

<b>NYS Department of State</b> <b>Local Government Efficiency Grant Program</b> <b>FINAL PROJECT SUMMARY REPORT</b>	
<b>PROJECT TITLE:</b> Nassau School and Municipal Savings Initiative	
<b>1. Community Identifiers</b>	
<b>A. Lead Applicant Information</b>	
<b>Name of Municipality:</b> Nassau BOCES	<b>Federal Tax ID Number:</b> 11-2136917
<b>Name of Chief Elected Official:</b> Dr. James Langlois	<b>Municipality Number:</b>
<b>Mailing Address:</b> 71 Clinton Rd.   Garden City, NY 11530	<b>Telephone Number/Extension:</b> 516-396-2200
	<b>Fax Number:</b> 516-997-8742
<i>Fiscal metrics taken from the Comptroller's local government data base for the most recent year available</i>	
<b>Population, 2000 census or recent census estimate</b> N/A	<b>Land Area (square miles)</b>
<b>Total Assessed Value of Real Property</b>	<b>Total Full Value of Real Property</b>
<b>Total Tax Levy</b>	<b>Total Outstanding Debt</b>
<b>Total Revenues</b>	<b>Total Expenditures</b> \$307.3 million
<b>Total Debt Service</b>	<b>Total Expenditures for area involved</b>
<b>B. Lead Applicant Contact Person</b>	
<b>Name of Contact Person:</b> Dr. Robert Hana	<b>Telephone Number/Extension:</b> 516-396-2205
<b>Title:</b> Deputy Superintendent	<b>Fax Number:</b> 516-997-8742
<b>Mailing Address:</b> 71 Clinton Rd.   Garden City, NY 11530	<b>E-Mail Address:</b> Hanna@nasboces.org
<b>C. Project Manager</b>	
<b>Name:</b> John Cape	<b>Company:</b> Public Financial Management, Inc.
<b>Title:</b> Managing Director	<b>Telephone Number/Extension:</b> 215.356.8833
<b>Mailing Address:</b> Two Logan Square 18th & Arch Streets Suite 1600 Philadelphia PA 19103	<b>Fax Number:</b> 215-567-4180
	<b>E-Mail Address:</b> capej@pfm.com

<b>D. Co-Applicants: Other municipalities Participating in the Project</b>	
<b>(1) Co-Applicant Municipality:</b> Nassau County	<b>Federal Tax ID Number:</b>
<b><i>Fiscal metrics taken from the Comptroller's local government data base for the most recent year available</i></b>	
Population, 2000 census or recent census estimate 1,339,532	Land Area (square miles) 284.7
Total Assessed Value of Real Property	Total Full Value of Real Property \$205,123,200,329
Total Tax Levy \$936,094,000	Total Outstanding Debt \$4,375,113,419
Total Revenues \$3,176,567,000	Total Expenditures \$3,330,849,000
Total Debt Service \$387,636,000	Total Expenditures for area involved

<b>(2) Co-Applicant Municipality:</b>	<b>Federal Tax ID Number:</b>
<b><i>Fiscal metrics taken from the Comptroller's local government data base for the most recent year available</i></b>	
Population, 2000 census or recent census estimate	Land Area (square miles)
Total Assessed Value of Real Property	Total Full Value of Real Property
Total Tax Levy	Total Outstanding Debt
Total Revenues	Total Expenditures
Total Debt Service	Total Expenditures for area involved

<b>(3) Co-Applicant Municipality:</b>	<b>Federal Tax ID Number:</b>
<b><i>Fiscal metrics taken from the Comptroller's local government data base for the most recent year available</i></b>	
Population, 2000 census or recent census estimate	Land Area (square miles)
Total Assessed Value of Real Property	Total Full Value of Real Property
Total Tax Levy	Total Outstanding Debt
Total Revenues	Total Expenditures
Total Debt Service	Total Expenditures for area involved

Attach additional sheets if necessary

<b>2. Actual Project Costs</b>	
<b>Total Project Cost:</b> \$1,051,925.95	
Include the cost of the entire project, beyond the Department of State's financial commitment	
<b>State Funds:</b> Identify Sources Department of State: \$946,733.36	<b>Local Funds:</b> Nassau County: \$103,092.50
<b>Other Funds:</b> N/A	

<b>3. Background of the Project</b>
<p>1. Briefly explain, in a short paragraph, a clear description of the project being addressed; why was this project necessary? What is its value and/or its importance to the community? Where did the impetus for the project come from? Did local news organizations (print, broadcast) take an editorially position? If so, what was the position; and if not, why wasn't it newsworthy? If available, attach newspaper articles, letters to the editor, correspondence with elected officials, etc.</p> <p>See attached.</p>
<p>2. What arguments were raised, pro and con, during the discussion of the project? Did the organizational differences in the municipalities create difficulties for the project?</p> <p>See attached.</p>

**4. Project Work**

1. Use the following guidelines to describe the project and please be concise in the description, for example:
  - a. For a planning or feasibility study describe the findings and strategies recommended.
  - b. For a design project describe what is to be built.
  - c. For an equipment purchase describe what was bought.
  - d. For a capital project describe what was constructed.
  - e. For cooperative agreement, describe the government function to be conducted cooperatively.
  - f. For a shared service, describe the service, facility, activity or project to be undertaken.

See attached.

2. Describe work that was done to complete the project and the proposed steps to implement the project.

See attached.

3. Were any local resolutions passed or intergovernmental agreements entered into? Attach copies of any legal documents.

School Districts participating in the out-of-district transportation initiative were required to complete a resolution in order to participate in the cooperative bid. See attached.

4. Compare the projected results as provided in your grant application with the actual results achieved. If the project has not been in operation long enough to determine results, provide revised projected cost savings based upon progress to date.

Category	OSC Code	Projected Temporary Savings	Projected Permanent Savings	Actual Temporary Savings	Actual Permanent Savings
General Government	1000		4,166,667		10,600,000
Education	2000				
Public Safety	3000				
Health	4000				
Transportation	5000				
Economic Assistance	6000				
Culture-Recreation	7000				
Home & Comm. Services	8000				
Undistributed	9000				
Partner Savings/(Costs)					
<b>Total Cost Savings</b>			<b>4,166,667</b>		<b>10,600,000</b>

**Projected Return on Grant Dollars Invested**

$$\frac{4,166,667}{1,000,000} \times 100 = 417$$

Projected Total Cost Savings      Expected Grant      % Return on Grant Dollars

**Actual Return on Grant Dollars Invested**

$$\frac{10,600,000}{1,000,000} \times 100 = 1,060$$

Actual Total Cost Savings      Grant Awarded      % Return on Grant Dollars

5. What were the factors that contributed to the success or failure of the project. Of particular importance are any impediments that were identified, and how they were overcome.

See attached.

6. What are possible barriers in the implementation of the project? What future needs may be created by the project?

See attached.

### **5. Project Documentation/Visuals**

The following guidelines are suggested:

- a. Visuals of renderings and/or graphics, newspaper articles or photographs that depict the final product or a before and after scenario.
- b. Copies of documents entered into and developed by intermunicipal action.
- c. Photo and video documentation is encouraged but not mandatory. The video, which can be in VHS or digital format may be used in a future documentary. Photographs should be 35mm or digital. Color slides and/or digital camera discs should be labeled and dated.

### 3. Background of the Project

**1. Briefly explain, in a short paragraph, a clear description of the project being addressed; why was this project necessary? What is its value and/or its importance to the community? Where did the impetus for the project come from? Did local news organizations (print, broadcast) take an editorially position? If so, what was the position; and if not, why wasn't it newsworthy? If available, attach newspaper articles, letters to the editor, correspondence with elected officials, etc.**

Using the Cooperative Educational Services platform, **The Nassau School and Municipal Savings Initiative** was a bold, innovative and concrete step toward advancing the work of existing, on-going efforts with the long-term goal of sharing non-instructional functions across as many as 56 school districts and scores of municipal organizations. This project, which to the best of our knowledge, was unique in New York State in its depth and scope, has led to the transformation of how intergovernmental services are shared, as well as produce millions of dollars of recurring savings. Compressed into just 287 square miles, Nassau County is home to 56 independent school districts, which spend over \$4 billion annually to educate their children. In the process, these districts impose some of the highest property taxes in the nation on their homeowners. Because the Nassau BOCES is the only Board in the State which has been deemed a Regional Information Center (RIC) and whose boundaries are also coterminous with a county, and because Nassau County has one of the highest school district densities in the State, Nassau BOCES is an ideal candidate for initially sharing services with the County government as well as the component districts.

Under this initiative, a collaborative including Nassau County, Nassau BOCES, and many of the 56 school districts, the participants sought to share a single service platform to reduce the cost of providing a variety of administrative, business and support services. It began with at four non-instructional functions (purchasing; out-of-district transportation; information technology and telecommunications; and internal audit). The effort achieved savings through price economies of scale and improved/streamlined resource management. Also, while not quantifiable, this effort has brought together leadership from Nassau BOCES, Nassau County, School Districts and School Boards, and various municipalities to create a new platform to discuss and implement shared services. These efforts will serve the region well into the future.

**2. What arguments were raised, pro and con, during the discussion of the project? Did the organizational differences in the municipalities create difficulties for the project?**

In advance of and throughout the project there was tremendous discussion about the consequences/effects, both positive and negative of pursuing a more comprehensive shared services platform across BOCES, school districts, and municipalities. With any shared effort, the real or perceived loss of local control can be an area of concern, along with any diminished service delivery—and these arguments were raised during the project. The project team sought to overcome these issue areas through involving stakeholders in the planning and implementation process and through focusing on non-instructional functions as a starting point for shared services initiatives. Most Nassau County

schools have been a source of community pride and a significant attraction for those seeking a home in a community that offers a good education for their children. However, school district non-instructional functions are, for the most part, not a part of the school district core competency.

#### 4. Project Work

##### *Describe the project:*

This project included eight major components:

- I. **“Quick Start.”** Initial Project Planning, which was completed through funding from Nassau County. This included identifying areas for shared services with significant savings potential.
  - II. **Audit Initiative.** This task involved the County Purchasing Office issuing a cooperative RFP for professional audit services to school districts countywide, with reduced cost.
  - III. **Purchasing Initiative.** This task included cooperatively bidding professional services, materials, and energy for school districts and municipalities at a reduced cost through collective, larger scale purchases.
  - IV. **IT/Telecommunication.** This task included mapping public entity IT and telecommunication assets countywide for eventual creation of a “Nassau Net”, bidding out telecommunication services, and joint school/municipal IT projects.
  - V. **Transportation.** This involved developing a cooperative bid platform for out-of-district transportation routes for Nassau school districts. The initiative issued five cooperative bids and pursued related shared transportation efforts.
  - VI. **Five-year data collection, analysis, plans.** The study team collected and analyzed detailed functional data, developed trends, and created a multi-year plan for increased participation in shared services and greater numbers of services available for cooperative purchase or service delivery.
  - VII. **Community Outreach and Information.** This component included the development of a shared services website, the creation and distribution of shared services informational materials, and the hosting of multiple public forums.
  - VIII. **Best Practice Research, Evaluation and Reporting.** From the lessons learned through the grant work, the study team developed a number of best practices for sharing services to reduce cost, evaluated current practices and identified opportunities for greater efficiency, service improvement and cost savings.
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***2. Describe work that was done to complete the project and the proposed steps to implement the project.***

The grant included funding to pursue shared service initiatives across the following four areas: cooperative purchasing, internal audit, out-of-district transportation, and shared IT/telecommunication. The work that was done to implement these initiatives is summarized below.

Internal Audit

One of the first shared service initiatives identified by the Steering Committee was internal audit services due to the growing costs of these services and the overlap of providers within Nassau County. The Steering Committee solicited and formed a consortium of school districts to jointly solicit vendor services for school district internal audit services. The original intent of the initiative, as described in the Grant Project Application, was to develop unique school internal audit function competencies within the County Comptroller's Office. However, legal liability concerns compelled the audit working group to solicit a third-party vendor to provide the services.

The Internal Audit initiative activities were led by a Working group of ten members, which consisted of school board members, superintendents, business officials, County officials and consultants. Over two years, the working group conducted business in bi-monthly meetings, or more often as needed. The main tasks undertaken by the working group included:

*General Project Management*

- ✓ Solicited working group members from a broad base of stakeholders, including: School board members (individual districts and regional BOCES), superintendents, school business officials, and technical consultants
- ✓ Organized meeting schedules and coordinated with business officials to maximize attendance and participation
- ✓ Developed a work plan which outlined: An overview of group objectives; group members; and point-by-point activity categories with corresponding deliverables and timeline milestones

*Technical Activities*

- ✓ Drafted communications to State Comptroller requesting a comprehensive description of best or "sound" practices for school district internal audits, a universe of key systems and processes with greatest risk to school districts, and a checklist for internal audit committees to use in evaluating internal audit proposals
- ✓ Drafted RFP for a firm to provide internal audit services to school districts
- ✓ Conducted outreach activities to generate publicity

*Cost Savings Documentation and Analysis*

- ✓ Collected data on internal audit costs for five most recent school years via survey and state agency data sources

- ✓ Provided description in narrative and graphical format of total school district internal audit expenditures, with analysis of spending trends, cost drivers and data adjustment for outliers and other anomalies
- ✓ Developed spending forecast for three to five years, with “high-end” and “low-end” estimates

### Out-of-District Transportation

The transportation working group was tasked with achieving cost savings through cooperatively bidding contracted out-of-district transportation bus routes for Nassau County’s 56 school districts. While cooperative bidding was already taking place in five regional transportation cooperatives (Southwest, Northwest, Southeast, Northeast, and Bellmore Merrick) not all school districts were participating in a consortium and the working group believed additional efficiencies and savings could be realized through a countywide consortium that included routes from all regions of Nassau County.

The working group was tasked with developing a countywide cooperative bid format. The working group also worked successfully with the New York State Education Department (NYSED) to amend their interpretation of transportation piggybacking guidelines (called zero-cost contracting). The working group believes allowance of this practice will increase opportunities for wider participation in the transportation initiative and will generate Nassau County and Statewide school district savings. Zero-cost contracting permits a school district that is participating in a cooperative bid to take advantage of bid routes at a point in the future if they don’t have a need for a specific service within the current school year. The ability to zero-cost contract provides additional savings opportunities to school districts participating in cooperative bids.

The working group brought together a comprehensive group of transportation and business officials along with school superintendents, school board members, and Nassau BOCES officials. Many of the transportation officials that participated on the countywide consortium had participated in other regional transportation cooperatives, a perspective that proved invaluable. Over the course of two years the working group met regularly to discuss how to put a countywide bid together, the administration of the bid, developing the bid documentation and supporting documents, developing bid data from participating school districts, developing vital communications with participating school districts, holding meetings and developed communications with NYSED regarding transportation piggybacking regulations. Additionally the working group analyzed countywide bid results for participating school districts so that low bid vendors could be awarded.

The working group led efforts on analyzing historical spending trends and estimating the cost savings realized through the countywide cooperative and revised piggybacking regulations. The cost savings section of this report details the group’s methodology and findings.

Lastly, the working group led various outreach and expansion efforts before and after the each countywide bid. Through various public forums and through targeted communications, the working group shared the work of the countywide transportation consortium and attempted to solicit additional interest and participation. After the second countywide transportation bid, the working group met with

the regional cooperatives in an effort to maximize the routes included in the countywide bid and therefore maximize savings to all Nassau School Districts.

### Purchasing

The Steering Committee identified cooperative purchasing of goods and services as a top priority area and immediately began to pursue cooperative purchasing opportunities among the schools, Nassau BOCES, Nassau County, and other municipalities through the purchasing working group. While the purchasing working group initially had planned to implement a “Just-in-Time” purchasing program, it was later deemed not to be feasible for school districts and the working group shifted its focus to cooperative purchasing opportunities. The purchasing working group pursued the issuance of a cooperative RFP for the 2010 Building Condition Survey (BCS) and Visual Inspections for 2011 through 2013. The RFP was released in May 2010, and proposals were reviewed through August in anticipation of inspections beginning in September. The working group also pursued cooperative purchasing of energy, and other goods and services.

The Purchasing activities were led by a working group of 14 members, which consisted of school board members, business officials (both from BOCES and school districts), facility directors, county officials and consultants.

Over a multi-year period, the working group conducted business at monthly meetings, or as often as needed as they investigated, researched and analyzed cooperative purchasing opportunities. The main tasks undertaken by the working group included:

#### *General Project Management*

- ✓ Solicited working group members from a broad base of stakeholders, including: School board members (individual districts and BOCES), school business officials, Nassau County officials and technical consultants.
- ✓ Organized meeting schedules and coordinated with working group members to maximize attendance and participation.
- ✓ Developed a work plan which outlined: An overview of group objectives; group members; and point-by-point activity categories with corresponding deliverables and timeline milestones.

#### *Technical Activities*

- ✓ Drafted an RFP for firms to provide building condition survey services to school districts
- ✓ Conducted outreach activities to generate publicity

#### *Cost Savings Documentation and Analysis*

- ✓ Collected data on building condition survey costs for the three most recent rounds of surveys (2000-01, 2005-06, and 2010-11 school years) via survey and state agency data sources

- ✓ Provided description in narrative and graphical format of total school district building condition survey expenditures, with analysis of spending trends, cost drivers and data adjustment for outliers and other anomalies
- ✓ Developed multi-year baseline spending forecast with “high-end” and “low-end” estimates

### IT/Telecommunications

One of the shared services that emerged as an ideal candidate for consolidation was Telecommunications Services. A Request for Proposal (RFP) was published, with the concept that Nassau County government, Nassau BOCES, at least 44 school districts, and the Nassau County Comptroller would share common telecommunications services and infrastructure in order to reduce expenditures associated with data, and internet costs. Additionally, the working group mapped existing telecommunications assets, provided technical analysis, and provided recommendations for effectiveness and cost savings.

The initial projected savings from a cooperative purchase of these telecommunications services was expected to be \$1.4 million or more over an initial three year period. These savings would be accrued from economies of scale when these services are collectively bid by Nassau BOCES, Nassau County and up to 56 Nassau school districts. There were several areas of interest to explore:

- **Broadband and Telecom Connectivity:** It was clear that both Nassau County and Nassau BOCES had locations dispersed throughout the county. In addition, both organizations either have established connectivity to these locations or wished to do so. By understanding each organizations’ mutual needs, the IT working group thought they should be able to capitalize on the inherent economies of scale and create fiber optic backbones throughout Nassau County that could be shared, therefore reducing costs while increasing the scope of Nassau County and Nassau BOCES networks.
- **Cellular Services:** Both Nassau BOCES and Nassau County had a large deployment of cellular telephones or other wireless devices. By understanding the types of services and number of devices a consortium rate could be established with a common cellular provider that would reduce costs while increasing performance.
- **Shared Expertise:** Both Nassau County and Nassau BOCES are similar in many respects. Collaborating on their experiences with similar providers, offerings, technologies and processes was critical. By learning from each other, Nassau County and Nassau BOCES could save time, avoid project delays and, therefore, further decrease costs.
- **Cooperative Bids or RFPs:** Both organizations publish public bids and Requests for Proposals throughout the year. By combining the needs of Nassau County and Nassau BOCES into cooperative bids or joint RFPs a more competitive market was created and participating entities gained from the economies inherent in having potential providers respond to larger business opportunities.

- **Influence:** By forming a technology alliance the working group knew they would be able to bring a considerable amount of authority and control to situations as they arose. This would include, but not be limited to, influence that could be brought to bear on various carriers and other service providers regarding initial purchase, implementation and ongoing maintenance.

The IT/Telecom activities were led by a working group of eight members, which consisted of school superintendents, school board members, business officials, and County officials.

Over a multi-year period, the working group conducted business in monthly meetings, or as often as needed as they investigated, researched and analyzed IT/telecommunications shared services opportunities. Minutes of these meetings can be found in the Appendix of this document. The main tasks undertaken by the working group included:

#### *General Project Management*

- ✓ Solicited working group members from a broad base of stakeholders, including: School board members (individual districts and BOCES), school business officials, school superintendents, Nassau County officials, and technical consultants.
- ✓ Organized meeting schedules and coordinated with working group members to maximize attendance and participation.
- ✓ Developed a work plan which outlined: An overview of group objectives; group members; and point-by-point activity categories with corresponding deliverables and timeline milestones.

#### *Technical Activities*

- ✓ Conducted meetings with NYS Office of General Services approved cellular carriers to negotiate discounted rates for Nassau County and Nassau BOCES.
- ✓ Developed, in conjunction with Sprint Wireless, "Co-Bo", a new pricing matrix being used by numerous organizations within the County, resulting in savings.
- ✓ Published a bid for fiber optic connectivity services, telephone services and internet services.
- ✓ Used grant funding to purchase advanced telephone systems to support task of converting existing telephone lines to a digital service to further reduce costs.

#### *Cost Savings Documentation and Analysis*

- ✓ Collected and reviewed data through OSC and SED databases.
- ✓ Interviewed experienced school district and municipal business managers and other IT/Telecom officials.
- ✓ Identified broad IT/Telecommunications spending trends.

**5. What were the factors that contributed to the success or failure of the project. Of particular importance are any impediments that were identified, and how they were overcome.**

Across the four initiative areas, there were multiple factors that contributed to the success of the project. Key factors are highlighted below:

**Out-of-District Transportation Initiative**

**Appropriate Initiative Leadership.** When the initiative first started the countywide cooperative idea was being advanced without significant support from transportation supervisors and directors. After the initiative began to develop, transportation supervisors and directors became lead members of the working group, which was extremely beneficial to the success of the countywide bid. The school district transportation personnel have tremendous experience and insights from working on contract transportation firsthand. Their knowledge was instrumental in developing the bid specifications, working with transportation vendors, soliciting school district participation and overall structuring and implementing the bid. If this initiative is implemented in other areas of the state, it is highly recommended that a representative group of transportation supervisors be included at the onset of the initiative.

**Internal Audit Initiative**

**Securing a Committed Host Agency:** The main difficulty in implementing the internal audit consortium was securing an office or agency to host the initiative. Due to conflicts of interest, school districts in Nassau County are prohibited from soliciting internal audit services from the Nassau County BOCES. The Nassau County Comptroller's Office initially agreed to act as host and solicitor of proposals, an arrangement under which the County Comptroller would only be responsible for retaining the audit firm and providing high-level management of the contract. Billing and supervision of services would have fallen to participating districts. However, partially due to changes in administration resulting from the November 2009 elections, delays resulted. Although initially scheduled to be released in 2010, the Internal Audit RFP was released in April 2011. While the working group did communicate with newly elected officials during times of transition, the initiative still incurred delays. However, without this aggressive communication strategy the initiative likely would have faced additional delays and may have not been implemented. Other school districts working with multiple levels of government for comparable cooperative services should prepare for and develop a plan for administration changes so that obstacles to initiative implementation may be mitigated.

**IT/Telecommunications Initiative**

**Be prepared for legislative and other implementation barriers.** Early on, the working group identified state legislative impediments to maximizing cost savings that could be achieved through the sharing of IT/Telecom services. Specifically, the working group believes changes are needed to Education Law 1950 to fully maximize the ability to cooperatively purchase IT/Telecom services and products across schools and municipalities. While the working group, in concert with the steering committee and other

stakeholders actively pursued changes to the state law, to date, these efforts have been unsuccessful. While the group continues to pursue the needed legislative changes they have also continued to advance the initiative and going forward will pursue the legislative changes necessary to fully maximize this initiative. Other similar efforts throughout the state should carefully research any potential legislative or regulatory impediments to implementation and develop a plan for overcoming these impediments.

***Substantial investments and time commitments.*** The Bo-TIE initiative (IT/Telecom) is a complex and significant shared services endeavor that has been under development/implementation by Nassau BOCES. The grant funding has supported this initiative by providing funding for the mapping of education IT assets. Given the complexity of this initiative and the fact it is predicated on school districts changing IT services providers, it has required thoughtfulness and careful planning by Nassau BOCES so that school districts can be added as their IT contracts expire and will be implemented over a multi-year period. Other IT/Telecom consortia pursuing similar efforts should be sure to strategically plan the implementation phases, taking into account contract and other issues that could affect the project timeline.

#### **Cooperative Purchasing Initiative**

***Explore Areas of Greater Savings:*** One of the key benefits of exploring a cooperative bid for building condition surveys was that it is a relatively standard service that school districts are required to retain. All 56 school districts in Nassau County have many unique characteristics and therefore unique needs. However, there are areas that do not vary significantly. By beginning the cooperative purchasing initiative with a service that is fairly standard across school districts, it demonstrated the capacity for broader savings in other areas where services or products are easily transferable and standard. The working group then explored areas of purchasing and expense that are of significant cost, transferable and uniform across all districts.

***Increased Participation on Future Initiatives:*** In order to leverage the maximum amount of savings through cooperative purchasing, school districts should look to increasing their participation in these cost-saving initiatives. However, these savings can only be maximized if a sizeable number of schools and governments participate. As there are currently 56 school districts and 70 general purpose units of government in Nassau, there is viable potential for increased purchasing power and opportunities for volume discounts across varying goods and services.

#### **General Factors Affecting the Success of the Project**

***Initiative buy-in and expansion.*** For all of the shared services initiatives the working groups learned the importance of communicating with potential participants (both school districts and municipalities) regarding the initiative implementation, how a participant could join the initiative, and what savings could be realized if they participated. The working groups utilized various communications and media outlets to inform potential participants about the various initiatives.

***Time commitment from Leadership.*** Members of the Steering Committee and the initiative working groups devoted significant time and energy, often outside of their normal schedule, to make sure that each initiative was implemented successfully. The support and dedication of each of these members was critical to the success of the overall project.

## **6. What are possible barriers in the implementation of the project? What future needs may be created by the project?**

While all four initiatives have been implemented largely in their original scope, the working groups did encounter a few implementation barriers. These included:

### Internal Audit Initiative:

The original intent of the initiative, as described in the Grant Project Application, was to develop unique school internal audit function competencies within the County Comptroller's Office. However, legal liability concerns compelled the audit working group to solicit a third-party vendor to provide the services. While utilizing the County platform was the working group's first choice, use of a third-party vendor still proved to be successful in providing savings to the participating school districts.

### Cooperative Purchasing Initiative

***Concerns with Just in Time Purchasing:*** During the initial meetings of the working group, the idea for "Just in Time Purchasing", or JIT, was considered. The original model/template for JIT purchasing was developed based on the version that was being used at the time by the County. School districts would purchase under contracts with vendors, using customized profiles with authorized individuals within the school district and a participating bank that would keep track of expenses through a declining balance system. An authorized user would make a purchase from the vendor; the vendor would subsequently contact the bank regarding the purchase; and finally the bank would send a consolidated bill to the school district at the end of the month.

Initial reaction from working group members was positive. However, concerns were raised as to the legality of adopting the County's practice of reconciling monthly credit card statements on a spot-check basis to corresponding itemized receipts and invoices. The need to reconcile these documents would require additional administrative work, which would essentially negate any savings and efficiencies. Another concern was that the potential existed for a lack of oversight controls at the initial and concluding phases of a JIT system. The working group was concerned with the possible issues that would arise such as penalties and negative audit findings.

Based on these findings, it was determined that JIT would not be feasible but school districts should work towards ensuring compliance with all State-prescribed best practices for accounting and purchasing when exploring future initiatives. The working group successfully shifted its focus to cooperative purchasing opportunities on other goods and services.



### IT/Telecommunication Initiative

Early on, the working group identified state legislative impediments to maximizing cost savings that could be achieved through the sharing of IT/Telecom services. Specifically, the working group believes changes are needed to Education Law 1950 to fully maximize the ability to cooperatively purchase IT/Telecom services and products across schools and municipalities. While the working group in concert with the steering committee and other stakeholders actively pursued changes to the state law, to date, these efforts have been unsuccessful. While the group continues to pursue the needed legislative changes they have also continued to advance the initiative and going forward will pursue the legislative changes necessary to fully maximize this initiative. Other similar efforts throughout the state should carefully research any potential legislative or regulatory impediments to implementation and develop a plan for overcoming these impediments.

Also, the overall Bo-TIE initiative is a complex and significant shared services endeavor that has been under development/implementation by Nassau BOCES. The grant funding has supported this initiative by providing funding for the mapping of education IT assets. Given the complexity of this initiative and the fact it is predicated on school districts changing IT services providers, it has required thoughtfulness and careful planning by Nassau BOCES so that school districts can be added as their IT contracts expire and will be implemented over a multi-year period. Other IT/Telecom consortia pursuing similar efforts should be sure to strategically plan the implementation phases, taking into account contract and other issues that could affect the project timeline.

### General

Over the past five years the committee has been fortunate to enjoy the financial support of the grant. Going forward, some of the initiatives may require financial support for continued implementation. Developing an appropriate cost-sharing structure for the initiative participants will be critical to achieve the necessary funding. Additionally, for any initiative that creates a new expense for a participant, it will be important for leadership to continually demonstrate potential savings and or improved service delivery that results from this initiative.