



## Recommendation for Action

**File #:** 20-1622, **Agenda Item #:** 41.

3/26/2020

### **Posting Language**

Authorize negotiation and execution of a contract with Raftelis Financial Consultants, Inc., or one of the other qualified offerors to Request for Qualifications Statements 7400 MMO3005, to provide operational efficiency assessments and project management, for one year in an amount not to exceed \$500,000.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

### **Lead Department**

Purchasing Office.

### **Client Department(s)**

Office of Performance Management.

### **Fiscal Note**

Funding is available in the Fiscal Year 2019-2020 Operating Budget of Management Services.

### **Purchasing Language:**

The Purchasing Office issued a Request for Qualification Statements (RFQS) 7400 MMO3005 for these services. The solicitation issued on January 6, 2020 and it closed on January 23, 2020. Of the 16 offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=133958)  
<[https://www.austintexas.gov/financeonline/account\\_services/solicitation/solicitation\\_details.cfm?sid=133958](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=133958)>.

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or

[AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov) <<mailto:AgendaOffice@austintexas.gov>>

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Marian Moore, at 512-974-2062 or [Marian.Moore@austintexas.gov](mailto:Marian.Moore@austintexas.gov) <<mailto:Marian.Moore@austintexas.gov>>.

### **Additional Backup Information:**

The contract will supplement the work of the Office of Performance management through the identification and implementation of strategies to improve municipal government operations.

The 2019 Texas legislative session included action that reduces the City's ability to increase property tax revenues to 3.5% annually. As stated in a communication from the city's Communications and Public Information Office on September 11, 2019, the City Manager indicated that, "In the coming year I plan to launch several initiatives to help us determine how we can best avoid a long-term structural imbalance in our

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budget as a result of the property tax cap, while continuing to provide the exemplary services that our community values and expects.” A Request for Qualification Statements (RFQS) to identify and address operational efficiency opportunities was issued as one of the key initiatives expected to produce results that help the City avoid future budgetary imbalances.

The RFQS scope of work noted the importance of reviewing programs and services in terms of a value stream, as opposed to focusing on specific departments. A value stream is the set of all steps from start to finish that account for the delivery of a program or service, regardless of department(s). The value streams to be analyzed by the recommended contractor were not pre-determined. Instead, the RFQS focused on inviting contractors with vast experience and expertise in government operations that could tackle any variety of value streams including operational and support value streams. Operational value streams directly deliver customer value, such as parks and recreation programming, utility billing, etc. Support value streams support operational value streams. Examples include, but are not limited to the following:

- Human capital management
- Capital project delivery
- Asset management
- Information and technology management
- Vehicle lifecycle management
- Procurement management

The contractor is expected to conduct research and analysis of current value streams to identify where there is a high potential to improve value and in concert with City staff, make recommendations for improvements to those value streams, and implement changes by applying best practice change management methodologies. The contractor is also expected to complete these tasks in a short amount of time in order to benefit Fiscal Year 2020-2021 budget development and decision making. Lastly, throughout this entire process, the contractor is expected to actively engage with and include City staff in this work. It is also important to involve City staff since they will need to sustain the change implemented as a result of this effort.

Since the beginning of the fiscal year, staff has carried out several activities to support this RFQS, including:

- Benchmarked government efficiency initiatives from across the country to inform RFQS development and potential project focus areas
- Engaged with the City Manager, Deputy City Manager, Assistant City Managers, and Department Directors to identify efficiency concepts and ideas
- Completed RFQS development and advertisement
- Evaluated 14 proposals to ultimately recommend Raftelis Financial Consultants, Inc. for selection

In addition, staff is active in several activities to support management of the efficiency reviews and ensure the selected consultant can begin its work quickly:

- Establish the efficiency project management system
- Validate starter projects with stakeholders
- Create starter project work packages

This contract includes four, one-year optional extensions. If the initial term is successful, and additional budget authorization is approved in the next fiscal year, staff will return with a request to authorize the additional time

and funding.

This is a new contract with an authorization amount based on the budgeted funds for this program. An evaluation team with expertise in this area evaluated the offers and scored Raftelis Financial Consultants, Inc. as the best to provide these services based on experience, qualifications and sample documents.

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