

Privatization: A Management Tool That Works for Public Works Sometimes

American Public Works Association
International Congress
Columbus Ohio
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Refuse Collection in Milwaukee 1973 - Bill Kappel (right)



What is Privatization?



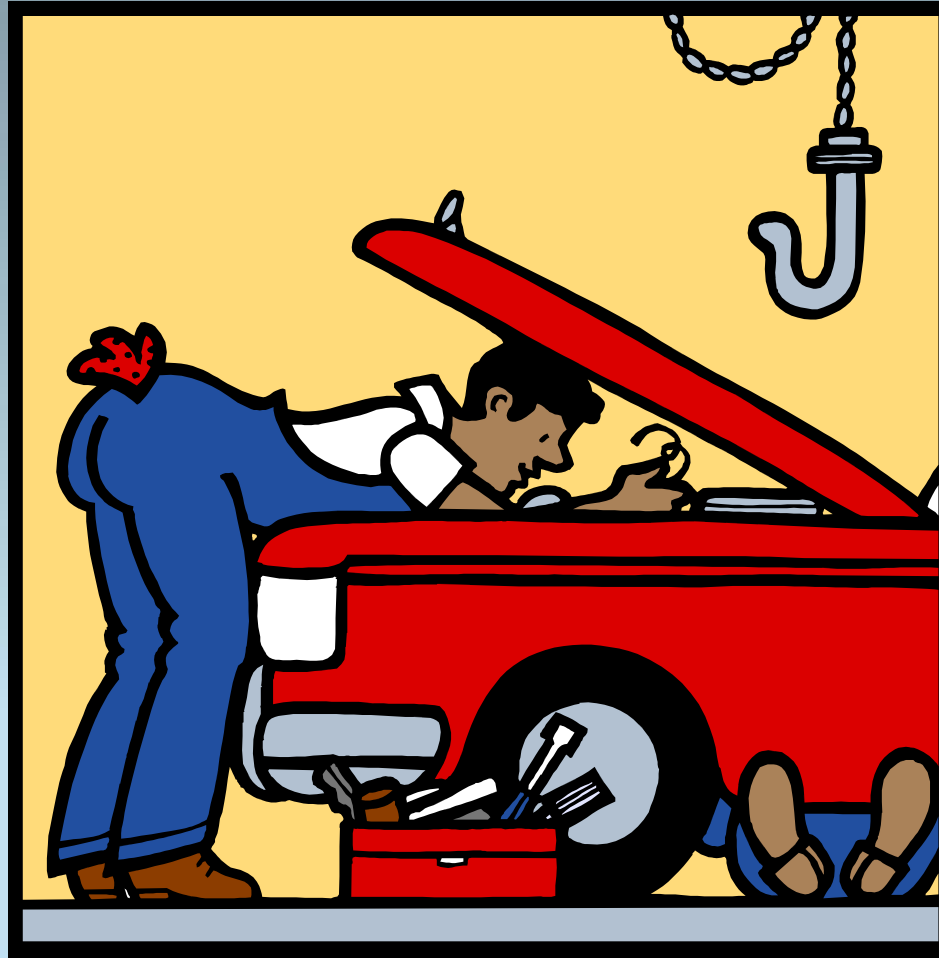
Privatization Defined

The shifting of the production of a good or the provision of a service from government to the private sector.

Dragged Kicking & Screaming!



First Attempt – Failure!



Crack Filling



Pour Pot



Wand

The numbers

Private contractors

\$ 0.85 - \$1.25/ Pound

City of Wauwatosa *

\$ 2.95/pound



* Estimated by Dr. Bill Tarman-Ramcheck 4/28/03

“For the purpose of subcontracting the City chooses to implement, the City may transfer employees involuntarily (a) to another job assignment in their classification or (b) to another classification assignment which will not cause a constructive discharge (i.e. a job which the employee cannot perform) or reasonable change in working conditions from that employee. The involuntarily transferred employee will not lose pay or 40 hours of regular work per week.”

Street Lighting

- Privatized 1990
- Multiple bidders
- Outdoor Lighting
- Retained contract until 1998

- Contract Bid 1998
- Two bidders
- Pieper Electric
- Contract until 2000
- Extended until 2001
- Extra costs & control

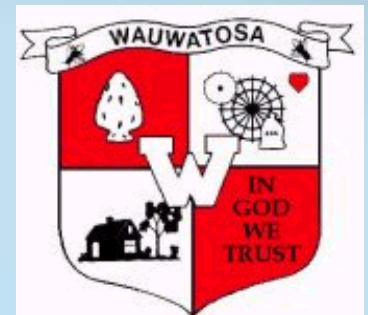
2001 Budget presentation recommended returning street lighting in-house
Still had vehicles & equipment

- First full year of operating ended June 2003
- Saved over \$25,000
- Continue to monitor expenditures



Construction Inspection

- Owners representative on the job
- Answers questions from residents
- Makes sure contractor is performing proper installations
- Makes in-field decisions



Construction Inspection

- 2002 added one construction inspector to staff
- Picked up 750 hours plus of work time not received from Contract inspectors-annually
- Used time to get as-builds unto plans
- More satisfied with level of inspection



Street Sweeping

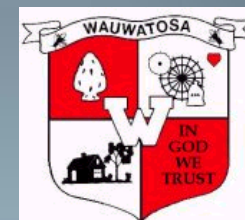
- Privatized in 1984 as part of an omnibus Solid Waste agreement
- 2003 Specifications for Street Sweeping were sent out separately
- Two proposals were received from private contract sweeper companies in addition to City of Milwaukee



Street Sweeping 2003

- Company A
(Wauwatosa handles sweepings)

- \$68, 424*



- Company B
(Wauwatosa handles sweepings)

- \$ 69, 588*

- \$ 69, 470.09

City of Milwaukee

Hauling & Disposal of sweepings included

Did not include cost of disposal of sweepings

- Estimated cost of hauling & disposal
\$11,900

2004 Street Sweeping

- City of Milwaukee

7% plus increase

Price just under \$75,000



- City of Wauwatosa

Multipurpose piece of equipment

Control of Operation

Costs with Fringes
& increased sweeping

\$67,388.26



Other areas of Privatization

- Pavement Marking
- Yard Waste Collection & Recycling
- Construction Inspection – Public & Private
- All Street & Sidewalk Construction
- Dutch Elm removals - Public & Private
- Boulevard maintenance – grass cutting
- Boulevard maintenance – Flowers



A Hybrid Approach



Single Stream Collection Carts delivered in November of 2007



February 7, 2008

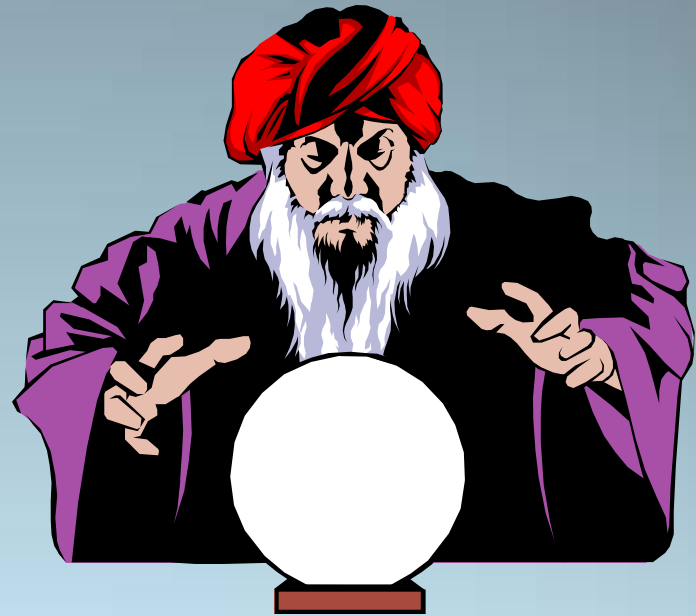


April 15, 2009



WHAT LIES AHEAD?

- Solid Waste Collection
- Traffic Sign Production & Installation
- Utility Cut Restoration
- Fleet Maintenance
- Engineering – Designs & Specifications
- Survey work
- Hotline Utilities
- Snow Plowing



What's my Best Advice?

