

CLEANING STREETS & PARKING FACILITIES

THE MOTTO OF TODAY'S PUBLIC WORKS DEPARTMENT LOOKING TO THE 80'S SHOULD BE "DO MORE - WITH LESS."

PUBLIC WORKS OFFICIALS ARE CAUGHT BETWEEN RISING COSTS AND PROSPECTIVE LOWER TAXES. THEY ARE DESPERATELY CAUGHT IN A TRAP LOOKING FOR A WAY OUT. THE PRIVATE SECTOR MAY BE ABLE TO HELP OUT. PROFESSOR E.S.SAVAS OF COLUMBIA UNIVERSITY, FOUR YEARS AGO MADE THE STATEMENT,

"PEOPLE TEND TO AUTOMATICALLY EQUATE PUBLIC SERVICES WITH PUBLIC AGENCIES, THEY ASSUME THAT PUBLIC SERVICES MUST BE PROVIDED BY PUBLIC EMPLOYEES WORKING FOR PUBLIC AGENCIES. BUT NO LAWS REQUIRE THIS. MOSES DID NOT COME DOWN FROM THE MOUNTAIN WITH THIS A SECRET CODICIL TO THE TEN COMMANDMENTS. IN FACT THERE ARE OTHER WAYS TO PROVIDE THESE SERVICES."

THE MAJORITY OF SERVICES PROVIDED BY THE AVERAGE PUBLIC WORKS DEPARTMENT ARE IN THE REALM OF THE HEALTH & SAFETY SERVICES. THEY RANGE FROM HIGHWAY CONSTRUCTION AND MAINTENANCE, RUBBISH COLLECTION, SEWER AND WATER SERVICES, STREET CLEANING, AND MANY OTHERS. THE STREETS ARE CLEANED FOR TWO BASIC REASONS, POLLUTION CONTROL AND AESTHETICS. STREET CLEANING IS ONE OF THE LEAST RECOGNIZED FORMS OF POLLUTION ABATEMENT. POLLUTION SUCH AS WATER POLLUTION FROM RUNOFF WHICH IS CARRIED TO RIVERS AND WATER COURSES THRU STORM DRAINS AND COMBINED SEWERS, AIR POLLUTION FROM THE STENCH OF DEBRIS IN GUTTERS AND SIDEWALKS, HEALTH HAZARDS FROM GERMS AND BACTERIA AND GENERAL AESTHETICS ARE BUT A FEW OF THE PROBLEMS.

MANY CITIES CONTRACT WITH PRIVATE FIRMS TO PERFORM PUBLIC SERVICES - INCLUDING STREET LIGHTING, REFUSE COLLECTION AND DISPOSAL, WATER SUPPLY, ENGINEERING SERVICES, AMBULANCES, MAPPING, PLANNING, ZONING CONTROL, TAX ASSESSMENTS AND COLLECTION, PAYROLL PROCESSING, COMPUTER OPERATION, FIRE PROTECTION, SNOW REMOVAL, LIBRARIES, LEGAL SERVICES, ANIMAL CONTROL, SUICIDE SERVICES, HEALTH SERVICES, RECREATION PROGRAMS, GUARD SERVICES AND STREET CLEANING.

WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF PRIVATE CONTRACTING?

CAN IT SAVE MONEY?

IS THE SERVICE SATISFACTORY?

IF ITS A GOOD IDEA WHY DON'T MORE LOCAL GOVERNMENTS DO IT?
AND ASK FOR MORE SERVICES?

THE EVALUATION OF WHETHER TO CONTRACT SERVICES OR TO PERFORM THEM IN-HOUSE WITH A REGULAR WORK FORCE WILL VARY FROM CITY TO CITY. THERE ARE MANY REASONS FOR CONTRACTING AND MANY REASONS FOR NOT CONTRACTING.

IN CAMBRIDGE, MASS. SEVERAL REASONS FOR CONTRACTING SERVICES ARE:

- . WE HAVE 145 MILES OF STREETS,
- . IT IS THE 3RD MOST CONGESTED CITY IN THE U.S. WITH 102,000 PEOPLE IN 6 SQ. MILES,
- . 35,000 REGISTERED VEHICLES THAT SKYROCKET TO 125,000 PARKED VEHICLES PER DAY,
- . THERE ARE NOT ENOUGH LEGAL PARKING SPOTS FOR ALL THE VEHICLES THAT USE THE CITY STREETS IN ANY GIVEN DAY,

AND WE HAVE A MANDATED STREET
CLEANING PROGRAM.

HAVING HEARD THESE REASONS, YOU'RE PROBABLY THINKING HE HASN'T TOLD ME ANY REASON WHY I SHOULD BE CONTRACTING SERVICES INSTEAD OF DOING THEM IN-HOUSE. SO FAR YOU'RE RIGHT, BUT BEFORE WE CAN DEFINE THE ADVANTAGES AND DISADVANTAGES A LITTLE HISTORY ON THE STREET CLEANING PROGRAM IN CAMBRIDGE.

THE PRESENT STREET CLEANING PROGRAM IN CAMBRIDGE WAS STARTED 6 YEARS AGO BY A DIRECTIVE FROM THE CITY COUNCIL AFTER ONE CITY COUNCILLOR COMPLAINED THAT CAMBRIDGE HAD THE DIRTIEST STREETS ANYWHERE. TODAY THE ENTIRE CITY IS SWEEPED EVERY MONTH. THE CITY IS DIVIDED INTO 10 SWEEPING DISTRICTS. WITH AN AVERAGE OF 20 WORKING DAYS PER MONTH, EACH DISTRICT CAN HAVE BOTH SIDES OF A STREET SWEEPED IN TWO CONSECUTIVE DAYS.

THIS WAS THE FIRST MAJOR UNDERTAKING TO CLEAN STREETS IN THIS EXTREMELY DENSE URBAN CITY. ORIGINALLY WE POSTED PAPER SIGNS 48 HOURS BEFORE SWEEPING. THIS WAS EFFECTIVE, BUT COSTLY. AT FIRST WE TOWED APPROXIMATELY 3,000 CARS PER MONTH. HOWEVER, THE SITUATION WAS STILL FAR FROM PERFECT. RESIDENTS WERE COMPLAINING - NOT ABOUT THE TOWING, BUT ABOUT STREETS NOT BEING SWEEPED. THE DELAYS WERE CAUSED BY MANY PROBLEMS: WEATHER, SHORTAGES OF TOW TRUCKS AND MANPOWER, EQUIPMENT BREAKDOWNS, AND POLICE DEPT. PRIORITIES.

IN 1979 WE KNEW THE PROGRAM WAS IN TROUBLE. WE CHANGED THE TEMPORARY PAPER SIGNS FOR PERMANENT ONES WHICH DESIGNATED A PARTICULAR DAY OF THE MONTH (1ST MONDAY, 2ND TUESDAY) FOR CLEANING EACH STREET IN THE CITY. WE HAD ATTEMPTED TO KEEP 3 OF OUR 5 SWEEPERS AVAILABLE FOR USE. SINCE WE HAD ONLY BEEN ABLE TO MAINTAIN 2 SWEEPERS ON AN AVERAGE, WE HAD TO CONSIDER CONTRACTING.

WHEN MANY CITIES COMPARE CONTRACT COSTS TO IN-HOUSE COSTS, THEY DON'T ALWAYS ADD ALL THE TANGIBLE COSTS INVOLVED. THIS IS PARTLY BECAUSE IT IS VERY DIFFICULT FOR THE MUNICIPAL GOVERNMENT TO OBTAIN WHAT ACTUAL DOLLAR COSTS ARE, PARTICULARLY FRINGE BENEFITS, VEHICLE MAINTENANCE COST PER VEHICLE, SUPERVISORY TIME, OVERHEAD TIME, AND MOST OF ALL PRODUCTIVITY FACTORS. MANY CITIES, IF ASKED WHAT THEIR AVERAGE PRODUCTIVITY PER OPERATION IS, PROBABLY COULDN'T TELL YOU, AND IF THEY DID, THEY WOULD ESTIMATE IT EXTREMELY HIGH. PRODUCTIVITY IS PROBABLY THE SINGLE MOST IMPORTANT MAJOR COST FACTOR.

OUR CITY, LIKE MANY, AVERAGES AROUND 60%. AT FIRST 60% SOUNDS STAGGERING, BUT WHEN YOU TAKE THE TOTAL MANHOURS WORKED IN A YEAR AND START SUBTRACTING OUT VACATIONS, SICKTIME, HOLIDAYS, PERSONAL DAYS, OUTAGES ETC., IT IS NOT VERY HARD TO ARRIVE AT A 60% FIGURE. EQUIPMENT COSTS ARE ALSO TOUGH TO INCLUDE, BUT IN CAMBRIDGE WE FOUND THAT WE NEEDED 5 SWEEPERS TO KEEP 3 ON THE ROAD.

LET ME GIVE YOU SOME NUMBERS FOR THE COST OF SWEEPING IN CAMBRIDGE WITH CITY FORCES. ALL OF THESE COSTS ARE ADJUSTED TO 1980 DOLLARS.

COST FOR CITY EQUIPMENT

COST FOR EQUIPMENT

(5) SWEEPERS @ \$ 55,000 EA. 6YR. LIFE

EQUIPMENT COST PER YEAR - \$ 45,000 EQUIP/YR.
WITH NO FINANCE COSTS

LABOR (5) OPERATORS

\$ 16,000 PER/MAN/YEAR INCLUDING
FRINGES @ 40% - \$ 80,000 YR.

FUEL - 3500 GALS @ .85 \$ 3,000

MANINTENACE COSTS - \$5,000/UNIT \$ 25,000

SUPERVISOR, OVERHEAD - \$10,000 YR.
(MISC., PARTS PICKUP) MECHANIC \$ 10,000 YR.TOTAL COST YEAR
\$163,000

THIS YEAR OUR 1980 COST ARE AS FOLLOWS:

CONTRACT EQUIPMENT

\$ 270 PER DAY/UNIT

X 20 DAYS X 2 UNITS FOR 10 MONTHS = \$108,000

LABOR - INCLUDED ABOVE

MAINTENANCE COST - INCLUDED ABOVE

OVERHEAD, MECHANIC - INCLUDED ABOVE

TOTAL
\$108,000

ALREADY IT APPEARS TO BE CHEAPER TO CONTRACT, BUT NOW LET ME ADD IN SOME OF THE INTANGIBLE COSTS.

HOW MANY OF YOU HAVE HAD A SWEEPER IN THE GARAGE FOR WEEKS, ONLY TO HAVE YOUR CHIEF MAINTENANCE MAN SAY ITS FINALLY READY?

YOU ASSIGN YOUR OPERATOR A ROUTE AND HE HEADS OUT OF THE GARAGE TO ONLY HIT A CURBSTONE 10 MINUTES AFTER LEAVING THE GARAGE BREAKING THE SHOE OFF, OR THE GUTTER BROOM OR SOME OTHER MORE SERIOUS DAMAGE. HE HEADS BACK TO SPEND THE ENTIRE DAY READING A NEWSPAPER OR MAGAZINES.

HOW ABOUT THE SITUATION IN WHICH YOU GET BADGERED BY THE UNION OR AN OPERATOR TO UPGRADE A DRIVER, THEN A YEAR LATER HE DECIDES HE DOESN'T WANT TO DRIVE A SWEEPER ANYMORE, HE HAS HIS RATING, NOW WHAT..

HE TELLS YOU "I'M NOT GOING TO DRIVE THAT SWEEPER, TRANSFER ME OR ELSE." YOU ELECT NOT TO TRANSFER HIM AND SOMEHOW HE ALL OF A SUDDEN IS ON WORKMENS COMPENSATION.

IF HE'S NOT ON WORKMENS COMPENSATION, THE SWEEPER IS. THERE IS NO WAY YOU CAN CONTROL THIS.

HOW DO YOU PLACE A DOLLAR VALUE ON THIS NONSENSE?

THE COMPLEXITY OF OUR PROGRAM, THE ESTIMATED COST SAVINGS AND THE LACK OF PRODUCTIVITY, CAUSED US TO SERIOUSLY REEVALUATE OUR PROGRAM. INEVITABLY CAME THE DECISION TO CONTRACT.

SINCE WE HAVE CONTRACTED THE SWEEPING, WE EVEN HAVE INTANGIBLE EXTRAS -

- . IN 6 MONTHS OF TOTAL CONTRACT SWEEPING LESS THAN (1) TOTAL DAY OF DOWN-TIME,
- . 2 SWEEPERS FULL-TIME
8 HRS./DAY VS. 3 CITY,
- . COMPLETE WORK SCHEDULE EVERY DAY

BUT MOST IMPORTANT, NO HEADACHES.

IF SOMEBODY WERE TO ASK ME WHAT'S THE REASON, SIMPLY PUT, IT'S THE PRIVATE INCENTIVE.

- . IF THE HIRED SWEEPER DOESN'T SWEEP,
- . THE COMPANY DOESN'T GET PAID,
- . IF THE COMPANY DOESN'T GET PAID,
THE DRIVER DOESN'T,

HE CAN'T COME BACK TO THE GARAGE AND SIT AROUND ALL DAY.

HOWEVER IT'S NOT ALL ROSES

MOST CITIES AND TOWNS ARE HEAVILY UNIONIZED AND THE DECISION TO CONTRACT IS NOT MADE LIGHTLY, AND EVEN AFTER IT'S MADE, IT'S NOT AN EASY TASK TO IMPLEMENT. MOST UNIONS WILL RESIST ELIMINATION OF SERVICES TO CONTRACTORS, AND UNLESS YOU HAVE A COLLECTIVE BARGAINING AGREEMENT GIVING YOU CARTE BLANCHE, GO SLOW.

IN CAMBRIDGE WE WENT SLOW. IT TOOK US TWO YEARS TO DO IT AND IT HAS BEEN PEACEFUL. AS EARLY AS LAST YEAR WHEN WE COULD NOT KEEP OUR SWEEPERS ON THE ROAD, WE HIRED ONE SWEEPER INTERMITTENTLY THROUGHOUT THE SEASON. IN THE FALL, ATTRITION THROUGH RETIREMENTS CREATED 6 VACANCIES IN THE DEPARTMENT. DURING THE FALL AND WINTER WE RE-ASSIGNED 2 OPERATORS TO CONSTRUCTION EQUIPMENT, WHICH THEY PREFERRED TO OPERATE. WE WERE MISSING OUR PROBLEM CHILD BECAUSE OF WORKMENS COMP. AND HE WASN'T COMING BACK UNTIL HE WAS OFF A SWEEPER.

WE ARE NOW FACED WITH BUYING 2 NEW SWEEPERS AT A COST IN EXCESS OF \$ 100,000.

THE TIME WAS RIGHT, IT WAS BUDGET PREPARATION TIME. AS I STATED EARLIER, THE CITY COUNCIL WAS CONCERNED WITH THE STREET CLEANING PROGRAM, COMPLAINTS WERE NUMEROUS, STREETS WERE NOT SWEPT. THE CRY WAS LOUD,

"YOUR STREET CLEANING PROGRAM WAS IN TROUBLE."

AFTER LISTENING TO THE FINANCE COMMITTEE CUT THE BUDGET, THEY ACTUALLY ASKED IF WE HAD ENOUGH MONEY FOR STREET CLEANING.

I SUBMITTED THE BUDGET SHOWING CONTRACT SWEEPING, AND AFTER THE GASPS AND SIGHS, I TOLD THEM WE WOULD NOW DO WITH 2 SWEEPERS WHAT WE WERE DOING WITH 5. THEY WERE APPREHENSIVE BUT WERE WILLING TO TRY ANYTHING.

THE PROGRAM NOW IS AN UNQUALIFIED SUCCESS, BUT MOST OF ALL NO HASSLES.

ADVOCATES OF GOVERNMENT PROVISION OF SERVICES CLAIM THAT THEY CAN DO THE JOB AT LOWER COSTS THAN PRIVATE FIRMS, BECAUSE THEY ARE LARGE ENOUGH TO PURCHASE SUPPLIES AND EQUIPMENT AT LOWER PRICES. THEY DO NOT MAKE A PROFIT; THEY DO NOT PAY TAXES. THEY ARGUE THEY PROVIDE BETTER QUALITY SERVICES BECAUSE OF GREATER DEDICATION BY PUBLIC SERVANTS AND GREATER RESPONSIVENESS TO THE CITIZENS.

CRITICS OF GOVERNMENT RESPOND THAT MANY LOCAL GOVERNMENTS ARE TOO SMALL TO ACHIEVE ECONOMIES, AND OTHERS ARE TOO LARGE. THEY OPERATE WITH BLOATED, COSTLY, MULTI-TIERED BUREAUCRATS. THEY CLAIM THE GOVERNMENTS DON'T PAY SALES TAXES, EXCISE, AND INCOME TAXES, THEREFORE, THE PUBLIC MUST PAY HIGHER TAXES. THEY ALSO CRITICIZE PUBLIC PERSONNEL SYSTEMS THAT FAIL TO RELATE PAY TO PERFORMANCE. SO CALLED MERIT SYSTEMS ARE ALMOST UNHEARD OF IN PUBLIC SYSTEMS.

THERE ARE MANY IDEOLOGICAL OVERTONES IN THE DEBATE, BUT LATELY MORE AND MORE STUDIES ARE BEING DONE TO ACTUALLY DETERMINE COSTS.

PERHAPS MORE STUDIES HAVE BEEN DONE ON CONTRACT RUBBISH COLLECTION VS. MUNICIPAL COLLECTION THAN ON STREET CLEANING. AS MANY AS 6 MAJOR STUDIES MAJOR STUDIES HAVE BEEN DONE IN THE U.S. WITH ONLY ONE SHOWING IN SMALL CITIES, THAT MUNICIPAL COLLECTION WAS CHEAPER.

THE RUBBISH COLLECTION STUDIES SHOWED A RANGE OF 14 TO 43 PERCENT MORE EXPENSIVE FOR MUNICIPAL COLLECTION, AND THE CONTRACTS INCLUDE TAXES PAID BY PRIVATE FIRMS TO GOVERNMENTS.

OUR CONTRACT, SWEEPING VS. MUNICIPAL SWEEPING SHOWS A 50% INCREASE USING MUNICIPAL FORCES.

THE MASS. LAW ADVOCATE IN APRIL 1979, WHEN MASSACHUSETTS WAS FACING A 4% TAX CAP, PUBLISHED 61 COST EFFICIENCY IDEAS. ELEVEN OF THESE IDEAS RECOMMENDED CONTRACTING OUT SERVICES.

THE CALIFORNIA LEAGUE OF CITIES MEETING AT ANAHEIM IN 1978, RECOMMENDED PROVIDING SERVICES BY CONTRACT RATHER THAN CITY PERSONNEL.

MANY LOCAL OFFICIALS FEAR CONTRACTING, ARGUING THAT EFFICIENCY WOULD REDUCE THEIR WORK FORCE AND THESE UNEMPLOYED WOULD GO ON WELFARE, LEAVING THE CITY WORSE OFF. IT WOULD BE SAD TO HAVE A FULL EMPLOYMENT PROGRAM BASED ON GOVERNMENT INEFFICIENCY.

IF GOVERNMENT WANTS TO CREATE PUBLIC JOBS, THE ADDITIONAL JOBS SHOULD BE PROVIDED FOR ADDITIONAL SERVICES.

PUBLIC EMPLOYEE UNIONS WILL OPPOSE THE IDEA OF CONTRACTING SERVICES, BUT THE OPPORTUNITIES FOR CONTRACTING ARE TREMENDOUS. IRONICALLY, SOME PRIVATE SECTOR UNIONS WILL GAIN MEMBERS THROUGH CONTRACTING.

THE MASSACHUSETTS MUNICIPAL ASSOCIATION PUBLISHED A LIST OF ITEMS TO CONSIDER WHEN CONTRACTING SERVICES. COPIES ARE AVAILABLE IF YOU WANT THEM.

CONTRACTING SHOULD BE CAREFULLY PLANNED, AND SHOULD NOT BE AN EXCUSE FOR ABDICATING RESPONSIBILITY. SPECIFICATIONS NEED TO BE CAREFULLY PREPARED, CONTRACTORS CAREFULLY SELECTED AND CONTRACT PERFORMANCE MONITORED.

HOWEVER, THERE IS HOPE IF IT IS DONE RIGHT. PRIVATE CONTRACTING CAN REDUCE GOVERNMENT COSTS WITHOUT REDUCING SERVICES AND MOST IMPORTANT THERE IS HOPE FOR BOTH THE OVERTAXED CITIZEN AND THE HARRIED PUBLIC OFFICIAL. IT IS UP TO YOU TO EVALUATE YOUR PARTICULAR SITUATION AND DECIDE WHETHER OR NOT YOU FEEL MY POINTS ARE VALID.



CITY OF CAMBRIDGE
INTEROFFICE CORRESPONDENCE

To : Mr. Robert Healy
City Manager

Date : September 18, 1981

From : Conrad C. Fagone, Commissioner *C Fagone* Reference
Public Works Department

Subject: CONTRACT SWEEPING OF STREETS

At last Monday's City Council meeting there were some discussions and concerns on the street cleaning program. There was also a number of comments made as to the uses of contract sweeping as opposed to doing it in-house.

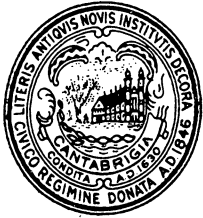
Enclosed are copies of the paper that I presented to the APWA National Convention last year on contract sweeping. While the numbers are out of date, the majority of the information is still valid, and it might be helpful if the City Council members received this information.

enc.

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CITY MANAGER

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CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

September 21, 1981

To the Honorable, the City Council:

Enclosed please find copies of a communication and a 1980 speech submitted by Conrad C. Fagone, Commissioner of Public Works, for your information relative to contracting street sweeping services.

Very truly yours,

Robert W. Healy
City Manager

RWH/mbf
Encs. 2

Agenda Item # 4 *A-133*

Re: Recommendation for policy change
relative to the contracting of street
sweeping services.

In City Council,

September 21, 1981

9/21/81

Placed

ON

File-

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