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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2014-62

INTRODUCED BY:

Councilor Carmichael Dominguez

Councilor Christopher Rivera

A RESOLUTION

**DIRECTING STAFF TO EXPLORE POTENTIAL CITY OF SANTA FE TAXPAYER
EMPOWERMENT POLICIES RELATED TO OUTSOURCED CITY SERVICES THAT
WOULD PROMOTE TRANSPARENCY, ACCOUNTABILITY, SHARED PROSPERITY
AND COMPETITION.**

WHEREAS, state and local governments across America are handing over control of critical public services and assets to corporations that promise to handle them better, faster and cheaper – this is known as “privatization”; and

WHEREAS, in general, privatization involves handing over control of public functions to private companies; and

WHEREAS, municipalities have historically provided basic services, from waste and sanitation services to street repair to the maintenance of parks and libraries; and

WHEREAS, since the 1980s, the privatization or contracting out of public municipal services has gained popularity; and

WHEREAS, many cities experiencing budget crises look to the private sector to take over

1 public services, theoretically at a lower cost; and

2 **WHEREAS**, in the City of Santa Fe, the City has privatized certain services such as
3 administration of the Alarm Ordinance, STOP Ordinance, security services throughout the City
4 buildings and also contracts out a large portion of information technology related software, hardware
5 and related maintenance; and

6 **WHEREAS**, on the whole, the City has not privatized the majority of its functions and/or
7 assets; and

8 **WHEREAS**, the City of Santa Fe, unlike other cities in the United States, owns, maintains
9 and operates its water system, library, recreation centers, parks and city buildings; and

10 **WHEREAS**, in many cities, too often privatization and outsourcing not only fails to keep the
11 promise of handling public services and assets better, faster and cheaper, but undermines
12 transparency, accountability, shared prosperity and competition - the underpinnings of democracy
13 itself; and

14 **WHEREAS**, privatization or outsourcing services may cause the following circumstances:

- 15 ○ A privatized industry is most concerned with profit, so while initial benefits to the
16 consumer may occur, the industry may not be induced to keep prices low;
- 17 ○ The competition fostered in privatized industries may result in questionable business
18 practices;
- 19 ○ Decrease in quality of service may result from private industry trying to cut costs to make
20 a profit;
- 21 ○ In some instances, taxpayers have very little say over how tax dollars spent are allocated
22 and reported and little say on many actions taken by private companies that control our
23 public services; and
- 24 ○ Taxpayers cannot vote out executives who make decisions that hurt public health and
25 safety; and

- 1 ○ Taxpayers are contractually stuck with a monopoly run by a single corporation -- often
2 for decades; and
3 ○ A race to the bottom for the local economy, as wages and benefits fall while corporate
4 profits rise; and

5 **WHEREAS**, in general, the arguments for privatization of government resources or functions
6 to private business or an industry fosters competition in the market place, which usually results in
7 lower prices and greater choices for the consumer; and

8 **WHEREAS**, *In the Public Interest* ("IPI") is a comprehensive resource center that focuses on
9 privatization and responsible contracting by state and local governments; and

10 **WHEREAS**, the *Taxpayer Empowerment Agenda* is a project of IPI and is crafted to help
11 taxpayers maintain control of their democracy by proposing various policies related to transparency,
12 accountability, shared prosperity and competition; and

13 **WHEREAS**, IPI helps state and local lawmakers champion these proposals and policies that
14 will stand on the side of taxpayers; and

15 **WHEREAS**, the New Mexico Accountability in Government Act, Section 6-3A-1 et seq.
16 NMSA 1978 ("NMAG Act") requires all state agency contracts to have performance measures in
17 accordance with the NMAG Act; and

18 **WHEREAS**, the State Appropriations Act contains performance based budgeting; and

19 **WHEREAS**, as defined in the NMAG Act:

- 20 • "outcome" means the measurement of the actual impact or public benefit of a program;
21 • "output" means the measure of the volume of work completed or the level of actual
22 services or products delivered by a program;
23 • "performance-based program budget" means a budget that identifies a total allowed
24 expenditure for a program and includes performance measures, performance standards
25 and program evaluations;

- 1 • “performance measure” means a quantitative or qualitative indicator used to assess the
2 output or outcome of an approved program;
- 3 • "performance target" means the expected level of performance of a program's
4 performance measures; and
- 5 • "program" means a set of activities undertaken in accordance with a plan of action
6 organized to realize identifiable goals and objectives based on legislative authorization;
7 and

8 **WHEREAS**, the Governing Body desires for the City of Santa Fe to become a local
9 government with taxpayer empowerment policies in place in order to keep the taxpayers of the city of
10 Santa Fe informed about outsourced services that their taxpayer dollars are paying for.

11 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
12 **CITY OF SANTA FE** that staff is directed to:

- 13 1. Study the provisions of the *Taxpayer Empowerment Agenda* and make
14 recommendations to the Governing Body on the following taxpayer empowerment
15 policies:

16 A. Transparency

- 17 • Regularly post online how much taxpayers are spending on private
18 contracts and how many workers are employed by those contracts -
19 the same way government must report these things for public work.
- 20 • Require no bid contracts and with respect to taxpayer funded
21 expenditures, require any company being paid with tax dollars to
22 make its books and meetings available to the public, as such books
23 and meetings relate to taxpayer funded expenditures, just as
24 government does.

25 B. Accountability

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- Ensure that every contract subject to regular audits and oversight have sufficient agency staffing levels to adequately oversee contracts to make sure taxpayers are getting what they pay for.
- Ensure that every contract includes language that allows government to cancel the contract if the company doesn't live up to its promises of quality and cost savings.
- Ensure that potential City contractors are disbarred or suspended from bidding on a contract for taking over public services, if the bidder has violated federal or state tax laws, pursuant to Section 27.2(c) of the City of Santa Fe Purchasing Manual.
- Require a thorough cost analysis of all bids and guarantee taxpayers a minimum 10 percent savings before any service is privatized.

C. Shared Prosperity

- Require companies that privatize public services to pay their employees' wages and benefits that in total compensation, are no less than what their equivalent public sector employees receive.
- When prioritization is proposed, require an independent study to determine how privatization would affect the larger community and post the results online before any contract is signed.

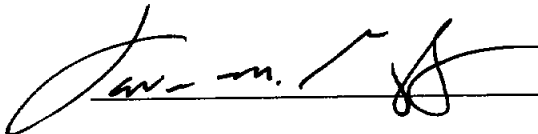
D. Competition

- In accordance with state law, and City ordinances, require competitive bidding when a contract is up.
- Ban contract language that guarantees company profits
- When privatization is proposed, ensure that public service workers have the opportunity to submit their own plan to save money and

1 provide quality services.

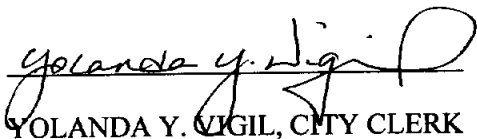
- 2 2. Determine whether the City has such policies, rules or laws in place and if so whether
3 they need to be amended and if the City does not have such policies in place, then
4 explore the feasibility for implementing such policies, rules or laws, including
5 requirements that all RFPS and contracts of the City shall have performance
6 measures that set forth the outcome and output of the contract.
- 7 3. Report its findings, recommendations and proposed fiscal impact to the Governing
8 Body within 90 days of the adoption of this resolution.

9 PASSED, APPROVED, and ADOPTED this 30th day of July, 2014.


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JAVIER M. GONZALES, MAYOR

12 ATTEST:

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15 YOLANDA Y. VIGIL, CITY CLERK

16 APPROVED AS TO FORM:

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19 KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Melissa/Resolutions 2014/2014-62 Taxpayer Empowerment w_amendments*