



A Whitepaper:

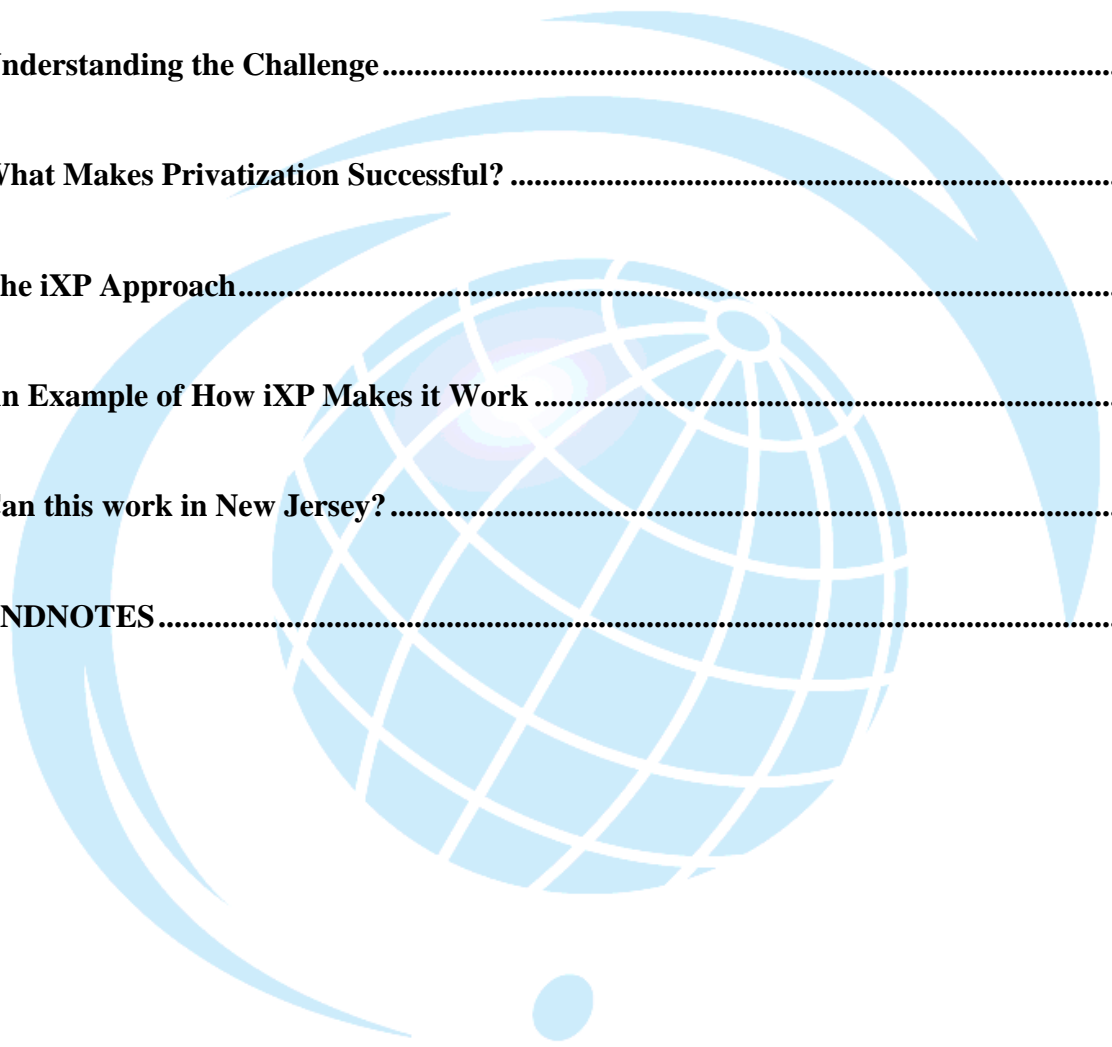
**Privatizing Emergency Communications
Call Taking and Dispatching Centers**

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Understanding the Challenge

After many years of controversy over the pros and cons of privatization, the bottom line is privatization works. Privatization has built a track record of lower costs and better quality for a number of commonplace government services including garbage collection, police car maintenance, school transportation, and food service in jails and schools. Now, local governments have begun to view a newer and more complex service, 9-1-1 emergency dispatch, as an area where privatization might also lead to lower costs and better service¹.

The Battle Cry . . .

“Right-wing politicians continue to use privatization to circumvent civil service systems, due process protections, sunshine laws, and other crucial safeguards which ensure honest and open government; and to reward their corporate friends with contracts, while taking away public workers’ jobs, rights, union contracts, and political power².”

The reality is that privatization is not the domain of any one political party or ideology. In the U.S., privatization is used by leaders of both major political parties, and they have demonstrated that not only can politicians at all levels successfully privatize public services, but they can get re-elected after doing so. For example, former Indianapolis Mayor Stephen Goldsmith, a Republican, identified \$400 million in savings through competitive bidding. Chicago Mayor Richard Daley, a Democrat, has generated over \$3 billion in privatization deals. And when Democrat Ed Rendell, governor of Pennsylvania, was mayor of Philadelphia, he saved \$275 million by privatizing 49 city services³.

And What About the Loss of Public Control?

This is a fundamental misunderstanding of the nature of privatization—that government loses control of an asset or service once it is privatized since the public sector is no longer providing that service. In well-structured privatization initiatives the government and taxpayers gain accountability. In fact, the legal foundation of a privatization initiative is a contract that spells out all of the responsibilities and performance expectations that the government partner will require of the contractor. No detail is too small for the contract. Any failure to meet the performance standards specified in the contract could expose the contractor to financial penalties, and in the worst-case scenario, termination of the contract. So government never loses control—in fact, it can actually gain more control of outcomes—in well-crafted privatization arrangements.⁴

And What About the Hurt to Public Employees?

Privatization tends to encounter opposition from public employee unions who view it as a threat to their jobs and influence. Well-managed privatization initiatives need not put undue burden on public employees, however. Comprehensive examinations of privatization initiatives have found that they tend to result in few, if any, layoffs—those not retained by the new contractor usually either retire early or shift to other public sector positions—and that public employees can actually benefit in the long term when hired on by contractors, as private companies often present greater opportunities for upward career advancement, training and continuing education, and pay commensurate with performance, for example. Nevertheless, it is important that management communicate early and often with the public employee unions regarding privatization initiatives.⁵

What Makes Privatization Successful?

The most important measure of success in privatization is the amount of money to be saved! Cost savings may be realized through competition, economies of scale, reduced labor costs, better technologies, innovations or simply a different way of completing the job. Our research has shown Emergency Communications Center *privatization solutions can yield up to 25% savings* over existing publicly managed methodologies. Outsourcing managed services for 9-1-1 call taking and dispatching is an excellent option for agencies looking for privatization solutions to lower operating costs.

Our research has also shown that most Emergency Communications Center Privatization solutions have initially begun as consolidation or co-location initiatives. Consolidation is the logical first step toward cost savings. *However, Privatization should be considered as the logical next step, one that can realize additional cost savings that are potentially double that of consolidation or co-location solutions alone.*

Nearly as important as cost savings is having a long term plan that lays out a structured approach for the privatization implementation. This begins with establishing a governance team whose goal is to develop the team's vision and promote buy-in from all involved partner agency stakeholders. Sometimes referred to as the "politics of inclusion", privatization's success hinges on a top down approach to its acceptance. This means eliciting involvement and gaining buy-in from all levels within each agency affected by the privatization project.

Agencies should employ trusted partners that will analyze existing environments and data in an effort to understand the agencies needs and identify the critical problems to be solved. Each member in a public/private partnership team brings to the project a level of unique experiences and subject area expertise that will impact overall privatization acceptance and the project's ultimate success. Partners should be sought who will offer options, develop customized plans, and have the capacity to offer continuing value added services to ensure operational sustainability beyond the scope of the initial project.

Only through the power of true collaboration and the establishment of a joint management/labor/private partnership team, at the outset of the project, can involved participants fully process this paradigm shift in service delivery. With the project's objectives, timelines, and overall success being guided through a coordinated structure of key stakeholders, the level of buy-in required to accept privatization will be fostered through a flexible and fear-resistant mindset.

Any successful privatization process will ensure transparency, accountability and the delivery of high-performance services through a strong, performance-based contract. This accountability includes the reduction of risks to the public agencies by shifting major liabilities from the public agencies to the private trusted partner. By using best practices, dedicated industry experts, and lessons learned from past experiences, the likelihood of achieving success through privatization becomes greatly enhanced and the goal of cost reduction a tangible reality⁶.

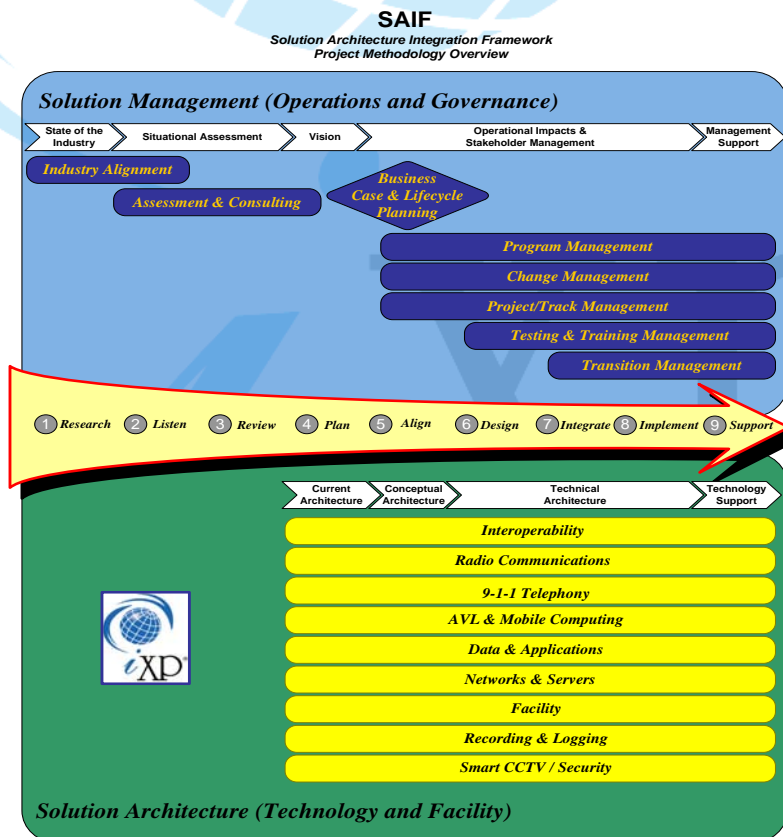
The benefits are clear: more choices and lower costs. States, Counties and Municipalities need not rely on a one-size-fits-all approach to managing their emergency systems. They may contract for the entire system (equipment and employees), just the equipment, or just the employees. Governments involved in emergency services can concentrate on delivering life-saving services more efficiently and effectively by contracting with a private agency for any number of components of the total service⁷.

The iXP Approach

As a Privatization partner iXP’s goal is always to discover the true business need and deliver a solution suitable and customized to the client. Whether contracted for a complete communications center build from the ground up or simply the outsourcing of dispatching services, iXP consultants are always mindful that public safety and governance needs must be measured against the strategic goals of the agencies, make sense within their environment, are guided by the vision of its leadership, are inclusive of affected stakeholders, and blend appropriately into existing government resources.

iXP utilizes our SAIF® - Solution Architecture Integration Framework methodology to guide engagements like this one for the Shared Services Feasibility Study project. This “Total Solution” methodology has been specifically created to support complex public safety projects through their full life cycle. Its unique approach brings a combination of holistic management disciplines and specific technical areas of expertise that are commonly required for public safety integration initiatives. ***Utilizing this methodology for the project will ensure all critical elements are addressed in the defined scope of work and that no essentials are overlooked or omitted.***

The SAIF® methodology addresses Governance, Operations, Technology and Facilities considerations in a structured manner so that critical inter-relationships between these domains are well understood, documented and planned. This allows sound Business Case, Business Model and Lifecycle plans to be developed that map to the client’s unique needs and constraints. Depending on the scope of services required by the client, iXP tailors the project plan with elements from the SAIF® project lifecycle to meet the client’s needs. This assures that no matter how broad or narrow the specific engagement, the work products are structured in a manner that recognizes their relationships to the full life cycle of the initiative. ***An overview diagram of the SAIF methodology is depicted here.***



Again, as part of our **SAIF** methodology, we include the integration of the four critical building blocks of - Governance, Operations, Technology, and Facilities.

Governance - insuring the alignment of organization leadership and navigating through the process of achieving consensus on program vision, standards, and procedures.

Operations - reviewing policies and procedures and gauging all plans, designs, and implementations in relation to how well they will improve the business operations.

Technology - optimizing security, efficiency, and information availability through assessed reviews of existing technology environments and producing recommendations for vendor independent solutions that provide the “best fit” for meeting and exceeding custom business requirements.

Facilities - supporting business operations by providing information protection through limiting exposure to threats while maintaining high availability and reliability of data and a secure work environment.

Our proven methodology and four keystone building blocks insure we establish a “public safety mindset” where consultants create a culture that places customer service first. This is done through understanding the vision of government leaders, early inclusion and team building with project stakeholders, our ability to lead and motivate, delivering a solution in a predictable and cost-effective manner, and bridging work groups by facilitating ongoing communications effectively.

iXP Privatization consultants address a client’s true business need, problem definition, and solution options through a phased approach with includes:

- Assessment
- Design and Build of a Business Case
- Implementation

Assessment

Our assessments always begin with a visioning session, a baseline inventory and evaluation of the client’s current environment and business objectives. Our findings will identify vulnerabilities and severity of risks and make recommendations that facilitate discussions which will result in a high level conceptual design for a preliminary system-wide solution. Successful business continuity planning requires a unique focus. It’s more than just understanding facilities and systems. It understands the human activities, the support activities, and the vendor relationships that allow our client’s organization to sustain operations even under the direst circumstances.

Design and Build of a Business Case

The iXP technical team will develop and deliver written preliminary governance/operational requirements, design specifications and solution options based on the client's functional and performance requirements. This will provide clients with budgetary cost estimates and the preliminary implementation timelines associated with the recommended technology solutions and the exact elements required for implementing the project to a successful conclusion. This excellence in upfront planning allows clients to manage costs early in the project, achieve a degree of financial predictability and avoidance of costly changes later in the effort. Planning allows our clients to define where they are now, where they want to be in the future, and how to get there. Knowing where the end is, is critically important and our written plan is their roadmap to success.

Implementation

Our iXP implementation team will help clients with the selection of public safety industry standards and best practices that meet or exceed their business requirements while transforming their internal agency culture to meet the demands of evolving Federal, State and local security and legal concerns.

Whether contracted for a complete communications center build from the ground up or simply the outsourcing of dispatching services, project management consultants will oversee vendor selection, personnel management, technology delivery and integration, system administration, testing, turn-up and training. Through ongoing assessments we will identify any operational changes that should be integrated into the client's implementation and training needs.

Consultants will constantly evaluate against the client's operational environment to ensure the defined program objectives are being met and regularly report, through an established communication process, both internally and externally, throughout the project.

In summary the iXP approach includes:

- Alignment of all stakeholders to a common vision and goals
- Assessments of risk severity and identification of project scope, gap analysis
- Comprehensive planning that spans the entire project
- Design and Delivery of a Business Case
- Coordinated performance of all members involved
- Ongoing project monitoring and course correction
- Preparing for and managing change
- Proactive and open communication
- Ongoing managed services

The bottom line - our Privatized managed services offer clients a full service approach.

An Example of How iXP Makes it Work

iXP Develops New Shared Communications Center for Sandy Springs and Johns Creek, GA

The Situation

The newly incorporated cities of Sandy Springs and Johns Creek, Georgia engaged iXP to provide both consulting and project management services to develop an E911/Dispatch Emergency Communications Center to serve their respective newly formed police and fire operations. Sandy Springs and Johns Creek, with respective populations of 100,000 and 70,000, are both located within the northern Atlanta metro area and, although only recently incorporated, represent well established and vibrant communities.

Not satisfied with the level of public safety and civic services being provided through a county system, both cities have made significant efforts to create local services while upgrading the quality, scope and response to their residents. Having completed much of the process, they turned to iXP to provide the final, critical piece of their public safety forces - an Enhanced 911/Emergency Communications Center.

The Solution

This effort resulted in a "ground up" design, implementation and operation of a Communication Center and associated technologies. It featured the identification and build-out of the facility and a comprehensive technical program. Among the items implemented are an integration of a CAD system with interfaces to multiple RMS programs, 9-1-1 and general telephony systems, Automatic Vehicle Location system, and an early warning system. iXP needed to plan and execute a CAD solution that was right for a newly consolidated dispatch operation, while also being a good fit for several incumbent RMS environments in the participating agencies. We developed the requirements, requested solutions from vendors, evaluated options, selected and implemented the new systems.

Since this is a build-own-operate situation, we have the added insights of not just making recommendations but then implementing and operating successfully based on those recommendations. Therefore, Governance processes, the Concept of Operations and Standard Operating Procedures have also been developed in accordance with high levels of accepted public safety communications practices and nationally accepted standards with an expectation of national accreditation in the future.

iXP also performed a detailed operations and staffing analysis for the E911/Dispatch Emergency Communications Center.

The Results

The result is a state-of-the-art Communications Center that jointly serves the police and fire operations of these two cities, coordinate critical communications with contract EMS services and is poised strategically to expand the scope of operations to include additional emerging incorporated cities or existing neighboring operations to take advantage of economy of scale.

iXP provided the services to find and 'outfit' the facility, design and procure all the technology and systems in support of the 9-1-1 center (including CAD, telephony, radio, Logging/Recording, time synchronization, etc.), and hired and trained the employees that are now providing the call taking and dispatch services within seven (7) months of contract signing..

Continuing as a trusted partner, iXP is now operating the Communications Center and selected technologies on a service level delivery basis founded on the outcomes of the staffing analyses. As such, our operational and staffing models and recommendations, as well as the technologies selected and implemented, must be based on sound methodologies as we 'live by' our recommendations under a performance-based contract.

Can this work in New Jersey?

In our own home State of New Jersey there currently exists a fiscal crisis. Budget deficits are projected to increase over the next couple of years. Privatization solutions are actively being sought by Governor Christie's Privatization Task Force.

Municipal Privatization

Municipalities are facing reduced State subsidies due to the current economic crisis sweeping across the State. For municipalities looking into shared services, some have begun to look into consolidation solutions for 9-1-1 call taking and dispatching services.

Consolidation is the first step to reaching Privatization, but Privatization it seems has not been a targeted goal. ***This short sighted misstep means municipalities will not realize millions of dollars in additional savings they so desperately need.***

This can best be exemplified by the recently published results of a consolidation feasibility study conducted in Monmouth County⁸. The reports states that the six municipalities involved in the study could potentially save \$3.2 million dollars over the next 5 years through consolidation of dispatch services into a locally shared facility.

NOTE: While on the surface it may seem to make sense to consolidate dispatching across the State into the twenty-one existing County facilities, this is not always a workable solution. Reported quality of service concerns have continued to surface and as in the Monmouth County study, the lack of the County's current capacity to absorb additional agencies is forcing municipal agencies to explore local consolidation solutions.

It cannot be over stated that the vision and scope of the Monmouth County consolidation project study does not go far enough in offering potential cost savings. It, like most previous consolidation efforts, has completely missed the mark with regard to Privatization.

Let's quickly assess how Privatization could improve this project's outcome. According to the study:

- \$3.2 million dollars in combined savings would be realized over 5 years
- Average savings: just above \$100,000.00 per agency, per year¹

Now add Privatization of the recommended eighteen employees and the project could realize:

- An **additional** \$6.3 million dollars in savings over 5 years, which equates to
- An **additional** savings of approximately \$250,000.00 per agency, per year

This is more than double the savings of consolidation alone!

It is time for municipal leaders to seriously consider their Privatization options.

State Level Privatization

A quick look at existing State Police call taking and dispatching operations reveals over thirty supervisory troopers, with an annual cost for salary and benefits exceeding 4 million dollars. These troopers supervise over 200 call takers and dispatchers in 5 regional centers. The annual cost for civilian salary and benefits for these 200+ employees exceeds 11 million dollars⁹.

Total current cost for salary and benefits approximately 15 million dollars annually.

Applying our formula of 25% reduced savings through Privatization:

- ***An annual savings nearing 4 million dollars could be realized and***
- ***Over thirty troopers could be returned to specialized police services or uniformed duty redirecting an additional 4 million dollars.***
- ***Annual combined savings gain: approximately 8 million dollars!***

The time to talk is now.

iXP . . . Value Delivered. Problem Solved.



¹ All numbers reflect participating agencies with a >3% representation within the project. To avoid skewing, Lake Como was excluded in estimations.

ENDNOTES

¹ Mackinac Center for Public Policy, 911 Emergency Response: Dispatching Privatization, 1998, 15 April 2010 <<http://www.mackinac.org/797>>

² American Federation of State, County and Municipal Employees (AFSCME), Fighting Privatization of Government Services, Resolution No: 51, 38th International Convention, Moscone West, 2008, 15 April 2010 <<http://www.afscme.org/members/24346.cfm>>

³ Leonard Gilroy, The Reason Foundation, Local Government Privatization-101, 2010, 15 April 2010 <<http://reason.org/news/show/local-government-privatization-101>>

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Mackinac 1998.

⁸ Neptune Township, Intertech Associates Inc., Shared Services Feasibility Study: Dispatch and Related Functions, 15 April 2010
<<http://www.neptunetownship.org/upload/documents/2010Clerk/DispatchStudyPresentation.pdf>>

⁹ The Asbury Park Press, 2009 NJ State Employees, 15 April 2010
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