Beyond Parking Meters

Does Managed Competition Generate Better Service?

Shaw Environmental & Infrastructure
The Shaw Group Inc.® is a leading global provider of engineering, design, construction, technology, fabrication, remediation and support services for private sector and government clients in the energy, chemicals, environmental, infrastructure and emergency response industries.

- **Headquarters:** Baton Rouge, LA
- **Stock Ticker:** NYSE: SHAW
- **Number of employees:** 27,000
- **FY 2010 Revenue:** $7 billion
- **Website:** www.shawgrp.com
Does Managed Competition Generate Better Service?

• What do you mean by better?
• How much time do you have?
• Are you trying to improve a specific service or the ability of the government to deliver all key services?
• Do you really think public employees can win?
• What action will you take if they don’t?
Does Managed Competition Generate Better Service?

• What do you mean by better?
  – Modernize infrastructure
  – Improve service and convenience
  – Increase revenue
  – Reduce long term liabilities

• Sound Great?
  – Chicago Parking Meter Deal
  – Citizens and bureaucrats don’t necessarily see eye to eye (NY City Center on Municipal Government Performance)
Does Managed Competition Generate Better Service?

• What do you mean by better?
• How much time do you have?
  – Many governments do not
    • Measure performance
    • Calculate the full cost of services
    • Benchmark
    • Have clearly defined service expectations
Does Managed Competition Generate Better Service?

• Are you trying to improve a specific service or the ability of the government to deliver all key services?
  – Limited past measurement probably means lots of opportunity for improvement
  – State and local governments across the country are facing chronic structural deficits
  – 60% to 80% of costs are tied to personnel
  – Most services are discretionary
Does Managed Competition Generate Better Service?

• Do you really think public employees can win?
  – Cost structure
  – Capital investment

• What action will you take if they don’t?
  – Reduce cost
  – Redeploy resources
Where To Start?

- Mission support services
- Service expansion
- Services with clear opportunity for competitive benchmarking
- Funds where the need is clear and the impact will be material
Questions

Shaw Environmental & Infrastructure Group, Inc.
Bill Abolt
(312) 499-3525
bill.abolt@shawgrp.com