



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 17, 2019

FROM: CITY MANAGER'S OFFICE WARDS: ALL

SUBJECT: PROFESSIONAL CONSULTANT SERVICES AGREEMENTS FOR PERFORMANCE ASSESSMENT AND FINANCIAL REVIEWS; RFP 1928 FOR THE COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT WITH MATRIX CONSULTING GROUP, IN THE AMOUNT OF \$84,500; RFP 1929 FOR THE FIRE DEPARTMENT WITH FITCH AND ASSOCIATES, LLC., IN THE AMOUNT OF \$59,999; AND RFP 1930 FOR THE INNOVATION AND TECHNOLOGY DEPARTMENT WITH MATRIX CONSULTING GROUP, IN THE AMOUNT OF \$83,500, COMBINED TOTAL AMOUNT OF \$227,999

ISSUE:

Provide direction to the City Manager's Office on the continuation or suspension of the Financial Performance Audit Program and if continued, approve the Professional Consultant Services Agreements for the Performance Assessment and Financial Reviews, RFP 1928 for the Community and Economic Development Department with Matrix Consulting Group, of Mountain View, California, in the amount of \$84,500; RFP 1929 for the Fire Department with Fitch and Associates, LLC, of Platte City, Missouri, in the amount of \$59,999; RFP 1930 for the Innovation and Technology Department with Matrix Consulting Group, of Mountain View, California, in the amount of \$83,500 for a combined total amount of \$227,999.

RECOMMENDATIONS:

That the City Council:

1. Provide direction to the City Manager's Office on the continuation or suspension of the Financial Performance Audit Program; and
2. If City Council chooses to continue with the Performance Assessment and Financial Review program, that City Council:
 - a. Approve the Professional Consultant Services Agreement for RFP 1928 for the Performance Assessment and Financial Review of the Community and Economic Development Department with Matrix Consulting Group, of Mountain View, California, in the amount of \$84,500;
 - b. Approve the Professional Consultant Services Agreement for RFP 1929 for the Performance Assessment and Financial Review of the Fire Department with Fitch and Associates, LLC, of Platte City, Missouri, in the amount of \$59,999;

- c. Approve the Professional Consultant Services Agreement for RFP 1930 for the Performance Assessment and Financial Review of the Innovation and Technology Department with Matrix Consulting Group, of Mountain View, California, in the amount of \$83,500; and
- d. Authorize the City Manager, or designee, to execute the Professional Consultant Services Agreements, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transactions.

BACKGROUND:

On July 28, 2015, the City Council endorsed the Financial and Performance Audit Program, providing for comprehensive and independent audits of all departments by qualified experts on a five-year rotating basis.

The below chart shows the City Council approval dates for each Financial and Performance Audit, the Department reviewed, the contracted consultant, and the total amount paid to consultants for the engagements:

December 1, 2015 - City Council Approved Contracts		
Human Resources	Matrix Consulting Group	\$104,720
Finance	Matrix Consulting Group	\$135,000
Public Utilities	Baker Tilly Virchow Krause LLP	\$154,874
December 13, 2016		
Museum	Museum Management Consultants	\$50,000
February 7, 2017		
Office of the Mayor	Matrix Consulting Group	\$85,000
Office of the City Manager		
Police	Hillard Heintze, LLC	\$324,198
March 13, 2018		
Public Works	Management Partners	\$185,000
General Services		
Parks, Recreation, & Community Services		
Total Previously Contracted Service Costs		\$1,038,792

The Departments approved by City Council for review in fiscal year 2018/19 are the Community and Economic Development Department (CEDD), Fire Department (Fire) and Innovation and Technology Department (IT).

DISCUSSION:

Continuation or Suspension

Given the difficult budget years ahead due to the CalPERS Challenge, the City Manager's Office is requesting City Council direction on the continuation or suspension of the Financial

Performance Audit Program. The total fiscal impact of the Financial and Performance Audit Program thus far is approximately \$1,266,791, including the \$227,999 for audits proposed in this report. Departments yet to be audited include the Library Department, the City Clerk's Office, and the City Attorney's Office.

Audit plan approved for Fiscal Year 2018/19

On April 23, 2019, the City Council approved the scopes of work for the Performance Assessments and Financial Reviews of CEDD, Fire, and IT. On May 7, 2019, Request for Proposal Numbers 1928, 1929 and 1930 were issued in order to solicit performance assessment and financial review services for CEDD, Fire, and IT respectively.

On May 31, 2019, four proposals were received in response to RFP 1928, five proposals were received in response to RFP 1929 and three proposals were received in response to RFP 1930. A cross-departmental panel of City management staff reviewed all proposals based on the criteria outlined in the RFPs. The responsive firms and their rankings are summarized in the table below:

Firm	CEDD Ranking (RFP 1928)	Fire Ranking (RFP 1929)	IT Ranking (RFP 1930)
Fitch & Associates		1	
Matrix Consulting Group	1	2	1
CGR Management Consultants			2
Management Partners	2		
Arroyo Associates	3		
Grant Thornton		3	
Berkshire Advisors		4	
MGT Consulting Group	4	5	3

In the case of both RFP 1928 and 1930, Matrix Consulting Group was found to be the most qualified to perform the respective scopes of work. In the case of RFP 1929, Fitch and Associates was found to be the most qualified to perform the scope of work. The results are summarized in the table below.

Total Previously Contracted Service Costs		\$1,038,792
TODAY		
Community & Economic Development	Matrix Consulting Group	\$84,500
Innovation Technology	Matrix Consulting Group	\$83,500
Fire	Fitch & Associates	\$59,999
Subtotal Contract Costs		\$227,999
Total Contracted Service Costs		\$1,266,791

Staff anticipates that all three audits will commence in October 2019, with reports presented to the City Council by June 2020. The City Manager's Office will manage the project for these engagements.

FISCAL IMPACT:

The total fiscal impact of the recommended actions in this report is \$227,999. Sufficient funds are available in the Non Department City Manager Special Project Audit Program account 7211100-450087.

Prepared by: Carlie Myers, Deputy City Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Al Zelinka, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Professional Consultant Services Agreement for Performance Assessment and Financial Review of the Community and Economic Development Department
2. Professional Consultant Services Agreement for Performance Assessment and Financial Review of the Fire Department
3. Professional Consultant Services Agreement for Performance Assessment and Financial Review of the Innovation and Technology Department
4. RFP Award Recommendations for RFPs 1928, 1929, & 1930
5. Presentation