



Request for Qualifications

City - Wide Departmental Operational Service Audit

November 2008

Contents

	Page
I. Summary and Purpose	3
II. Process	3
III. RFQ Submission	3
IV. Schedule	5
V. Project Background	5
VI. Overall Project	6
VII. Project Objectives	6
VIII. Technical Capabilities	7
IX. Submission Requirements	7
X. Professional Billing Rates	9
XI. Selection Process	10
XII. Assignment	10
XIII. Cancellation of RFP	10
XIV. Time for Completion	10
XV. Payment	10
XVI. Insurance	10
XVII. Equal Employment Opportunity	11
XVIII. Signatures	11
XIX. Other	12

I. Summary and Purpose

The City of Manistee is seeking Request for Qualifications by Wednesday, January 14, 2009 from qualified and experienced consultants to conduct an Operational Services Audit.

The overarching purpose of this project is to sustain, provide and develop City services in the most economically efficient manner, in keeping with the vision of the City to be a “community of choice on the northwest Michigan coastline.”

This project will focus on departmental efficiencies, consolidation, collaboration with other entities, potential outsourcing of services, and a long term reorganization recommendations for the Department of Public Works, Police Department and Fire/EMS Department; and other departments as may be determined to be beneficial.

II. Process

The City of Manistee (www.ci.manistee.mi.us) in conjunction with the Operational Service Audit Committee (OSAC) will review, screen and select a Professional Consultant to provide the services required. The final decision will be made by the City of Manistee. The OSAC is a Committee consisting of City government leadership, members of the City Council and four citizens with an interest in the City’s future. The OSAC will review, screen and ultimately make a recommendation to City Council.

III. RFQ Submission

Only complete responses to this Request for Qualifications (RFQ) will be considered. The responses shall be submitted in a sealed envelope marked “Operational Services Audit.” A total of ten copies of the response must be provided in hard copy by 5:00 p.m. on Wednesday, January 14, 2009, delivered by mail or in person to:

**City of Manistee
ATTN: Michelle Wright, City Clerk
70 Maple Street, P. O. Box 358
Manistee, Michigan 49660**

A PDF copy shall also be emailed to mdeisch@ci.manistee.mi.us by the submission date. Responses submitted by fax or email only shall not be accepted.

For more information about this RFQ contact Mitch Deisch, City Manager at:

City of Manistee
70 Maple Street, P. O. Box 358
Manistee, Michigan 49660
PH: 231-398-2801
Email: mdeisch@ci.manistee.mi.us

Interpretation for Addenda. Requests for interpretation of the terms and requirements for this RFQ must be made in writing via mail, email or fax to Mitch Deisch, City Manager not later than November 19, 2008, at 2:00 p.m. Written responses to questions received will be provided to all respondents by addendum via mail, email or fax.

Time for Receiving Qualification Statements. Submittals received prior to the advertised due date and time will be kept unopened. Submittals received thereafter will not be considered or accepted.

Withdrawal of Qualification Statement. Submittals may be withdrawn on written request dispatched by the respondent in time for delivery in the normal course of business prior to the due date/time fixed for receipt.

Economy of Preparation. Each submittal should be prepared simply and economically providing a straightforward concise description of the respondent's ability to meet the requirements of the RFQ. Emphasis should be on completeness and clarity of the content. Erasures or other changes in the RFQ format must be explained or noted over the signature of the respondent.

Incurring Costs. The City of Manistee shall not be liable for any costs, including any travel, incurred by the respondent prior to award of the contract. Total liability of the City of Manistee is limited to the terms and conditions of this request and any resulting contract.

Oral Presentation. Respondents who submit a statement of qualifications may be required to make one or more oral presentation(s) of their proposal to the City of Manistee and/or OSAC. These presentations will provide any opportunity for the respondent to clarify its proposal to ensure mutual understanding of its contents. The City of Manistee or OSAC shall not be liable for any costs incurred by the respondents for the oral presentation(s).

News Releases. News releases pertaining to, or used for marketing purposes by the selected Professional Consultant of this RFQ or the award of the contract or the work to which it relates, will not be made without prior expressed written approval of the City of Manistee.

IV. Schedule

The estimated schedule is as follows:

Milestone	Month
Dissemination of RFQ	November 3-4, 2008
Consultant Questions about RFQ Due	November 19, 2008
Pre-Bid Meeting	December 3, 2008
Additional Consultant Questions Due	December 10, 2008
OSAC Responds to Additional Questions	December 17, 2008
RFQ's Due	January 14, 2009
OSAC Meets to Review RFQ's	January 28, 2009
Consultant Interviews	February 11, 2009
Selection of Professional Consultant	To Be Determined
Discuss & Negotiate Scope of Work	To Be Determined
Operational Services Audit Begins	To Be Determined
Meetings with Staff, Council	To Be Determined
Draft Report to City and OSAC	To Be Determined
Final Presentation to City Council	To Be Determined

V. Project Background.

The City of Manistee is nestled between Lake Michigan and Manistee Lake, with the Manistee River cutting through the heart of the City. Manistee is the County seat and has a year-round population of approximately 6,600, which expands during the summer months with tourists and owners of second homes.

Manistee is a Home Rule City and has a Council/Manager form of government. The Council is the legislative and policy making branch of local government. Council appoints a City Manager to execute and administer policy along with managing the day to day operations of the City. Manistee is a full service community that provides the following municipal services: Police, Fire/EMS, Street and Road Maintenance, Assessing, Elections, Parks and Recreation, Water and Sewer, Boat Launch, Marina, Community Development, Planning/Zoning, and Building Inspections.

The City's 2008-2009 budgets have 61.5 fulltime employees in nine operating departments. The General Fund budget is \$5,286,572. The 2007 SEV was \$254,905,300 with taxable value at \$199,258,541. The total City tax levy is 18.45 mills, of which 16.95 is operating millage. The City has approximately twenty-three separate funds. The last two years were challenging financially for the City's General Fund, as costs have escalated and tax base growth has slowed. General Fund reserves used to balance the budget have totaled almost \$300,000 in this time period.

VI. Overall Project

The overall project will produce several outcomes to achieve the purpose of the project. Respondents to this RFQ must demonstrate that they have the qualifications, either internally or through partnerships, to achieve desired results. They include:

- A thorough analysis and evaluation of functions, programs and services encompassed by existing City operations.
- An assessment of anticipated future demand for City programs and services.
- An assessment of how City functions, programs and services could potentially be carried out in a more cost effective manner through internal realignment, collaboration with other governments, outsourcing or other considerations.
- A recommended action plan for the City to consider, to achieve the purpose of this project, with an identification of actions that may be taken to sustain service levels and achieve the greatest cost reduction.

VII. Project Objectives

Respondents will be required to demonstrate that they have the qualifications to perform this project to achieve and effectively integrate the following objectives to complete this project so that it can be used as a working blueprint for achieving the overarching project purpose. Those interrelated objectives may include:

- A. Current and Future Organizational Structure and Functions. To complete a review of the functions, programs and services of City Government as a whole and each individual department. Individual departmental reviews would focus on efficient delivery of services and cost effectiveness of services. This will include any recommendations for possible changes in departments / operations that would increase departmental and organizational efficiencies, including optimal staffing levels. Respondents will, in particular, be required to complete an in-depth review of the Departments of Public Works, Police and Fire/EMS to assess opportunities for improving operating efficiency including potential department restructuring.
- B. Collaboration and Economies of Scale. To develop recommendations on consolidation of services within City Departments and/or potential service collaboration efforts with other governmental units or like service providers. Specific recommendations will be provided.
- C. Outsourcing. To develop recommendations on the potential cost effectiveness of outsourcing City services to other public or private entities, based upon maintaining acceptable level of service that reduces the overall cost to provide the service. Specific recommendations will be provided.

- D. Internal Assessment/Audit. To complete an appraisal of operating practices and techniques, the utilization of currently available personnel and equipment, and general effectiveness of City operations.
- E. Incorporate LEAN manufacturing concepts into the study by providing recommendations for continuous improvement opportunities within each Department.
- F. To complete a review of City services in comparison to Michigan and Midwest benchmark communities. This review will identify areas where City services materially exceed the levels provided by benchmark communities, as well as areas where City services are materially below those provided by benchmark communities. The review should also consider modifying services and the costs of certain services in keeping with what may be customary, normal and effective in other communities.

VIII. Technical Capabilities

Respondents must clearly demonstrate in their submittal technical capabilities and experience sufficient to complete the Operational Service Audit. Technical capabilities will include, but are not limited to:

Experience in assessing local government operations, operating efficiencies and in developing recommendations on alternative methods, structures and alignments for service delivery with an emphasis on meeting service needs and expectations while achieving capital and operating cost reductions, including, but not limited to:

- A. Experience with Union contracts and their provisions.
- B. Understanding of and experience with Police Department operations.
- C. Understanding of and experience with Fire\EMS Department operations.
- D. Understanding of and experience with Department of Public Works operations.
- E. Understanding of and experience with technology as it relates to service delivery and efficiency in a municipal environment.
- F. Understanding of and experience in public sector collaboration and cooperation agreements.
- G. Experience in benchmarking organizations against other entities.
- H. Experience performing similar operational service audits.

IX. Submission Requirements

Responses to this RFQ must include the following:

- A. Introduction to Managing Organization
 - 1. Organization name, contact name, address, phone and fax numbers, email address, web page address. Include a description of the business organization, year established, federal ID number,

Michigan tax ID number, the firm's legal formation (e.g. corporation, sole proprietor, etc.) and state of incorporation, if applicable. List the company's main partners/officers and largest shareholders. Include a short description of the firm, summary of the organization's vision, mission, goals and objectives if available. Provide list of company's primary services. Page limit for this section is five (5) pages.

2. List the location(s) and address(es) of your firm's office(s) in Michigan. Show the number of staff in each Michigan office. Identify the office where your project manager is currently located and the office where he/she may be located during the contract period. Page limit for this section is two (2) pages.
 3. History of the organization. Page limit for this section is two (2) pages.
 4. Provide a statement or disclosure of all material litigation, administrative proceedings and bankruptcy proceedings currently pending or having occurred within the past five (5) years directly or indirectly involving the company, regardless of cause or merit including the nature and status of each instance. There is no page limit for this section.
- B. Project Team
1. A review of all organizations, groups or institutions to be involved in the project, including contact information for each organization. Identify roles of prime firm and sub-consultant(s). Page limit for this section is three (3) pages.
 2. Identify the project manager and key personnel that will be assigned to the project for its entire duration; limit key personnel to not more than five (5). Provide the title and short descriptions of the proposed role of each key person in this project, and the percentage/amount of time you anticipate each key person will allocate to this project. Identify the office location(s) from which the key personnel will provide services to the City of Manistee. Page limit for this section is two (2) pages.
 3. Provide resumes for the project manager and key personnel. Resumes shall provide, as a minimum, education degree(s), institutions issuing the degrees, and years received; certifications and registrations; years and positions with your firm; years with other firms and firm names; list of types of services staff member is qualified to perform; demonstration of the familiarity of staff member with the services required for this project; recent experience of staff member and his/her roles in similar projects. Resumes shall be limited to not more than two (2) pages per person.
 4. Provide a project specific organization chart that clearly delineates the reporting relationships of the staff members you propose to assign to this project. Do not provide charts of your entire

organization or of departments/business segments that will not be involved in this project.

C. Project Qualifications and Experience

1. Provide detailed information about prior projects or work that best support the capabilities of the respondent to perform the work required.
2. Provide demonstration of experience and understanding of LEAN manufacturing concepts of continuous improvement and how these concepts will be incorporated into this public sector project. Page limit for this section is five (5) pages.

D. Project Management

1. Provide a narrative that summarizes:
 - a.) The proposed study and management approach.
 - b.) Accountability with the City on how community interests will be involved in the project.
 - c.) The approach that will be taken to interrelate the project objectives to achieve the purpose of the project to produce a clear and achievable proposed plan of action for the City.
 - d.) How the respondent will ensure that national best practices are understood and used in completing the project.
 - e.) Communicating progress.
 - f.) Schedule management.
 - g.) Quality control plan for the duration of project.
 - h.) A timeline and proposed process for collaborating with the City and the OSAC team to develop the definitive scope of work for this project.
 - g.) This is no page limit for this section.

X. Professional Billing Rates

The scope and cost of the project will be discussed and negotiated between the City of Manistee and the selected Professional Consultant. Therefore, the cost of the agreed upon scope of services may vary somewhat. In this section of the RFQ, please provide billing rates for the “key” personnel and the project manager assigned to the project, as well as billing rates for staff classifications that may be involved in the project, and other expenses and subcontractor charges. The billing rates shall be provided in a tabular format (up to three pages) that includes the following information:

- A. Key Personnel. Name, labor classification, billing rate for calendar years 2009 and 2010, and certification/registration.
- B. Non-Key Personnel. Labor classification and billing rates for 2009 and 2010. Provide billing rates only for labor classifications you propose utilizing for the project.

- C. Expenses. Standard rates for internal or external expenses not included in the labor billing rates, which will be charged to the project.
- D. Markup. Percentage markup on expenses and sub-consultant charges.

XI. Selection Process

The City of Manistee will review and determine which firm is best suited to complete this project for the City of Manistee.

XII. Assignment

The Professional Consultant shall not assign the contract or sublet it as a whole without the written consent of the City of Manistee, nor shall the firm assign any monies due or to become due to them hereunder, without previous consent of the City of Manistee.

XIII. Cancellation of RFQ

This RFQ may be cancelled or any or all bids or proposals may be rejected by the City of Manistee in whole or in part. Proposals that do not comply with all criteria set forth in this RFQ are subject to disqualification.

XIV. Time for Completion

The City of Manistee and the OSAC will discuss with the selected Professional Consultant the proposed scope of services including timeframes for completion of the agreed upon project. Time frames will be built into the contract for services.

XV. Payment

Upon selection of the Professional Consultant the City of Manistee will discuss the proposed scope of the project and negotiate terms for compensation. The City of Manistee and the selected Professional Consultant will negotiate a mutually agreeable services contract, the contract shall be approved by City Council.

XVI. Insurance

The selected Professional Consultant will be responsible for providing certificates of insurance to the City of Manistee which prove the firm has:

- A. Comprehensive General Liability and Property Damage insurance coverage of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. The City of Manistee, its officers, employees, agents and representatives shall be named as "Additional Insured and Certificate

- Holder” in the Comprehensive General Liability and Property Damage insurance certificate.
- B. Workers’ Compensation insurance coverage in the amount of no less than the following limits: Workers Compensation (statutory limits); Employer Liability Each Accident \$500,000; Employer Liability Each Disease - policy limit \$500,000; Employer Liability Each Accident - each employee \$500,000.
- C. Automobile Liability insurance coverage shall be as follows:
- Coverage that complies with the requirements of the Michigan No Fault Law.
 - Coverage for owned, hired and non-owned vehicles.
 - Residual liability coverage with a combined single limit of at least \$1,000,000 for both bodily injury and property damage.
- D. Professional Liability insurance (errors and omissions) which shall insure against acts which are in the nature of professional services performed by environmental professionals. If a contract is entered into, the consultant shall maintain such during the life of the contract. Professional Liability Coverage shall be provided in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

Insurance coverage shall be maintained for the entire duration of the contract without exceptions and shall carry a thirty (30) day Notice of Cancellation. Proof of insurance as stipulated above shall be provided to the City of Manistee within ten (10) business days of a firm receiving notice from the City of Manistee of intent to enter into a contract. If the selected consultant neglects or refuses to provide any insurance required herein, or if any insurance is cancelled, the City of Manistee may, at its option, terminate its contract with the consultant or procure such insurance and adjust the contract payments downward by the reasonable amount of premiums paid or to be paid.

XVII. Equal Employment Opportunity

The respondent’s attention is called to the requirements for ensuring that employees and applicants for employment are not discriminated against on any basis including race, color, religion, sex or national origin.

XVIII. Signatures

The qualifications statement and award page and any submittal notifications, claims or statements must be signed in ink by an officer of the proposing organization authorized to bind the respondent to the provision of the RFQ.

XIX. Other

All respondents will be informed of the decision made about the Consultant retained. Respondents will not be provided with detailed information about the rating of their response or the relative rating or ranking of respondents.

The City has completed the following documents that will be electronically provided to each respondent.

- 2008 City Three-Year Strategic Plan
- 2007 Benchmark Report
- May 2006 Citizen Resident Survey
- October 2005 Millage Audit Committee Final Report to Council
- 2008-2009 Adopted Budget
- 2006-2007 Annual Audited Financial Statements