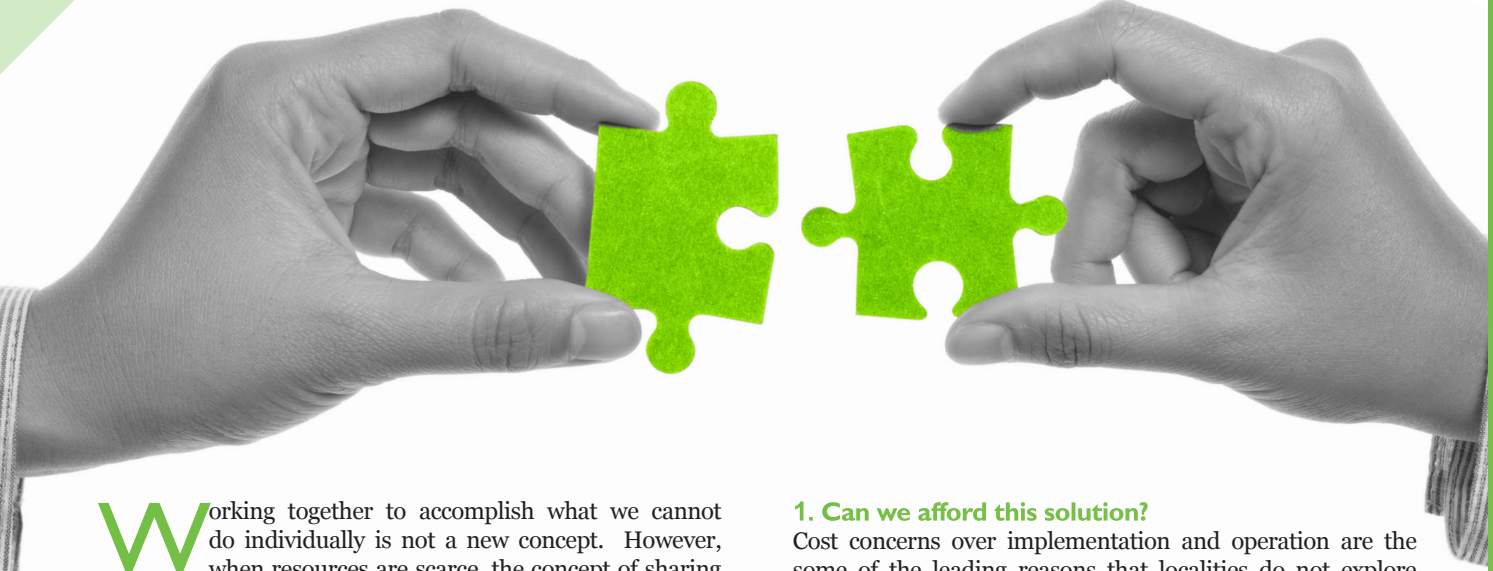


# SOLVING LOCAL GOVERNMENT CHALLENGES: REGIONAL SERVICE DELIVERY



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IBTS thought leadership

**W**orking together to accomplish what we cannot do individually is not a new concept. However, when resources are scarce, the concept of sharing becomes more practical and more popular. Whether it be our homes, vehicles or our parking spaces, a “sharing economy” can create economic advantage and solve problems.

A shared model for government services, called **regional service delivery**, is having a similar effect for local governments across America. By sharing and consolidating services, a growing number of local governments are providing faster service, cutting costs and streamlining processes. Regional service delivery is customizable and allows local governments to determine how to most effectively collaborate and pool resources. This “sharing economy” is a means to help governments deliver the services their citizens require on an as-needed basis. As a result of sharing solutions, citizens enjoy real benefits without incurring long term costs or tax increases.

Historically, jurisdictions create their own system and structure to meet their service needs such as building permits, code compliance inspections, and administrative support. This individualized approach to service delivery works, but can become challenging to efficiently and effectively maintain. Often jurisdictions struggle to find and retain qualified staff, have trouble keeping staff current on important guidelines and training, and are faced with seasonality in their workload needs. Fortunately, the municipal services required are common across America, allowing the implementation of shared solutions through a regional service delivery approach. This method provides as-needed services from a centralized pool of experts. For some, this may be the full array of services while others will choose a customized bundle of services which meet their unique or seasonal needs.

As you consider regional service delivery, here are three common questions that local governments need to consider.

**REGIONAL SERVICE DELIVERY**  
*defined*  
A model for localities that allows local governments to customize services and cut costs by sharing and consolidating services with other municipalities.

## 1. Can we afford this solution?

Cost concerns over implementation and operation are the some of the leading reasons that localities do not explore regional service delivery. However, this concern is inaccurate since it has no hidden or out-of-pocket expenses. Instead of retainer fees or reliance on tax dollars, this pay-as-you-go model is funded by the users paying fees associated with their service needs.

To accomplish this, an external service provider works with the locality to establish fee structures which will sustain the cost of the service. By establishing a pricing model which covers actual costs, many governments have discovered a means to eliminate deficit spending and charge users the real costs of a service such as a building inspection.

Localities using this model often find unexpected savings since they no longer carry employee benefit costs and they reduce overall demands on their human resource departments. Since HR typically make up significant portion of government expenses, this reduction is significant. Regional service delivery also reduces the soft costs of training and certifications as well as removing insurance and liability costs as this risk is now transferred to the external service provider.

The flexibility of this approach provides value for localities. “It provides us access to top quality people without maintaining full-time employees that may be underutilized during slow times of development,” noted Michael Webb, City Manager for Edwardsville, Kansas.

## 2. How can a collaborative approach meet the unique needs of my local government?

Every region and government is unique in some way so it is natural for people to view this as a cookie-cutter approach which will limit them in some way. However, those who are using the model have found that it delivers the flexibility they need.

## PARTNERSHIP



External service providers and localities team up in the interest of consolidating resources and sharing services.

## PRICING



Working together, the localities and third party provider establish a price model for the contracted services.

## ACTUAL COSTS



Because fee structures are established to sustain the cost of specific services, governments are paying only for these services, as needed.

## SAVINGS



By providing only the actual services needed, many governments have eliminated deficient costs; since users only pay for the real cost of the service being delivered, the savings are passed directly to the citizen.

Georgia Nesselrode is the Director of Local Government Service for the Mid-America Regional Council (MARC), which provides regional shared services for 9 counties and 119 cities in the states of Kansas and Missouri. MARC entered into an agreement with the Institute for Building Technology and Safety (IBTS) to provide regional service delivery in November of 2013. She notes, “While many of our larger cities and counties have the capacity to handle these services in house, this program will provide a cost-effective option for those that need additional support. Local governments are all looking for ways to operate more efficiently and save money while still offering quality services, and the IBTS agreement will give them additional options that they might not be able to provide on their own.”

The agreement that MARC has with IBTS allows interested jurisdictions to choose their service needs in an a la carte manner. In this model, the external service provider assists jurisdictions with a range of needs, from augmentation to providing the full building department function. Solutions are flexible, can change quickly, are provided on an as-needed basis, and are custom-designed to meet the needs of the locality. Since the regional service approach provides access to a large pool of highly qualified experts, this solution expands the capacity of local governments.

One of the most beneficial results of regional service delivery is the elimination of the RFP process. This is available when a local regional council of governments (COG), or quasi-government organization holds a Master Agreement for services. Jurisdictions which are involved in this approach simplify administrative processes by purchasing off of the COG’s procurement process. These groups have already vetted the service provider and negotiated best pricing structures. This allows the COG to use size and leverage purchasing power on behalf of many municipalities which also provides financial savings.

### 3. Can this model keep my financial records separate?

Many governments believe that a collaborative solution will result in a loss of autonomy in areas like decision making authority or finances. However, actual users of regional service delivery find that this is not true. While certain service aspects, such as customer service portals and fee payments, are delivered through a common interface, the technology also allows for clear separation of costs for every participant.

### Conclusion

Like the growth of the “sharing economy,” regional service delivery options have grown substantially in recent years. This service delivery approach is being discussed at many national governmental association conferences and is being implemented in many regions of our nation. However, it still has room to grow and will do so as municipal leaders assess how a customized solution could fit their unique needs.

Regional service delivery is not a one-size-fits-all approach. Jurisdictions served by MARC have individually determined how to effectively utilize the benefits of this model. As a result, they are experiencing increased flexibility, higher levels of customer service and jurisdictional autonomy. The advantages of eliminating duplicate service deliveries have yielded immediate financial advantage. In addition, citizens are experiencing the benefits of having certified experts and governments are drastically reducing their risk liability.

If we seek different results, we need to do things differently. This model will not solve every local government need. However, it is a viable, sustainable solution that is currently under-utilized. Whether the use is small or full-scale, most jurisdictions will benefit from some aspect of the regional service delivery approach.

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