Thinking Beyond the Fence Line: Exploring Public-Public Partnerships & Intergovernmental Support Agreements

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About Us & Introductions: What is the Monterey Model?
What We’re Going to Cover Today

1. What is the Monterey Model?
2. Why partner?
3. How did the partnership evolve?
4. How was the IGSA created?
5. How do you start one?

The Keys to Success

- Inspire
- Share
- Trust
- Negotiate
- Benefit
- Cooperate
- Inform
1. What is the Monterey Model?

A partnership, between Presidio Municipal Services Agency (PMSA), and Presidio of Monterey (POM).

Mature Partnership

Began 1998, under demonstration legislation, then Federal Acquisition Regulation (FAR) contract. IGSA executed in 2016.

Mutual Benefit/Mutual Risk

The Presidio of Monterey Is...

Defense Language Institute Foreign Language Center (DLIFLC):

Instruction in more than two dozen languages
- 3500 soldiers, marines, sailors and airmen
- 1700 instructors from over 50 counties
- $400M Federal budget

- 6,000 people- students, civilians, instructors.
- 192 buildings, early 1900’s to state of the art.
- Barracks, classrooms, offices, medical and dental clinic, dining facilities.
Military Scope in Monterey County

Monterey County

- 15 Total Military Installations
- 15,600 Federal Jobs
- Naval Post Graduate School
- Defense Language Institute
- DoD Center
- U.S. Army Satellite Command
- Fleet Numerical & Oceanography Center
- Naval Research Laboratory
- $1.4B Budget

The Monterey Model is About...

- Efficiency/Saving Taxpayer Dollars
- Quality
- Creativity
- Interdependence
- Collaboration-Shared Responsibility
- Trust
- Section 331 IGSA
- Section 2667
- Accounting/Cost Control
- Preserving regional economic stability
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- The best is yet to come
- Complementary Skills
2. Why Partner?

The Precipitating Event: 1993
BRAC Commission Findings

“It was apparent more efficient methods of base-operations support were not explored, specifically a consolidation with the Naval Postgraduate School also located in Monterey. In addition, other alternatives have not been explored, such as a commercial-activities contract with the local communities for base-operations.”

Excerpt from 1993 Defense Base Closure and Realignment Commission Report

1993 BRAC Commission Recommendation

“Consolidate base-operations support with the Naval Postgraduate School by inter-service support agreement. The Department of Defense will evaluate whether contracted base-operations support will provide savings for the Presidio of Monterey.”

Excerpt from 1993 Defense Base Closure and Realignment Commission Report
Commonality of Interests

City Manager Objectives:
- Serve their citizens (to include military)
- Be cost effective
- Keep our base open

Installation Commander Objectives:
- Serve soldiers and families
- Be cost effective
- Accomplish Operational Mission

Partnership Opportunities

Unused / Underutilized Assets
- Opportunity: Joint Use?
- Sport Facilities, Child Care, Office Park/Buildings, Chapels

Redundant Organizations
- Public Works, Libraries, Recreation, Fire Services, etc.

Joint Interests
- Healthcare Providers
- School Districts
- Energy/Water Resources, etc.
- Environmental Partnerships
Municipal Benefits for an IGSA

- General Fund support
- Hiring specialty skill sets
- Staff learn a wide variety of skills (efficiency + job satisfaction)
- Elastic staffing - staff can work on both City and partner projects, based on need.
- Reduced costs
- Retaining economic drivers in the community
- Synergy between partners and community (Language Capital of the World Festival; Language Line, MIIS)

More Municipal Benefits

- Reduced cost services
- Purchasing power - economy of scale
- Use of new technologies
- Wider access to resources
- Builds a stronger community; social, financial & cultural
- Responsible use of public funds
3. How Did the Partnership Evolve?
City Council’s Guidance

Effectively support the DoD missions, operations, and personnel in Monterey’s installations by providing quality facilities, housing, infrastructure and base support services, at the lowest cost.

Thank you Council!...but HOW?

What is in the Municipal Partnership Toolbox?

Rules & Regulations

Comprehensive City Services:
- Public Works & Public Safety
- Facilities Sustainment
- Engineering & Project Management
- Parks & Rec
- Preservation

Negotiating Expertise

Problem Solving

Municipal Partnership Tools

Financial Accounting
What is in the Federal Toolbox?

- Sec 331 - IGSA
- Special Legislation
- Commander Support and Buy-in
- FAR

Obstacles

- FAR
- Police/Fire Prohibition
- Commander Longevity
- DoD Philosophy
- Competition Requirements
- Oversight by all levels
- Concurrent Jurisdiction
- Bureaucracy Fears
- Loss of Control
- Loss of Authority
- Failure
What Does the Customer Want?

The customer does not care who provides service as long as the service is quality, responsive and cost effective.

In the Beginning

- **1991**: BRAC action announces closure of Fort Ord, creating massive local economic impact.

- **1994**: Special demonstration legislation allowed for Monterey County municipalities to provide support services to the military to prevent DLI closure.

- **1997**: In order to provide support services, Joint Powers Agreement formed between Seaside and Monterey. PMSA begins providing services to the Army.
Moving to a FAR Based Contract

2000: U.S. Army Audit Agency states PMSA is an "unmitigated success" saving 41% in the first year. Presidio analysis indicates savings of 22% in subsequent years.

2004: Demonstration legislation becomes permanent.

The Beginning and the Big Bang

Starting Small
- Elevator Maintenance
- Fire Alarm Maintenance

A Big Step Forward
- Facility Maintenance
- HVAC
- Streets
- Traffic
- Engineering
- Project Support
- Warranties
- Tree Trimming
- Spec Projects

Significant Savings
- U.S. Army Audit Agency found a 41% savings and declared and "UNMITIGATED SUCCESS"
Who Benefits from the Partnership?

The Community

- Residents & Visitors to Monterey
  Language Capital of the World
  Lower Presidio Park

- The Army
  Increased Readiness for top notch Linguists

- The Environment
  The Army & City work closely to protect the environment

- The Taxpayer
  Stretching the Dollar

- Residents of the Peninsula
  Regional Economic Activity

How did we do it? Monterey Model Milestones

- BRAC
- Demonstration Legislation
- JPA forms PMSA
- FAR Contract
- IGSA

4. How Was the IGSA Created? Moving to an IGSA

- 10 U.S.C. Section 2679, titled “Installation-Support Services: Intergovernmental Support Agreements”

- May be sole source with a State or local government to provide, receive, or share installation support services if the Secretary determines the agreement will serve the best interests of the department by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs.

More About IGSAs

- No longer governed by FAR
- Contracting Command is eliminated
- Administered by Garrison
- Allows sole source up to 10 years
- Subcontracting must be competitive
- May only be used when the Secretary concerned or the State or local government already provides such services for its own use
- May use wage grades normally paid by that state or local government
Motivations & Benefits for an IGSA

- Provide broader scope
- Greater flexibility
- Garrison autonomy
- Timely project approval
- Payment timeliness
- Administrative efficiency
- Shared responsibility and liability

IGSA Limitations

- Construction is not allowed
- Partner can only provide services it provides to its citizens
- No “inherently governmental” services may be performed
- Requires additional staffing at Garrison level/reduction in contracting costs
What is the Role of Organizational Culture in Developing a Partnership?

• Culture can be your “X” factor
  – X-Factor “A noteworthy special talent or quality.”
• Competitive mindset- not just for the private sector!
• Hire the best & brightest
  – When does 1 Craftsworker become 3?
• Stay curious
• Commit to problem solving internally & externally
• Listen to the line

5. How to Start a Partnership

• Partnership & Readiness Evaluation
• Internal Document Team
• Creating a Flexible Agreement
• Lessons Learned
Readiness Evaluation for Creating an IGSA

What is the local paper reporting?
What is the tenor of local politics?
How accessible is the executive leadership?
Different schools of math: Finance, Engineering, Economic Development

Readiness Evaluation

Agility for new projects?
Willingness to try something new?
Looking outside the box?
Risk averse?
Risk tolerance?
Conservative outlook with Taxpayer Funds
Good Indicators for a Partner

Public Works:
- Has a work order management system
- Technology proficiency & utilization
- Desire to know its costs

City Manager/Executive Office:
- Intense drive to save taxpayer money
- Champions adequate staffing structure
- Knows the cost of doing business

More Good Indicators

Finance Department
- Award winning financial reports & budgets
- Has an active System Award Management (SAM) account
- Sufficient cash portfolio to carry costs until paid
- Has a citywide cost allocation plan (CAP)
From the Partner Side

What is the method of payment?
WAWF? DFAS? GFEBS?

How easy is the payment process?

Avoid bringing agency-specific contract rules & regulations. State requirements in clear and simple language.

The Internal Document Team

Executive Champions & Referees

Legal & Finance

Senior Managers & Administrative/Analytical

Subject Matter Experts, Specialists & Field Staff
Creating a Flexible Agreement

We created a flexible document that allows for adding services when needed, without starting over with a new IGSA to add services. (A time intensive process!)

- Language to increase staffing if needed, or specialized scopes.
- Increase in sq. feet
- Increase in population
- Change in utilization

- Services may not be included now, but can be added at a later date, such as plan check, or inspection of finished work (to City code)

- Section 3.36 Other Municipal Services
  Any services provided to City of Monterey residents can be provided to the POM (landscape design, traffic engineering, etc).

Creating a Flexible Agreement

Elective Services


In addition to the Scheduled Facilities Maintenance, Repairs and Base Operations items set forth in the Specified Tasks set forth above, the USAG POM and PMSA may also agree to performance of the additional, “second tier” work outlined below… Because the Additional Elective Services outlined below are over and above the “base” contracted activities, they shall not be reflected in the Performance Requirements Summary.

If an elective service is requested by the USAG POM, a PMSA cost proposal will be provided to the IGSAM, the IGSAM will proceed with amending the IGSA and process the necessary budget appropriation to allow the PMSA to bill for additional services rendered on a cost-reimbursement basis.

18. Amendments

18.1 Any Party can propose amendments at any time. All amendments must be produced in writing and incorporated by amendment into the Agreement by the IGSAM. The amendment shall be signed by the Parties in order to be effective. An example of action requiring an amendment includes the addition of new structures, new equipment or an increase in scope.
Lessons Learned

Preamble
• Summary of services and price “just an estimate”
• Term of agreement
• Termination
• Suspension of agreement
• Applicable law- what applies and what doesn’t?

Lessons Learned- Part 2

Preamble
• Allowability of taxes
• ADR provisions more favorable to the City than a FAR contract and protects City workforce
• Wages and labor law provisions- Existing wage scales of PMSA applies rather than SCA and DBA
How Do you Actually Start One? A Suggested Approach

Start small - But START!

Pick the low hanging fruit.

Where cost effective, outsource to private sector or community.

How to Start Your Partnership

Be creative & collaborate

Forget the cookie-cutter

Performance language - Results - What to be done, not how

Allow local standards to prevail
Secrets to Our Success

Presidio of Monterey
- Lower costs on base
- Streets/Sewer/Trees
- Navy maintenance terminated
- Scope increased
- No blame game
- They recycle

City of Monterey
- We had a common goal
- We started small
- We were less expensive
- We were able to say “YES”
- We shared risk
- We recycle ideas

Questions & Answers
Stay in Touch!

We offer site visits and conference calls!

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