five year estimate under the old method is included for comparison.
- (2) The dramatic five-year increase in Parks is primarily because the older contract contained only one FTE for one year, two FTE for three years, and four FTE for one year.
- (3) The amounts shown combine Planning and Permitting cost. For 2016-2020, actual base cost plus actual fees earned shown through 2019. To keep comparisons equal, 2021-2025 also shows only four years of earned fees. For the 2020 / 2021 comparison, 2019 actual data used for earned fees against new rates.
- (4) Finance's scope has limited change and is detailed elsewhere in this memo.
- (5) For IT, 2020 has an additional \$125,000 of contract availability for cyber strike related costs. The 2021-2025 contract has additional staff detailed elsewhere in this memo.

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