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IDENTIFICATION OF BUSINESS OPPORTUNITIES WITHIN GREATER AMMAN MUNICIPALITY

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SUSTAINABLE ACHIEVEMENT OF BUSINESS EXPANSION AND
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5A.1.5.4 IDENTIFY GAM FUNCTIONS THAT COULD POTENTIALLY
BE PERFORMED MORE EFFECTIVELY BY THE PRIVATE SECTOR

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1.0 INTRODUCTION

1.1 REPORT METHODOLOGY

The Consultant was to carry out the following tasks and activities:

1. Review GAM's organizational chart, strategic plan, and staffing.
2. Identify and discuss potential areas for outsourcing with relevant GAM leadership.

This will include the Mayor, senior management, BearingPoint change management personnel currently working at GAM and (where relevant) department heads.

3. Conduct basic assessment of current service/performance levels of potentially outsourcable functions versus their costs and estimate potential costs and benefits of outsourcing these functions.

Drawing on existing performance data and, where available, international standards, estimate the potential benefits and costs of outsourcing said functions.

4. Provide examples or case studies, to the extent that this is possible within the timeframe of this assignment, of other municipal and/or national government success stories, lessons learned, potential pitfalls, of similar programs internationally.

Where possible, cite incentives that have been used to support former civil servants to lead private sector business ventures.

1.2 REPORT ORGANIZATION

This report is divided into the following sections:

Section I -- Introduction

Section II -- Review of GAM Organization, Strategic Plan and Staffing

Section III -- Possibilities Identified for Outsourcing and Estimated Cost/Benefits

Section IV -- Concepts to be Considered in the Outsourcing Program: Lessons Learned from Other Countries

Section V -- The Recommended Approach

2.0 SECTION II -- REVIEW OF GAM ORGANIZATION, STRATEGIC PLAN AND STAFFING

2.1 ORGANIZATION

The Municipality of Amman was established in 1909. In 1951 it adopted a municipal ("city") council. In 1987 it became "Greater Amman," absorbing some of the urban settlements around the city, and this process has continued within the last two years. The Municipal Council of Greater Amman Municipality (GAM) is composed of the mayor and 27 elected and 35 (27 plus the women's quota) appointed representatives, with the mayor holding the deciding vote. There are also Committees, Subcommittees, Councils, and Boards that cover every aspect of Municipal administration. The organization chart is quite complex and this will presumably be simplified with the restructuring exercise.

GAM manages a city of about 2.1 million inhabitants, which is projected to grow to 6.4 million inhabitants by 2025. Amman is a clean city, with well maintained streets, and an elaborate traffic system. The Municipality obviously delivers value to its taxpayers -- whether it is value for money is another question.

GAM is divided into 47 administrative units that basically carry out planning and administration of the services provided across 27 geographic districts. (An organization chart is shown on the following page.) The districts are described as "mini-GAMs" with each headed by a district director. GAM is physically large, covering 1,680 square kilometers, and operates from numerous buildings. GAM's security unit did a study on the number of locations that should be protected and determined that there are 242.

To understand clearly the services provided by the Municipality one must start with a review of the list of 29 basic services included in the recently passed Municipalities Law of 2007. One of these services is "Anything Else" or miscellaneous, which means that the mayor and his management team may take on any additional activity that they deem necessary to support the 28 core services. This 2007 law revised the legal mandate that had been in place since 1929 to provide 40+ services.

It should be noted that some of the activities often administered by a municipality in the pre-privatization times are not administered by GAM. This is a healthy sign. These include the water, which is currently in the process of corporatization; electricity; and gas services. Further, it should be noted that in the strategic plan for 2005 - 2009 there are certain activities that GAM is outsourcing on a limited basis: District Affairs has promoted the tendering of a service contract with a private sector company to provide solid waste collection in a part of a single district and there are other instances noted in this report where GAM purchases services from the private sector.

Organizational Structure Of The Municipality Of Greater Amman

2.2 STRATEGIC PLAN

GAM developed a strategic plan for its operations in 2007. The strategic plan includes the following actions that may be related to this initiative:

- Simplify and facilitate the licensing procedures for investors
- Participate with the private sector in investment projects
- Participate in an investment window
- Privatize some of GAM's activities: Amman Tourism coast, slaughterhouse, garbage, incinerators for power generation, vector control, cemeteries, and maintenance and repair mechanisms.

2.3 STAFFING

GAM is working to restructure itself. The need is enormous as GAM currently employs over 18,000 people. This is clearly an overstaffed situation where efficiency is reduced by the sheer numbers of people occupying the municipality's premises and the absorption of revenues by salaries paid to persons of low productivity. Even with the stated intent to slow down the staffing growth, people are presently joining GAM as employees. The overstaffing situation has largely resulted from GAM executives attempting to assist in the alleviation the unemployment problem in Amman.

Interrelated with this is the overall low level of skills across the organization. Another factor noted concerning the restructuring is the large number of the technically experienced employees who are on the verge of retirement. GAM is looking at this issue from the point of view of restructuring, downsizing, and rightsizing. A Bearing Point team is working on this restructuring process working on GAM's governance, mandate and organization. This team will be recommending a revised organizational structure, reviewing applicable regulations, and developing a strategic plan for rolling out the new structure. All Municipality executives seemed aware of these efforts and have been briefed on the process.

Among the 18,000 employees there are up to 7,000 mostly unskilled workers whose continued employment "is viewed as vital to the Municipality's requirements." From our interviews, it is unclear how the Municipality wants to handle these workers in the restructuring process. However, it is clear that they must be a part of any outsourcing or spin-off process because labor is always required by the companies which are contracted to provide the services as a part of this process. These non-permanent employees may encounter excellent opportunities to advance themselves in the private sector compared with their current situation in GAM where they have few benefits or job security.

A major pressure on the Municipality is the fact that the area that it has grown by three times, as noted above, to 1,680 square kilometers, requiring an increase of five times to serve these new areas with adequate public works and services. This creates a push in some departments to want to increase the

number of employees to serve this larger area.

2.4 FINANCIAL STATUS

A summary of the Municipality's financial status is summarized in Table 1. GAM, during the previous administration, incurred surpluses from 2003 through 2005. , The major sources of revenues are in order of their importance: property tax (JD42 million); traffic tickets (JD 14 million), and building licenses.

However, GAM is projecting a deficit in 2007 of around JD 98 million, primarily due to capital improvements required as a result of the expansion of its physical area. Other pressures were placed on the budget recently as GAM raised salaries to retain its best personnel. Specifically in the case of engineers, 50% of their salaries has been given as an incentive to encourage them not to seek employment elsewhere. Other pressures stem from property tax delinquencies. Some progress has been made on this problem: When this administration took office there were property tax delinquencies in the amount of approximately JD110 million, an amount that has now been reduced to JD47 million. It is clear that tax delinquencies contribute substantially to the current negative financial picture.

TABLE 1
GAM MUNICIPALITY BUDGET SUMMARY 2001 – 2007 (millions JD)

Year	2001	2002	2003	2004	2005	2006	2007
Revenues	76.067	84.06	88.46	101.90	116.24	133.57	191.28
Growth rate		10.5%	5.2%	15.2%	14.1%	14.9%	43.0%
Expenditures							
Recurrent	37.508	39.22	40.92	42.874	45.59	46.599	53.045
Growth rate		4.6%	4.3%	4.8%	6.3%	2.2%	13.8%
Capital impr.	37.772	47.19	47.45	52.128	68.48	97.557	236.323
Growth rate		24.9%	.6%	9.9%	31.4%	42.5%	142.2%
Total Expenditures	88.375	86.42	88.37	95.003	114.07	144.157	289.368
Growth rate		14.8%	2.3%	7.5%	20.1%	26.4%	100.7%
Surplus/(deficit)	-	-2.36	0.091	6.899	2.167	-10.586	-98.093
	12.308						

Under current laws, there is no possibility to employ the private sector to assist with tax collection. Lawyers have been approaching GAM, suggesting a 20% commission for assisting with successful tax collection. As it stands, Financial Affairs has a legal team of about 30 persons forming part of a 300-person team working on tax collection. The Law of Collecting Government Money allows legal action against delinquent taxpayers. This legal action can include banks freezing all the assets of the delinquent taxpayer until the taxes are paid. Given this situation and the financial pressures mounting on the Municipality, it is possible that with a legal change to allow it that this collection unit could be spun off and function as a "tax bill collection company."

3.0 POSSIBILITIES IDENTIFIED FOR OUTSOURCING AND COST/BENEFITS

Based on a series of interviews in the Municipality at the Under Secretary, Assistant Under Secretary, and Manager levels, a number of possible outsourcing opportunities were identified.

Table 2 shows the list of Municipality functions as defined by Municipalities Law Number 14 of 2007. In this table we have summarized some important data which will facilitate comparisons among the departments and their functions. These comparisons should help prioritize the activities that might be undertaken as a part of this initiative.

Several important questions were asked in the interviews by the management of GAM:

1. Given the fact that the skills in the GAM are uneven, how can we ensure if we enter this process that we will not lose our best human resources?
2. Will GAM employees actually want to become businesspeople? It seems that they are by nature risk avoiders.
3. The incentives that you are suggesting may be too much. The employees who continue to work may think that many special favors have been given to those who want to form a company and provide services back to the municipality and they may be jealous. How can we avoid this and should not there be an element of risk?
4. How can you help these young companies get set up? The rents for commercial spaces are quite expensive.

The design of any project should take these questions into consideration. The human resource question is important because, as noted, the overall quality of the personnel in GAM is already considered by the interviewees as low.

Number	Duties Authorities Responsibilities	Secretariat Department	Number of Employees	Budget JD	No. Users	Outsourcing/ Spin-Off Possibility	Micro or Small Possibility	Comments
1	Planning	Planning Affairs/						
		Engineering Affairs				No		Street maintenance; GAM has tried outsourcing this activity, but could not find a workable way to control quality, quantity of materials, and temperature of asphalt
		Design & Studies Dept	85	438,664.00		Yes	Small	Street and sidewalk design (50 engineers)
		Control & Quality Dept	69	240,353.00		Yes	Small	Materials laboratory (18 engineers)
						No		Maintenance of street lighting – satisfactory service provided by GAM central team and electricity company
2	Building licensing	Planning Affairs				No		
3	Storm drainage and public toilets	Engineering						
4	Public markets	Financial Affairs						
5	Crafts and industries	NA						

6	Transportation facilities							
		Machinery				No		This refers to heavy equipment workshop where there are service providers available
7	Public businesses	NA						
8	Parks	Engineering Affairs	689	820,131.00		Yes	Small	130 parks in every district; park maintenance is good opportunity for small businesses; police do park protection
		Recreation and Park Dept						Three large parks were targeted in the interviews.
9	Fire extinguishing and prevention	NA				No		Good service provided, including rescue squads; organized in a semi-military fashion
10	Precautions from floods	Engineering Affairs				No		Construction of small dams, culverts;
11	Rescue of disaster victims	NA				No		Good service provided
12	Cultural and sports establishments	Sports & Public Rels	180	716,025.00		Yes	Small	Facility maintenance
		Administration of Library Department				Yes	Micro	Public libraries; booking binding at libraries to protect books

13	Food control	Health & Environment – Food Control				No		
14	Inspection of slaughtered animals and establishment of abattoirs	Health & Env. / Slaughterhouse				Maybe		GAM attempted PPP but failed; requires large investment to replace the current facility costing an estimated JD 20 million
15	Cleaning	Health & Env. / Hygiene & Cleanliness	4631	17,577,616.00		Yes	Medium	Solid waste collection; GAM tendered pilot outsourcing project with private firm in January 2006. Being carried out in a part of one district successfully; good small business possibility
		Workshop & Machinery				No		Services garbage collection trucks that could be transferred to small businesses
		Trans & Supply Dept						
16	Hygiene Control	Health & Env				No		
		Hygiene & Cleanliness Dept						
17	Public Health	Health & Env				No		
		Community Health Dept						
18	Cemeteries	NA				Maybe	Small	Site development and maintenance
19	Protection from hazards	Engineering Affairs				No		
20	Street vendors and canopies	Health & Env				No		

21	Advertisement and boards	Planning Affairs				No		
		Advertising						
22	Demolition of derelict buildings	Engineering Affairs				No		
23	Weighing of publicly sold materials	NA				No		Administered by the Ministry of Trade
24	Sale of road leftovers	NA				No		
25	Dog control	Health & Environment				No		
26	Animal control	Health & Environment				No		Inspection of animal health (primarily sheep and cows)
		Slaughter Department?						
27	Budget preparation	Financial Affairs				No		Core function
		Financial Department						
28	Management of assets	Financial Affairs				No		Donated property management
		Properties Department						
		Workshop & Machinery						

29	Any other duty needed for the performance of the above					No		
	Other activities							
	Security	Security Unit	800	1,274,945.00		Yes	Medium	Includes up to 400 workers??; GAM has discussed this possibility with private security company. Municipality headquarters and Cultural Center identified as locations to do first spin offs
	Office printing and supplies	Administrative Affairs / Stationery Department				No	Medium	Photocopying services described as poor; could set up imbedded business at GAM
	Light vehicle maintenance	Workshop & Machinery	340	817,532.00		Yes	Small	Total staff 380
		Workshop & Machinery						
	TOTAL OUTSOURCING/SPIN OFF OPPORTUNITIES		6794					

3.1 OUTSOURCING OR SPIN-OFF?

Before setting forth the possible activities that might be outsourced, it may be important to define terms. Outsourcing is defined as: a method of contracting with the private sector to procure a service or good. The government under outsourcing may transfer the factors of production (people, facilities, equipment, and technology) to the service providers. Outsourcing implies that there is an existing company to which the responsibility for carrying out the specific activity is transferred. The situation contemplated in this report is slightly different as it is the desire for the Municipality to explore the possibility of assisting its present employees to form companies to provide these services back to GAM as well as, it is presumed in some cases, eventually to the private sector. A spin off is when a separate company is established to provide these services back to the original organization.

Outsourcing is broadly used by both public sector entities around the world to contract with the private sector to provide them with goods or services, but normally services, that are critical to their operations and can be delivered to them by private sector providers at a lower cost and more efficiently than they can provide them through their own operations. The disadvantage of outsourcing is that there is some loss of direct control over the activity, as the control is normally exercised through a supervised services contract. If the private sector company fails to perform, the contract can be canceled.

The municipality does not relinquish responsibility for provision of the service. In fact, it will have to continue to be vigilant throughout the contracting process and into the contract implementation stage. Outsourcing is not an "event". There should be a unit either within the Municipality or within the specific Secretariat to provide constant supervision and manage the service contract to ensure that it does indeed achieve what was initially proposed.

It should be noted in the conversations with the management team at GAM that they generally recognize that the private sector is more agile and better in providing services than the government. GAM, it was learned in the interviews, contracts or is going to contract with private companies to provide heavy equipment repair, photocopy repair, and some light vehicle repair and maintenance. GAM has a Tender Department and has considerable experience in setting up tenders to obtain services from the private sector. In some cases, it may be desirable to contract with an already existing private sector company, including in the service contract a clause that requires the absorption of Municipality employees and the process for achieving and guaranteeing that this is followed through.

However, to achieve the restructuring and downsizing that the Municipality is seeking, it will be important to undertake a more complicated process than setting up a tender for services and requesting private sector service providers to bid. The spin-off process will involve more steps and will require that the Municipality take an assertive role to ensure that processes are undertaken and followed through – otherwise this process could fail. It will require that the

Mayor set up an office to undertake these spin offs and that he put a lot of energy into making the process work. These steps will be detailed in the last section of this report but, as a minimum, it can be foreseen that the following steps will be required:

- An entrepreneur training course given to managers and supervisors to open them to the possibilities of entering into business
- An opportunity for these managers and supervisors to "self-select," indicating that they want to be owners of this small spin off companies
- Provision of assistance to them in designing the company and determining its feasibility
- Provision of assistance to them and the Municipality in designing a sole source contract, establishing the service standards for the contract, and the fee arrangement
- Assistance to them in legal incorporation and obtaining licenses and permits
- Training for them in how to run their companies, develop their business plans, and obtain financing
- On-going coaching on relations with the Municipality, the bank, the public and for problem solving.

One of the important considerations in designing a spin-off program is the question of location: will the business be incubated in a GAM location or will it find a separate location. One of the reasons one would recommend a separate location is that it would provide independence from the everyday environment of GAM itself; would ensure that the relationship was more "arm's length"; and provide the newly formed company with the opportunity to serve other clients besides GAM to grow their business. However, it can be anticipated that setting up in a new location will not be as convenient to GAM and a new location may be expensive putting pressure on the newly formed business. However, continuing to be located on GAM's premises may result in "operations as normal," with everyday relations resembling the previous arrangement without the opportunity to inject as much discipline and energy as possible into the new business.

3.2 POSSIBILITIES IDENTIFIED FOR OUTSOURCING OR SPIN-OFFS

The possible outsourcing activities identified during this assignment were as follows:

3.2.1 Design Department -- Engineering Affairs

This Department oversees the design or designs all of the streets, sidewalks, bridges, overpasses and buildings to be constructed by GAM. Oversight is provided for large-scale projects like the Abdoun Bridge, which was designed by an international engineering firm. It employs 85 employees of which about 50 are engineers. The annual budget is approximately JD 438,664.

Very strong support was voiced by the Assistant Under Secretary for privatizing

this operation, a sentiment echoed in a separate interview with the Department manager. The Department manager was convinced that such an arrangement would result in more creative designs for the Municipality. The response was so enthusiastic in this Department for the concept of setting up a private firm that a small firm was preliminarily designed in the interview: the company could have two surveyors, four assistants, two engineers, and two landscaping engineers. A spin off company manned by a portion of the present employees, maintaining a group for on-going oversight of the work contracted out, is recommended.

3.2.2 Laboratory Division – Follow-up and Quality Department

This Department is responsible for quality control across the entire Municipal administration and currently occupies a staff position in the organization chart. It runs ISO 90001 across all departments, first training units, and then monitoring their adherence to these standards. This Department is also called upon to do or contribute to strategic planning for GAM and provides these services occasionally to government units outside of GAM.

Within this department is a Laboratory Division that tests and ensures the quality building materials, such as cement, asphalt, soils and so on for all of GAM's construction projects. Its functioning is critical to ensure that the construction will last. There is a Municipality policy established 10 years ago that such a laboratory should operate inside GAM to ensure quality building materials.¹ This laboratory has 69 staff, of which 10 are engineers and six are technicians. Its 2007 budget was JD 240,353. These staff members are highly qualified and the laboratory is a benchmark for the operation of similar private laboratories. The materials provided by this Division that benchmarked their own performance over the last 5 years were impressive. The Division is feeling strained to increase its staff. Given the physical growth of the Greater Amman Municipality has grown by about three times, growth in public works is expected to grow by five times, putting considerable pressure on this Division.

It is notable that there are 45 such laboratories in the Jordanian private sector, many of them specialized to analyze a certain kind of material, from soil, to asphalt and concrete, offering an opportunity to contract out most of the future requirements not covered by a spin-out company. The Laboratory Division contracts with 5 or so "best of the best" of these laboratories, sometimes to take some of its workload and sometimes to obtain "second opinions" in the case of disputes with private contractors. Many of these laboratories have ISO17025 accreditation, which ensure adherence to the standards for the analysis of reference samples and the conduct of proficiency tests. The Laboratory Division is not itself accredited in this way. Their limited space and laboratory conditions have been a problem in obtaining the accreditation.

There was very strong support for formation of a spin-off company by the Assistant Under Secretary of Engineering Affairs as well as the manager of the laboratory. This is definitely a spin-off possibility.

¹ Legal assistance may be required.

3.2.3 Sports Facilities and Fields Maintenance -- Sports and Public Relations

The facilities under Sports and Public Relations include the King Abdullah Sports City, a major complex, and 86 football fields ranging from small to Olympic-sized (2). There are 180 employees who now over the operation of the facilities and provide the maintenance. The annual budget for this activity is JD 716,025.

Sports and Public Relations has used private contractors to install artificial grass on many of the football fields. There are no concessions at the Sports City, but there is a possibility for developing numerous private concessions there selling food or sports souvenirs, which could bring the Municipality considerable revenue from concession fees. The Assistant Under Secretary was not too enthusiastic about either concessions or a spin-off maintenance company, but he stated that they were possibilities that he would like to discuss further. It is recommended that the maintenance of these sports facilities be done by a spun off company to ensure that they do not deteriorate. This is an activity that lends itself to the formation of one or more such companies.

3.2.4 Solid Waste Collection -- Health & Environment

The Solid Waste Collection Department, with 4,631 employees (approximately 25% of total employment) is one of the largest ones administered by the Municipality. Its annual budget was set at JD 17.5 million for 2007. Its performance has a direct impact on the well-being of the population. The Department operates 245 compactor tracks, places about 16,000 containers (1,100 liter size), and collects an average of 2,300 tons per day, some of which passes through three transfer stations to end up in a massive landfill. Two compactor stations also compact about 700 tons of the daily solid waste flow. Because each container serves about 190 residents of the city, collection is done several times a day to prevent garbage from being scattered in neighborhoods. A first cell in the landfill is being closed out and a new one with approximately 3.5 million tons of capacity is being prepared.

Costs for garbage collections trucks were provided: a 2-ton truck costs JD35,000 and an 8-ton one costs JD 135,000. The Municipality also has trucks capable of carrying 25 tons. The value of these trucks, their use by any spin-off company, and the protection of these assets as stipulated in a leasing agreement² will be a factor in any spin-off arrangement.

We explored with Municipality officials the concept of spinning off companies composed of supervisors and workers to take on the solid waste collection activities in additional districts. There are currently 4,082 workers supervised and administered by 549 persons. The estimated cost of delivering one ton of garbage to the sanitary landfill is JD28. This figure has trended upward from JD23 per ton in recent years. The Municipality probably would be willing to put in place service contracts that focus on individual districts. As it was discussed, the possibility of working with the private sector as service providers seemed like a

² Legal assistance may be required.

stronger possibility for management than working with a private company that was set up among the employees. However, a willingness to experiment with Municipality spin-offs was indicated in the interviews.

GAM contracted out the solid waste services in a part of the Basman District. This contract with a private service provider amounted to JD 285,000 per year. The Municipality is watching this contract to see how well it performs. This contract was apparently promoted by District Affairs and the Solid Waste manager was not fully aware of how or how well this contract was operating. It was mentioned in other interviews that there has been a visible improvement in the service to the residents in the area served. The company has expanded the number of persons working on solid waste removal from 28 to 40; many of these were former Municipal employees. It was also reported that the Municipality transferred the corresponding trash removal trucks to the contractor, but it is not clear how this arrangement really worked.

It should also be noted that the EU is supporting work with GAM on recycling. In a joint effort with the Privatization Commission, GAM has selected an initial recycling location that will affect 250,000 residents. They are placing special containers in the affected districts as well as setting up a separation operation in the collection locations. At the collection locations, they intend to process 600 tons of solid waste daily, separating out recyclable items. There are private sector buyers for cardboard (carton), paper, plastic, aluminum, and other metal. The prices reportedly paid for recyclable materials are relatively high and there are an estimated 3,000 scavengers collected these materials directly from trash containers. Some of these have made this a business and use truck in their scavenging operations. Support for this process may also present a series of spin-off opportunities for micro-enterprises.

The World Bank has set up a methane recapture facility in the Municipality's old landfill, which is now functioning to generate electricity.

Because of the number of employees and large budgetary implications, this should be a high priority point of entry for this new initiative. It is estimated that at least 1,000 of these workers supervised by perhaps 50 persons could be spun off in the near future. Special attention will have to be paid, in the first instance, regarding how the garbage collection trucks will be transferred to the newly formed companies; it is assumed that these can be transferred by lease agreements and the contract should specify how they are to be maintained. This is an opportunity to spin off one or two companies in each district, depending on the population to be served. One of the goals would be to establish contracts that could substantially lower the cost per ton from the current JD 28 figure.

3.2.5 Parks Maintenance

Another possible spin-off that would seem to have good prospects is the maintenance of parks. The Municipality has 130 parks and are described as needing upgrading. These parks are spread out across all the districts. In four Children's Parks there is a library, an IT center and a cultural hall in each. The people in the community are primarily responsible for taking care of these Parks

and there are some limitations regarding their ability to protect the condition of the parks. The Municipality has been discussing continuing this practice by turning the maintenance of these parks over to civil society groups. It is unclear how this would work, but it seems that this is a case of the Municipality shifting its responsibility and they will have to organize it well, with some kind of contract or memorandum of understanding to ensure high quality service. It was unclear whether they intended to pay these civil society organizations for their services and it was also unclear what they would do if the organization failed to maintain their park.

A discussion with the Gardens Department indicated that there were some specific parks with maintenance problems. This Department is continuously challenged by the damage done to the parks by visitors. The Assistant Under Secretary believes that charging no admission at some parks with aviaries or the zoo results in abuse by the visitors. The Department only received JD100,000 in admission fees last year. On the other hand, they have a budget of JD 820,000 to maintain the parks and run the nurseries that provides plants. This Department presently has 189 Municipal employees with 500 workers. They have all the equipment required for park maintenance, including access and transport facilities to carry "gray water" from the sewage treatment plant to the parks.

The Department director suggested that there may be three parks that could lend themselves to care by a private sector maintenance and protection arrangement. These parks are 1) Ghamadan, 2) National, and 3) Yajouz area park. These are judged to be a good possibility for the formation of spin-off companies.

3.2.6 Vehicle Maintenance -- Workshop and Machinery Department

The Municipality is currently operating around 1,000 light vehicles, a motor pool comprising many different makes and models. The budget for light vehicle maintenance is approximately JD 817,500. This department is facing two main problems: the inability of the Municipality to maintain a proper inventory of spare parts to take care of the most frequent types of repairs, and the difficulty in providing what should be scheduled maintenance for the vehicles. Both of these problems reduce the effectiveness of GAM due to vehicles not being available for its employees to use. There are 342 employees in the Workshop Section of this Department and these were described as poorly trained, with the pay levels for such positions constraining the recruitment of higher quality personnel from the private sector.

The concept suggested by the Assistant Under Secretary of Workshop and Machinery is to set up four separate mechanical workshops in convenient locations that can provide quick-turnaround servicing of vehicles, such as monthly maintenance, oil changes, brake repair, tune-ups, tire repair and rotation. This is an excellent opportunity for a spin-off of four small companies which can run these services on a per unit basis (for every oil change, for example, the contractor is paid an agreed amount of money).

Other possibilities, which did not appear to be spin-off opportunities, were also explored. This Department also has the Machinery Area with 190 employees. This was deemed as not a good possibility because repairs to the heavy road equipment operated by this group are or will be primarily provided by the sales representatives' companies. In other words, if there is a repair required on a Caterpillar grader, that repair is carried out by the Caterpillar dealer under a special arrangement. The other Area is Transportation with about 400 employees. This Area handles the solid waste collection trucks and it is possible that their repair could be handled with the spinning off of private companies to handle the entire solid waste "repair package" in a district.

3.2.7 Security Guard Unit

The security guard operation, which is not a department and does not appear on the organization chart, has undergone considerable upgrading since 2005. Prior to that, the guards were very informal; they did not have uniforms; and they had received little training. Over the last couple of years, they have been put in uniforms and more discipline has been instilled in the 800 guards employed by the Municipality. This unit has a JD 1.28 million annual budget. They still have no vehicles or communications system, their training continues to be poor, and they receive low salaries. A study was carried out by the operation's director and staff, who determined that there are 242 locations that require protection. The top priority is an explosives warehouse, followed by the asphalt batch plant and other expensive heavy equipment and trucks. It was estimated that to provide full security to these critical and other locations that about 1,000 guards would be required.

This Unit has negotiated a contract with the armed forces to provide security training for the employees of this unit, but his training has not been implemented. This training can be incorporated into the spin-off process.

The concept of the Unit manager was that they could start in a limited way to form private companies to spin off operations. These operations would be formed first to provide security to the main buildings of GAM as well as the Cultural Center. This outsourcing effort could also serve to highlight for GAM management the importance of security to their overall operations. This appears to be a workable idea and we would recommend that this activity be supported in the future as a spin off.

3.2.8 Tax Bill Collection Company

As described previously, GAM has some difficulty in collecting property taxes and it is struggling with its accelerating deficit. Financial Affairs has a team of 330 dedicated to this endeavor. While private sector lawyers have offered to assist GAM with this problem, GAM has not taken them up on this because the fees charged by the lawyers would be quite high (perhaps as much as 20% of the taxes collected).

The recommendation in this case would be to create a small company or two

from the present team dedicated to this. This company could collect taxes from all of the delinquent taxpayers in districts where one-half of the population resides. They would be paid on the basis of taxes collected, a negotiated percentage, which would yield enough income for the company to support its operations. Bonuses, also to be negotiated and inserted in the service contract, could be given for achieving high collection rates.

3.3 OPPORTUNITIES REVIEWED BUT DEEMED INAPPROPRIATE AT THIS TIME

3.3.1 SLAUGHTERHOUSE – HEALTH AND ENVIRONMENTAL AFFAIRS

The Municipality operates a central slaughterhouse that generates about JD 3 million income annually -- costs reportedly slightly exceed that, resulting in an approximately break-even operation at present. It slaughters more than 40% of all meat and chicken consumed in Amman. The slaughterhouse was identified in its strategic plan as one of the operations that GAM would like privatize. One of the justifications for this plant is that small farmers are able to bring their cows, sheep, and chickens for slaughter. If the rates were increased, the Slaughter Department claimed in an interview, these small farmers would be out of business -- as the market is dominated by large farmers who can do their own slaughtering.

The Municipality recently tried to establish a public-private partnership (PPP) for this operation. The Municipality had entered into prolonged negotiations with a group of Kuwaiti investors/operators. Several studies were prepared: a market study, an environmental study, and a staffing analysis. The PPP was supposed to launch its operation in March 2007, but the Kuwaiti company decided not to proceed.

One of the problems is that the slaughterhouse, which was constructed in 1970-3, has had very little improvement either to its plant or equipment and is in a deteriorated condition. To replace the plant and equipment alone is estimated at JD 15 million. This figure does not include the cost of new site (the present site is completely surrounded by urban development and public streets and is causing some environmental damage), water and sewerage treatment. Another problem impeding the privatization of this plant is that the law regulating fees has not been amended for years. The fees charged are extremely low; for example, 15 piaster per chicken killed and defeathered. (No butchering is done at this plant by GAM.) The slaughterhouse clearly constitutes a problem for the Municipality without an easy solution. It may well be that this plant needs to be shut down. Therefore, this is not a recommended activity in the first round of an outsourcing/spin off program. The best recommendation for this facility may be: the Municipality shuts down this operation; licenses several private sector slaughterhouses to handle the present volume of this plant; and focus on health inspections of these new private slaughterhouses.

3.3.2 Stationery Department -- Administrative Affairs

This Department functions to procure about JD 4 million in goods annually to support other Municipality operations. Their major procurement activities support the Solid Waste Department (trash containers amount to JD 2.5 million), Engineering Affairs (road marking paint and building paint) and most of the other units in the Municipality. They also organize with private sector providers, the installation and servicing of photocopiers throughout GAM. These contracts have two year guarantees and service contracts for 3+ years. All these procurements are handled by the Tender Department. Initially in this study, the creation of an imbedded office service provider (for large photocopy jobs, office supplies, faxes, etc.) was investigated. This concept does not appear to be an outsourcing/spin off possibility at this time.

3.4 OTHER UNITS NOT REVIEWED BUT MENTIONED IN THE INTERVIEWS AS POSSIBILITIES

There was insufficient time to interview the managers and staff members at the following departments, but these may merit follow-up in the future as the outsourcing/spin-out program progresses.

3.4.1 Human Resource Training Center

The training center at Marka is providing the necessary training for Municipality staff. Expanding the types of training offered and connecting this training to human resource development policies and programs would open up an opportunity for a spin-off or outsourcing. Some kind of academic affiliation would be useful to give this facility an accreditation for providing human resource training.

3.4.2 Computer Department (a separate unit)

The Computer Department at GAM operates the Municipality's database and hardware, develops and introduces new systems, and helps various administrative units in deciding on and acquiring their computer needs. One possibility might be to establish a small company to carry out maintenance and perhaps lease hardware to administrative units. This would prove to be more flexible than the current operation.

3.4.3 GIS

GIS operations have been a history of trial and error at the Municipality for many years now. The current setup operates ESRI software and this group is in the process of implementing a GIS database for the Municipality. Working at its current pace would require many years to cover all the land now within GAM. A private operation should be explored that can complete the database in a shorter time, expand the scope of services provided to GAM staff such as locating and mapping, house addresses, etc. Modern GIS applications can be useful to many

different functions at GAM.

3.5 COST-BENEFITS

One finding became evident in the interviews across the Municipality is that no one has any idea of the cost of their activities, unless they have had a public tender for the provision of the service. This is primarily due to the fact that the accounting system is centralized. Furthermore, there is no cost accounting so it is unknown whether services and activities are efficient as there is little basis for comparison with other municipalities or organizations. At the Department Manager level, knowledge of the Department's respective budget allocation was improved, but invariably the manager knew their budget for procurement of equipment, but did not know how much they were spending in salaries.

In central tenders, the tender committee makes the decision as to who the total amount to be awarded, and the size and quantity of services or goods to be provided. These are divided across the districts so that each District is aware of the amount of their allocation from this process.

The new Oracle system being installed in Financial Affairs will help, but Municipal management has a long ways to go in achieving real cost of service awareness and management. This lack of financial information by sub-activity makes it impossible to estimate cost/benefits at this juncture. Total budget allocations of those units or departments that have spin-off potential were gathered to the extent possible. These are included in Table 2.

4.0 CONCEPTS TO BE CONSIDERED IN THE OUTSOURCING PROGRAM: LESSONS LEARNED FROM OTHER COUNTRIES

Outsourcing has been implemented successfully in numerous countries, including countries similar to Jordan. Municipal governments have been relinquishing operations that can be handled by the private sector. A few examples of recent or proposed outsourcing are provided below to demonstrate that the recommended activities are being undertaken elsewhere in the world. In some cases, one can learn the pitfalls as well as potential opposition by the public to these strategies.

4.1 PARKS MAINTENANCE: MUNICIPALITY OF SAN JOSE, CALIFORNIA

Currently, the San Jose City Council is moving forward with a plan that would contract private companies to help clean up the city's parks. The mayor is pushing this plan as a way of the municipality's long-term budget problems. "We have added hundreds of acres to our park system over the last decade," explained the mayor. Unfortunately, at the same time, our budget shortfalls have driven us to lay off and decrease the number of park maintenance employees. So acreage is up; workers down, park maintenance suffers, so we're trying to be

creative in how we deal with that. We have a \$30 million backlog in park maintenance needs.” Labor leaders are opposed to the plan. They say that privatizing the park maintenance raises questions of liability, safety, and ethics. Some private citizens have worried that the service agreements with private sector service providers would not be explicit enough to ensure that the parks are properly maintained.

4.2 PARKS AND SPORTS FACILITY MAINTENANCE: ALLEGHENY COUNTY, PENNSYLVANIA

Allegheny County, Pennsylvania, when compared with 14 similar metropolitan areas in the United States, is last in business start-ups, last in population growth, and last in new and expanded facilities, a key indicator of business climate and capital investment. The County Administration is exploring a series of ways to create and maintain economic growth while providing services at an affordable cost to the people. Among the activities they are outsourcing are the jail, plumbing inspection, park maintenance and sports facilities (two skating rinks).

4.3 MOTOR POOL OUTSOURCING: STATE OF OREGON

Maintenance, gas, parking and depreciation are financial “black holes” for government entities across the world. In Oregon, the State government recently signed a three-year contract with Flexcar to supplement its fleet of 40 cars. The city government of Portland, Oregon, also just cut its motor pool from 25 to 13 cars, also by signing a 5-year agreement with Flexcar. Flexcar is basically an on-call rental service available to State and City officials whenever they need an automobile to perform their official duties. Flexcar pays all the costs of maintenance, gasoline, insurance, etc. and charges these two entities by the hour (US\$7/hour of use). The Municipality has been able to slash its motor pool expenses by 30%. One of the interesting observations was that there seemed to be less demand for automobile transportation by Municipal officials when the system was installed. There were some problems for employees with scheduling and timeframes. Similar contracts have been put in place across the U.S. as municipalities are looking to cut costs in their motor pools. This approach may not be possible to implement by GAM because normal car rentals may actually increase the cost to the Municipality, but it may bear further analysis.

4.4 MOTOR POOL OUTSOURCING, STATE OF IOWA

The State of Iowa had 2,735 vehicles during fiscal year 2006. The State has reviewed several options to: 1) reduce the number of vehicles and 2) reduce the total costs from this line item. They are considering the partial sale of their fleet of vehicles and leasing for overflow requirements only; the complete sale of their fleet and leasing all vehicles; or paying employees when they use their personal vehicles. Factors in the study included: value of the vehicles that could be sold off, the budgetary impacts, costs of leasing, reduction in costs of maintenance

and insurance, estimated payments to employees for use of their cars. The State found that reducing its fleet, operating its own vehicles, and using them more efficiently and in a coordinated fashion, resulted in the lowest costs compared to leasing. If the leasing had been on a flat fee per day, week, or month, however, leasing would have been a better arrangement.

4.5 SLAUGHTERHOUSE PRIVATIZATION – VARIOUS COUNTRIES

Many national and municipal governments became the owners and operators of slaughterhouses in the period of 1950 to 1970. These operations have usually been closely affiliated with public markets, which municipalities have often had to administer for public health reasons. However, it is often the case that these markets provide low quality meats to the domestic market. In comparison, it has been seen that many countries over the past couple of decades have privatized these operations because they generally lose money and are often a drag on the government's budget. Among the countries that have privatized slaughterhouses are: Turkey, Chad, Nicaragua and many others.

The Meat and Fish Organization (EBK) of Turkey was established in 1952 to spearhead modern processing technologies and develop the growth of the red meat market. At its height, EBK had 29 slaughterhouses, 2 meat processing plant, and 2 slaughterhouses for poultry. These have all been privatized as of 1995. One effect noted was that the price of meat prices rose somewhat, benefiting producers as these operations could demand higher prices based on their better quality.

4.6 HIGHWAY MAINTENANCE – VARIOUS COUNTRIES

A savings of 13% to 28% was recorded as outsourcing and performance-based contracting were introduced in Swedish highway maintenance. This is in line with the 21% savings registered in Massachusetts and 12% in Virginia, both U.S. state governments. A few negative effects on service, environment, and quality were noted. And there is concern that a slow-down in the research and development (R&D) and innovations may lead to higher costs and a less effective transport system in the long run. However, in the case of France, their highway maintenance outsourcing program has not stalled in either producing savings or providing innovative solutions. Elements that may be incorporated into these outsourcing contracts include: multicriteria bid evaluation, alternative bids, on-line monitoring, bonuses, penalties and incentives, competence development, partnering, and weather-regulated performance-based contracting. Street maintenance outsourcing at GAM has been already tried on several occasions without success; nevertheless, this may be an excellent activity to research regarding its capability to reduce costs.

4.7 ROADS OPERATIONS – STATE OF VIRGINIA

The State of Virginia is outsourcing, depending upon current cost-benefit

analyses and impacts upon protected classes of employees, the following activities:

- Equipment repair and maintenance
- Primary and second road system maintenance (already partially outsourced)
- Safety service patrols (already partially outsourced)
- Sign production
- Smart traffic centers (already partially outsourced)
- Special facilities
- Surplus equipment auctions
- Toll collection facilities
- Records retention

4.8 AUTO PARTS INVENTORY OUTSOURCING – STATE OF TEXAS

Starting in the late 1990's, the State of Texas ran a pilot project to determine the savings through outsourcing their auto parts procurement and inventory function. The first year savings in a single county was US\$5,384,874, with an average of US\$3.5 million savings in subsequent years.

4.9 LESSONS LEARNED – SOUTH AFRICA

The outsourcing program of South Africa is one of the most extensive municipal outsourcing programs executed in the world that has received extensive reviews. A distillation of their lessons learned can serve GAM well in the design of its outsourcing/spin-out program:

- A. The municipality does not relinquish responsibility for provision of the service. In fact, it will have to continue to be vigilant through the contracting process and into the contract implementation stage. Outsourcing is not an "event." There should be a unit either within the Municipality or within the specific Division to provide constant supervision and manage the service contract to ensure that it does indeed achieve what was initially proposed.
- B. Most outsourcing programs involve service contracts with outside contractors, not with employees.
- C. Service contracts of this type should have a clear termination date. The service contracts developed usually are for short periods of time, such as one to three years. For any contract, a municipality should have the right to exit the contract under certain circumstances, such as breach or consistently poor performance by the contractor. Outsourcing may take the form of: a service contract; a management contract; a concession contract; or a lease. A concession contract involves construction and/or maintenance and rehabilitation of municipal infrastructure. A public-private partnership that involves a concession contract under which the ownership of the municipality's assets are used by the contractor is perhaps the most complex

form of outsourcing and is used when larger delivery systems such as water and sewer, electricity, and other public services are to be privatized. Under a lease contract the municipality will lease specific assets to a service provider on a long-term basis and while the service provider will be responsible for the services, it will not be expected to invest in new assets or to rehabilitate the old ones.

- D. When there is limited experience with an activity such as outsourcing, the municipality should start with the simplest arrangement, a service contract, and build experience by successfully managing it. Other contracts and more complex arrangements can be built on this experience. It is likely that a service contract will be used in the design of this program. The outsourcing process is driven by a choice between "internal" service delivery mechanisms and "external" service delivery mechanisms. Internal mechanisms are typically departments, administrative units or municipal business units from inside the municipality. External mechanisms normally would be an NGO or a private company, but also can be another municipality or central government entity. It is envisioned in the GAM program that the service will be "external" and will be provided by a private company formed by former managers and employees.
- E. An external outsourcing opportunity needs to be assessed in terms of a specific definition of the service; the number of years the service will likely be outsourced; projected outputs; assessment of the value for money and impact on the poor regarding affordability of the service; projected impact on the staff, assets and liabilities; projected impact on budgets, including revenue, expenditures, borrowing, debt and tariffs. The municipality must follow a competitive bidding process if it has decided to provide the municipal service through an external, non-public sector, provider. Perhaps in the model recommended for GAM might work closely with the new potential service provider to design the company, determine the costs and therefore the fees for which a sole-source contract would be issued. Consistency should be developed over the entire program envisioned so that it will be possible to determine what is fair and reasonable in the awarding of these contracts.
- F. Some of the risks and dangers of outsourcing include: losing affordability by many residents in the direct provision of services; loss of accountability; lack of public support; and the possibility of poor service provision. The municipality can transfer some risks to the service provider, but there should be balance on this point, because the municipality should not load all or too much of the risk onto the contractor.
- G. In order to ensure an efficient service contract it should include the following: a detailed set of contractual obligations for the service provider to record and report relevant information to the municipality; clear and measurable contract outputs so that performance and efficiency can be assessed on a continuous basis; ensure constant monitoring mechanisms to determine

efficiency throughout the contract period; a system of penalties for specified instances of poor performance; and rewards for achieving targets exceeding better performance and greater efficiency.

- H. Case studies have shown that if municipal officials have not been closely involved in the preparation of the contract they tend to play a more passive role during contract monitoring as they do not fully understand the contents of the contract.
- I. Users fear that some outsourcing contracts will result in the possibility of raising the tariffs or fees to covers costs.

5.0 THE RECOMMENDED APPROACH:

5.1 Establish buy-in and take early action in a couple of departments:

Once this report is finalized, a presentation should be made to the Mayor on the possibilities that have been found, how the financing program would work, and legal implications. A couple of high priority targets should be established with the Mayor to initiate this program. One of the most important parts of this recommendation is that the program starts with small manageable elements, learn the process, and then expand to more challenging and complicated ones. An Outsourcing Unit, which reports to the Mayor or one of the Under Secretaries, should be established to ensure that the program will have a strong ongoing ability to move the program forward and resolve problems as it goes along.

5.2 Expression of Interest and Entrepreneurship Training:

One of the most serious challenges for this program is that the Municipal employees who spin off departments in which they are now employed is that they themselves are likely to be bureaucratic, and used to working in a strongly bureaucratic environment. Entrepreneurship training should open them up to the possibility of becoming entrepreneurs and to become familiar with some of the everyday activities of a businessperson. These courses can be quite short, lasting one to four days, but, if well done, can literally “turn the outlook of the now-employ/future business owner on its head” and excite the individual about the prospects of owning his/her own business. These courses generally cover an introduction to such items as cash flow, bank borrowing and relations, inventory, planning, accounting, and execution. In this course the specific businesses that are contemplated should be used as examples and the context for some of this training to ensure realism.

5.3 Self-selection of Potential Entrepreneurs:

Once these managers and supervisors have finished the entrepreneurship training, they should be given an opportunity to “self-select” voluntarily, expressing their interest in becoming the owners of the identified small business opportunity. These persons will be asked to submit a petition (proposal) describing how they would organize the company; who they would choose as their employees (from the Municipality’s payroll); what equipment that they would require; and where they would locate this business (inside GAM or outside); etc. The Spin-off Unit would assess the petitions, provide feedback to petitioners to obtain the strongest possible petition, and approve or disapprove the petition. An approved petition would be presented to the Under Secretary in charge of the program for his consideration. If approved, the petition will be put before the Mayor for final approval. This final approval has implications in terms of Municipal inputs regarding its agreement to re-hire the personnel involved in case of a company failure or cancellation of the service agreement without cause; additional training; space to be provided by GAM, as necessary; and the nature of the service contract

5.4 Preliminary Design of the Company(ies)

It is important early in the process to develop a preliminary design of the companies that might be created through the spin-off process. Staffing should be envisioned along with equipment, location and working capital costs. A preliminary feasibility study should be done to ensure that no missteps are taken later in the process. The potential business owner(s) should be individually assisted to develop a more detailed design of the company, determining initial salary levels, investment requirements, operating expenses, location expenses etc. to determine whether the company envisioned by the potential owner is feasible. Feasibility will be based on the fees that will be paid to the new business under this contract. At no time will the total fees of the contract be allowed to exceed the cost of the activity when it was managed by GAM. In fact, a target of 10% reduction in costs should be set for the first year, with additional reductions of 5% for the subsequent year(s) of the contract. These contracts should also hold the possibility of being expanded as the spin-off company gains experience and competence. Outside business advisors will be required for this step.

It should also be noted that the dimensioning of each company will allow the determination of how much financing is required in terms of equity from the new company owner(s); equity invested by the fund established by GAM; working capital finance; and other financing that may be required for buildings or equipment.

Legal assistance must also be provided to the new business owner(s) in terms of obtaining the legal incorporation for the new business as well as other licenses and/or required to go into business. If the licenses are required to start up the business from the Municipality, then the Outsourcing Unit will work with outside advisors to design a streamlined process for these new businesses.

5.5 Provision of Legal Assistance to Design a Sole Source Services Contract that will be used consistently throughout this Entire Process

While the Municipality has a lot of experience in tendering and developing contracts with the private sector for services, there will likely be a need to provide it, coordinated by the Spin-off Unit, with legal services to develop this specialized contract. In order to create an aura of fairness around this contracting procedure the format of the contract should be consistent in every case. However, it will also be important to develop with other knowledgeable GAM officials the precise services to be provided and the service standards with which they will be provided.

This contract will last for at least two years and will guarantee the new business at least a minimum flow of funds during the period. It should be noted that the contract itself perhaps can be used as collateral for the financing to be provided by the financial institution. GAM and the new entrepreneur should sign this agreement and it should be provided to the Mayor for his ratification.

The fees will be set based on the feasibility study and the target reduction in costs to GAM of 10%. It should also establish an exact definition in terms of metrics involved of the service to be provided and targets for productivity. The Municipality should guarantee timely payment (within 30 days of submission of an invoice) to these new small businesses; otherwise they will quickly go out of business. This contract can be cancelled in the event that the business is failing to provide the prescribed services.

The Municipality will also likely require assistance in putting together the agreement that will allow the employee to return to the Municipality's payroll in case that the business should fail or the service contract is cancelled without cause by the Municipality.

5.6 More In-depth Business Training and Assistance in Obtaining Finance for the Prospective Owners

More in-depth, formal business training should be coordinated by the Spin-off Unit and provided to the owners of these businesses in terms of business planning and the development of an adequate business plan. This training should be comprehensive in its coverage of appropriate business concepts (management and management styles, cash flow projections and controls, organizing and executing work, maintaining an orderly workplace, personnel management, accounting and reporting) and advice and should last for 6 weeks. The business plan should be used in obtaining the financing required to initiate operations. Outside advisors will be required for this training, support in developing the business plan and obtaining finance from banks identified elsewhere in this report.

The availability at the national level of a number of SME support institutions is crucial for the success of this spin-off program. GAM will need to negotiate with these institutions and should sign a cooperation agreement to ensure their support to specific spin-off companies. GAM can call upon a series of already-

existing programs to provide assistance to the spin-off companies, as required. These programs include: SABEQ, BDC, JUMP, JE, EMPRETEC, and IRADA.

5.7 On-going Coaching and Problem Solving

In this step, the business will locate in new premises or set up in GAM premises, hire the staff away from the Municipality³, and start its operations. On-going coaching should be provided through the Spin-off Unit by outside advisors. This coaching can cover all aspects of the operation, providing problem solving advice, as well as advice on how to handle relationships with GAM, financial institutions, investors, , the public and other parties. This coaching should be made available for up to two years.

³ GAM may want to provide similar incentives for these company employees to return to GAM employment in the first two years of company life, in case the company fails or the municipality makes decisions or takes actions that put the company out of business.

APPENDIX A – List of Interviewees At GAM:

1	Mr. Ammar Gharaybeh	Under Secretary
2	Eng. Mohammad Al-Najdawi	Assistant for Planning Affairs
3	Eng. Ali Askar	Assistant for Districts Affairs
4	Mr. Mahmoud Khlaifat	Financial Manager
5	Mr. Salameh Al Nasr	HR Manager
6	Eng. Ismail Osta	Administrative Affairs Assistant
7	Dr. Majed Shafogoje	Health & Environmental Affairs
8	Eng. Nabal Nezar Kattan	Gardens Department
9	Mrs. Faten Kaiali	HR Manager Assistant
10	Mr. Mohammad Al-Shomari	Legal Department
11	Mr. Tayseer Masrweh	Legal Department
12	Mr. Omar Al-Dwairi	HR Department
13	Eng. Amer R. Attieh	Quality Department Director
14	Eng. Belal. A.M. Khamaiseh	Head, Construction Materials Laboratory
15	Eng. Emad Al-Dmour	Heavy Duty Machines Manager
16	Mohd. Khair Khatibeh	Director of Study & Design Department
17	Mr. Richard V. Robinson, Monica	BearingPoint (Restructuring project at GAM)

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