

News You Can Use October 2011

Budgets and the Economy

Report: 5th Consecutive Year of City Revenue Decreases – City governments are expected to see revenue declines for the fifth consecutive year – and the situation may not improve for several more, according to a new study by the National League of Cities. As a result, most cities are reducing personnel and delaying infrastructure projects, among other cuts, as they continue to face uncertainty about the future of their finances. [Read more....](#)

As states cut aid, localities learn to do less with less – You can get accustomed to hard times, and over the last few years Ohio’s towns and cities learned to scrape by. Faced with the long-term decay of Rust Belt manufacturing and the financial travails of homeowners, banks and businesses of all sorts, they watched their tax revenues shrink and did their best to adjust. They deferred road maintenance. They laid off employees and delayed new hires. They reorganized departments, merged positions, and generally looked for any means of saving a few dollars. Then, this past summer, the state decided to step in. Only not with a helping hand. [Read more....](#)

Budget cuts claim hundreds of thousands of county, city jobs – Localities have chopped 535,000 positions since September 2008 to close massive budget deficits resulting largely from sharp declines in property tax receipts. That exceeds the 413,000 local government jobs cut from 1980 to 1983, the only other substantial reduction in local government employment, according to federal records that go back to 1955. [Read more....](#)

Biggest states face new budget gaps – In the nation's five most populous states — California, Texas, New York, Florida and Illinois — the budget news over the past few weeks has been almost all bad. All five states either face budget deficits in the current fiscal year or expected shortfalls in the future. That's in part because of the economy's continuing weakness and in part because their maneuvers to close previous gaps pushed problems off into the future. [Read more....](#)

King County government adjusts to leaner times – The county, which has been at the budget slashing business longer than most entities, is already taking dramatic reform steps, but needs to do more. [Read more....](#)

U.S. State Tax Collections Climbed 6.8% in July-August Period, Study Finds—U.S. state tax collections are heading for their seventh-straight quarter of growth, according to preliminary data by the Nelson A. Rockefeller Institute of Government. The Albany, New York-based institute said collections rose 6.8 percent in July and August, the first two months of the third quarter, compared with the same period in 2010. In the second quarter, revenue grew by 10.8 percent, marking the sixth- straight period of growth, the institute said. For the fiscal year ended June 30, which 46 states use, revenue rose by 8.4 percent, the biggest annual gain since 2005. [Read more....](#)

Procurement Trends

Chicago/Cook County Collaboration Saves \$11 Million – Mayor Rahm Emanuel and Cook County Board President Toni Preckwinkle highlighted the successful first three months of city-county collaboration, and announced that the task force has identified \$11 million in savings. The savings that have been identified are for 2012, and will include a \$4 million savings in custodial costs, \$1 million in facilities maintenance, \$1.1 million in IT support services, and \$2.9 million in procurement, according to a joint press release from Emanuel and Preckwinkle’s offices. [Read more...](#)

Law tightens contract preference for New Mexico businesses – Governor Susana Martinez signed a measure into law to ensure New Mexico businesses hold an advantage over out-of-state competitors when bidding on state government contracts. [Read more....](#)

Maryland Tries To Go Green And Save Money On Purchases – The regulations are being drafted by members of the Maryland Green Purchasing Committee. Created by 2010 legislation, has already set green purchasing guidelines on a range of products. "Generally we're looking at things that are environmentally friendly, but also to save on cost," said Michael Haifley, procurement director of the Department of General Services. This includes factors like how long products will be in operation, and what the total cost will be. "The price [to buy] could be more but at the end of the day, we want the cost to be less," he said. [Read more...](#)

Memphis City Schools takes e-sourcing back to school – The Procurement Services Division for Memphis City Schools in the US state of Tennessee has unveiled plans to deploy e-sourcing and spend analysis technologies. Noble explained that the organization had selected technology from Zycus, including the technology company's e-Sourcing offering as it was found to be flexible enough to accommodate all the various rules and policies for competitive bidding to which the Memphis City Schools Procurement Services Division must comply. [Read more....](#)

City Releases Audit on MBE Compliance Issues – The City of Tallahassee released the results of an internal audit regarding compliance by local contractors with requirements of the City's Minority Business Enterprise (MBE) policy when providing services to the City. Following an extensive review of four local contracting companies, the City has recommended that two firms should pay fines. All incidents reviewed as part of the audit involved relationships between prime contractors and qualified MBE subcontractors. [Read more....](#)

Michigan counties implement 'Reverse Auction' for purchases – Kent County and numerous townships and cities are saving thousands of dollars using “eBay” type auctioning to purchase needed commodities. The program has worked so well since its inception that now, Ottawa County is using the service. [Read more....](#)

Surprise result when city ends preferences in contracting – Supporters of racial and gender preferences in public contracting claim that preferences are needed because, without them, few contracts would go to minority- or women-owned firms. But a study recently done for Charlotte, N.C., reached exactly the opposite conclusion. After race and gender preferences ended, work awarded to minority- and women-owned businesses increased. How can that be? [Read more....](#)

Miscellaneous

D.C. lax on city workers doling out contracts, audit finds – More than half of the District employees who award city contracts worth millions of dollars are not properly certified and none have been subject to a criminal background check, an audit has found. The city's Office of Contracts and Procurement has habitually neglected training and requiring professional certification of the 23 full-time employees who dole out millions of dollars in contracts annually, according to the audit by the Office of the Inspector General. Just 10 of the 23 contracting officers have professional certifications. [Read more....](#)

Why Didn't the 3 Percent Rule Get Repealed? – The existing law, set to take effect in 2013, requires all levels of government to withhold 3 percent of each payment above \$10,000 they make to vendors, and then hand it over to the IRS. Businesses would then get that money back, eventually, in the form of a tax credit on their annual tax bill. [Read more....](#)