

**PROPOSED STATEMENT OF WORK
FOR
CITY OF FORT LAUDERDALE, FL
August 25, 2015**

Introduction

The procurement function in public sector organizations has advanced to a mission critical operation over the past several decades. Once perceived as a “rule maker” or “gatekeeper”, procurement is now transitioning to be more of a strategic player that works with its client departments to provide high quality products and services in an efficient and effective manner. Today’s procurement professionals work diligently to be a partner with its client departments and to measure accomplishments with appropriate performance metrics. A large part of becoming a more strategic partner within an organization is regular monitoring and implementation of best practices and continuous improvement of policies, processes, and programs.

Project Scope - Overview

A team of Consultants will work with the City of Fort Lauderdale, Florida to develop a “best practices” based Procurement Ordinance and Purchasing Manual with a focus on the following:

- Review of state, county, and local procurement laws which impact the City’s policies and practices for a foundation of the legal framework;
- Review of the City’s current Procurement Ordinance and Procurement Manual and written procurement procedures for potential best practices enhancements.

Additionally, the team of Consultants will work with the City to provide a procurement process and organizational assessment for the City of Fort Lauderdale which will address the effectiveness of the purchasing and contracting functions including the areas of:

- Procurement Process Assessment and Review
- Procurement Organization – Current Centralization Model, Delegation of Authority Opportunities and Staffing Requirements
- Roadmap for Potential Transformation Recommendations and Supporting Business Case.

To ensure a successful consulting engagement, the Consulting program executes the project plan by utilizing key elements of project management, including the necessary techniques to control and monitor deliverables in the execution of this Statement of Work. These specific techniques include fully defining and understanding the scope of the project, building an effective consulting team, and defining key project milestones.

Project Scope

A team of Consultants will work with the City of Fort Lauderdale to address the targeted and integrated areas outlined in the Introduction. Each engagement is grounded in a comprehensive understanding of the principles of public procurement and recognizes that each public procurement organization possesses a unique organizational culture with its own set of attributes and challenges. Our proven, four-phased methodology will allow us to work hand-in-hand with the City of Fort Lauderdale to meet, address and assist the City with a review, analysis and implementation plan for change to improve efficiency in the selected City business processes, with the goal of improving value to the City of Fort Lauderdale and the stakeholders of the City's services.

I. Periscope's "Four-Phase Methodology"



- A. **Preparation:** Our first phase starts with the coordination between the NIGP Senior Consultant and the City's Project Manager to obtain the relevant documents for review, identify the appropriate City staff, procurement staff, and individual customers to interview and to schedule meetings. During this period, our team will review legislation, procurement regulations, relevant City ordinances, state statutes, department policies and procedures, workload statistics, solicitation instructions and any other information to gain a solid understanding of the City's purchasing processes. Additionally, during this phase we will jointly determine key cities to use for any benchmarking purposes.
- B. **On-Site Data Collection:** The second phase consists of an initial, on-site meeting between the City and the consulting team to discuss the scope of the project. This initial meeting will be important in providing an understanding of the City's key goals in the development of the updated Ordinance and Purchasing Manual. Interviews will be conducted with the purchasing staff, City officials, and key customers to assess the work processes (including any impediments). This approach helps us to evaluate procurement methods, approval processes and overall procurement function for potential efficiencies.

This on-site phase will be for duration of 3 days to provide sufficient time and attention to meet with the high-volume customer departments and purchasing staff.

- C. **Analysis:** The third phase involves assessing and evaluating all data collected (including workload data, processes and interview results) and defining areas for improvement. Applicable best practices are identified at this point that may help the City realize significant efficiency, effectiveness and economy. At this point, these best practices are incorporated into the NIGP's recommendations and development of the business case is initiated. This is also the point where available benchmarking data is reviewed and incorporated along with organizational and staff assessments. Additionally, during this phase, the analysis between the potential process and organizational improvements will be examined to ensure proper correlation with the Ordinance and Purchasing Manual update.

- D. **Report/Deliverable Generation:** This final phase is comprised of preparation of a draft Ordinance, Purchasing Manual, and draft report that outlines the process and organizational improvements with a proposed priority framework for implementation. The Consulting team will develop a comprehensive report that covers the findings of all analyses, make recommendations, establish the business case for change and provide a recommended schedule and approach for implementation. The report will identify specific opportunities for improvement based upon the evaluation of current operations, process flows against current best practices, current organizational structure and staff resources, and a comparison to business processes of other relevant entities. We will provide an initial draft of the Ordinance, Purchasing Manual, and report to the City of Fort Lauderdale, and ask that all comments be provided back to us within 14 days of our delivery of the deliverables. We will then incorporate the City's feedback and make any additional edits to the document, and deliver our final deliverables in a timely manner.

II. Targeted Areas to be Addressed

Procurement Ordinance and Purchasing Manual

A team of Consultants will work with the City of Fort Lauderdale, Florida to develop a "best practices" based Procurement Ordinance and Purchasing Manual with a focus on the following:

- Review of state, county, and local procurement laws which impact the City's policies and practices for a foundation of the legal framework;
- Review of the City's current Procurement Ordinance and Procurement Manual and written procurement procedures for potential best practices enhancements.

The Consultants will prepare a Draft Procurement Ordinance and Procurement Manual with the incorporation of current procurement principles, practices and "best practices".

Procurement Process Review

Review business processes from identification of the need/requisition to contract administration for the various methods of procurement and to identify potential process deviations and efficiency opportunities based on procurement best practices and legal requirements. Specific tasks will include:

- 1) Conduct interviews with key stakeholders to gain a thorough understanding of their experiences with the procurement process and development of potential recommendations for enhanced operational efficiency and effectiveness.
- 2) Review of the current centralized procurement model operations and processes, to include:
(a) identification of need/requisitions, (b) specifications, (c) small dollar purchases, (d) methods of procurement (solicitations), (e) evaluation, (f) award, (g) contract administration (h) documentation and transparency to identify efficiency and effectiveness opportunities.

Organizational Review – Procurement Model, Structure, and Staffing

- A. The Procurement Department's organizational structure in relationship to the relevant policies and procedures that govern the procurement process, including authority, roles and responsibilities for the Chief Procurement Officer, Purchasing staff, and user department personnel will be examined for adherence to current best practices, with potential recommendations developed.
- B. Review of the current centralized procurement model of procurement responsibility, and provide best practices recommendations for the future delivery of procurement services.
- C. Review staffing levels for purchasing volume and make recommendations for proper staffing levels to handle purchasing volume. Review staff workloads and work distribution to identify any recommended changes to increase efficiency and effectiveness; such as delegation of authority.
- D. Assess the Procurement Department's staff to include:
 - 1) Review of the Procurement Department's organizational structure, position descriptions, education, certification, experience level and training;
 - 2) Provide overall staff assessment; knowledge, skills, and abilities in support of recommended process or workload assignment improvements.
- E. Establish a business case in support of proposed procurement process and organizational recommendations to demonstrate the value to the City of Fort Lauderdale in the implementation of the recommendations.

Roadmap for Potential Transformation Recommendations

A performance review and potential recommendations are a piece of the parts needed for transformation. Every transformation initiative contains a component of change management that should be addressed to ensure a successful outcome. Understanding the need for a focus on change management, the Final Report will provide recommendations outlined on a short, medium, and long term basis to assist in the implementation process. Additionally, key information gained from the various stakeholders and department meetings will be incorporated into the recommendations and implementation strategy to ensure the culture and environment within the City's organization is recognized and taken into consideration – the City's uniqueness.

Project Plan

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Task Name														
1. Notice to Proceed														
2. Preparation Phase														
Data/ Document Collection & On-site Logistics														
Review of Documentation														
Determine Benchmark Cities														
3. On-Site Phase – 3 days														
Meetings with Stakeholders and Procurement Staff														
Meetings with Key Department Customers														
Review Procurement Operations/Processes and Documents														
Review Procurement Org. and Metrics														
4. Analysis Phase														
Analyze All Data Gathered														
Request Additional Data or Clarifications														
Finalize Benchmark Data and Business Case Analysis														
5. Deliverable Generation														
Draft Report, Ordinance, and Purchasing Manual														
Client Draft Report, Ordinance and Purchasing Manual Review														
Final Report, Ordinance and Purchasing Manual														

For the scope outlined above, the City should expect participation of staff resources to include the following responsibilities:

- Provide the Consulting team with electronic documents for review
- Provide all data that will be listed on the initial project data request in a timely manner (during the project preparation phase)
- Make staff available for questions and clarifications from the consulting team
- Work with the Consulting team to provide information for the customer the survey, including recipients for the survey and e-mail addresses
- Review the draft purchasing manual and report and provide comments within a two (2) week period.

Deliverables and Schedule

We anticipate the services beginning September, 2015. The total project duration is anticipated to be 14-15 weeks. The project will commence after execution of contract or issuance of purchase order.

The Consultants will issue a Draft Ordinance, Purchasing Manual, and a draft report with recommendations. The City will review the Draft Deliverables/Reports and provide feedback, and then the consulting team will provide the Final Deliverables/Reports.

Project Costs

Per Scope of Work (all inclusive, fixed fee)

\$64,900

Billing

The City will be billed for 30% of the Project upon completion of the On-site Visit, 40% of the Project Fees upon delivery of the Draft Procurement Ordinance, Purchasing Manual, and Draft Report, and 30% of the Project Fees for delivery of the Final Procurement Ordinance, Manual, and Report. Billing will be based on deliverable completion without client sign-off of each deliverable – billed as fixed fee.

Invoices will be due forty-five days after the City's receipt of proper invoice in accordance with the Florida Local Government Prompt Payment Act.

A project plan will be agreed upon prior to kickoff and Periscope, subsequently, will allocate resources in order to successfully meet the project deadlines and to control costs. The Customer is expected to meet project deadlines as well. If actions (or inactions) on the part of the Customer result in a project delay, and it becomes necessary for Periscope to reschedule or reallocate resources, the cost of the project might escalate requiring a change order. Further, it is Periscope's expectation that the Customer agrees to performance completion for the entire consulting engagement as outlined in the scope of work.

CLIENT PROJECTS AND REFERENCES

Raleigh Durham Airport Authority – Decentralized to Centralized Procurement – August, 2012 (4 months); returned for follow-on engagement May, 2015

NIGP Consulting assisted the Authority in the transition from a “de-centralized” procurement model to a “centralized” procurement model. Conducted of a procurement process assessment and organizational review was completed to examine the current practices, processes, and procurement experiences. Based on the data gathering and interviews, NIGP Consulting provided recommendations that balanced “center-led” procurement practices with client tactical procurement actions for increased efficiency and maximization of staff resources. Recommendations included expanded use of the Purchasing Card and Direct Pay procedures for small dollar type transactions, adjustments to existing procurement position responsibilities and new job descriptions, and procurement training for procurement staff and client departments. Continued on-site assistance and guidance throughout implementation of the new model was provided. NIGP Consulting has been requested to return to assist with further transformation efforts in May, 2015 and is currently engaged with the Authority.

Contact Information: Donna Sylver – SVP and Senior Financial Officer
(919) 840-7731; donna.sylver@rdu.com

City of Palo Alto, CA. – Procurement Performance Review - January, 2014 (3 months)

NIGP Consulting was engaged to perform a comprehensive procurement performance review to enhance operational efficiency of the Procurement function with a focus of transitioning to a strategic, high performance operation. Recommendations were made for modifications to the Municipal Code to enable greater flexibility for the delegation of authority, increased procurement thresholds, and enhanced contract administration oversight. Additionally, recommendations for performance metrics, effective term contracts, increased Pcard usage and the implementation of direct pay procedures were proposed to enhance service and reduce costs. The Pcard and Direct Payment Process recommendations identified potentially \$40,000 in combined administrative savings. Examination of the procurement organizational structure, staff resources, knowledge, skills and abilities was also conducted with proposed modifications.

Contact Information: David Ramberg, Assistant Director, Administrative Services
(650) 329-2634; David.Ramberg@CityofPaloAlto.org

Hillsborough County Aviation Authority – Tampa, FL – Procurement Performance Review – March, 2014 (4 months)

NIGP Consulting performed a comprehensive review of the procurement organization and processes to assist in movement towards industry best practices for public sector organizations. The engagement included a review of policies and procedures, procurement transaction analysis, spend analysis, workload metrics and procurement technology. Over 100 recommendations were made addressing delegation of procurement authority, Pcard program, staff resources, and contract administration. The

Delegation of Authority recommendation potentially eliminated up to 87% of all transactions through purchasing for administrative savings.

Contact Information: Edward R. Haines, Director of Procurement
(813) 870-8796; EHaines@TampaAirport.com

City of Dallas, TX – Procurement Performance Review – October, 2014 (5 months)

NIGP Consulting was engaged to conduct a full in-depth procurement review that focused on procurement policies and procedures, procurement ethics, processes, comparable benchmarking, procurement technology and reporting. The procurement review provided recommendations in 13 different areas, with multiple sub-parts. The recommendations were based upon best practices and benchmark data from 5 different comparable municipal governments and the NIGP Benchmark Study of 2012 and 2014. Particular focus was also placed on client department procurement service levels.

Contact Information: Stephanie Cooper, Assistant Director/Purchasing Agent
(214) 670-3348; Stephanie.cooper@dallascityhall.com

San Antonio Water System, TX – Procurement Performance Review –August, 2014 (5 months)

NIGP Consulting was engaged to perform a comprehensive procurement performance review that included means to increase the level of competition and optimize the procurement processes, procurement technology, and procurement organizational structure. A component of the procurement process review included a review of SAWS procurement and contracting unit organizational structures for potential recommendations surrounding consolidation, reporting relationships, workload, and span of control. Based on the workload metrics and types of procurement (construction/supplies/services), recommendations included retention of the existing “separate” Contracting and Purchasing units and re-assignment of the Pcard Administrator to Purchasing. With SAWS being a relatively high-performing organization, additional key recommendations were developed that outlined the potential business impact to the entity including possible cost or avoidance savings and process efficiencies.

Contact Information: Dan Crowley, Director – Innovation and Efficiency
(210) 233-3811; Dcrowley@saws.org