

August 22, 2022

City of Huntington Beach

Management System Review Consulting Services and
On-Call Consulting Services for Citywide Standard Operating Procedures
and Procurement-Related Process Improvement

RFP No. 2022-0822

Presented by PFM Group Consulting LLC



pfm

PFM Group Consulting LLC

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City of Huntington Beach, California

PFM Group Consulting LLC Response re: #2022-0822
Request for Proposals – Management System Review, Citywide SOPs, and Procurement Improvement

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(“MSRB”) under the Dodd-Frank Act of 2010. Swap advisory services are provided by PFM Swap Advisors LLC which is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission. Additional applicable regulatory information is available upon request.

Consulting services are provided through PFM Group Consulting LLC. Institutional purchasing card services are provided through PFM Financial Services LLC. PFM’s financial modeling platform for strategic forecasting is provided through PFM Solutions LLC.

For more information regarding PFM’s services or entities, please visit www.pfm.com.

1. Cover Letter





August 22, 2022

Jennifer Anderson
Finance Department, Purchasing Division
2000 Main Street
Huntington Beach, CA 92648

RE: RFP for Management System Review Consulting Services and On-Call Consulting Services for Citywide Standard Operating Procedures and Procurement-Related Process Improvement



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Dear Ms. Anderson:

PFM Group Consulting LLC (“PFM”) is pleased to submit our proposal in response to the RFP referenced above.

We have a deep understanding of the ways in which local government policy, operations, and budget intersect; this knowledge is proven by our decades-long track record of helping local government leaders surmount their most difficult challenges, including support for improving procurement and management processes to support internal and external service quality.

We appreciate the realities of public sector management in a way that only a firm focused on the public and non-profit sectors can. The policies, regulations, and procedures that guide a local government’s processes and operations are more than just words on a page; they represent decisions about how best to deliver essential public services efficiently, effectively, equitably, and ethically.

Huntington Beach’s goals of improving its Administrative Regulations (ARs) and Standard Operating Procedures (SOPs), procurement processes, and management and operational systems represent exactly the kind of work at which PFM excels – thoughtful review and analysis of organizations and their internal systems, with recommendations for improvements (and identification of organizational strengths) based on our deep and broad knowledge of best and promising practices.

Recognizing that one size rarely fits all, we know how to work effectively across various components of local government to support better coordination and collaboration, building productive relationships with diverse stakeholders and City departments so that our recommendations are tailored to reflect priorities and concerns shared by City leadership and staff.

We are fully prepared and qualified to assist the City in performing the tasks referenced in the RFP, including supporting improvement of the City’s system of ARs and SOPs, procurement processes, and management system.



For this engagement, PFM will assign a team with deep experience in local government and in California.

- David Eichenthal, one of four partners who oversee PFM's Management and Budget Consulting practice, will be the Engagement Manager. Mr. Eichenthal has led operational review and local financial planning engagements with some of the largest local governments in the nation. He also spent more than a decade in senior local government leadership positions in New York City and Tennessee: as an Assistant Deputy New York City Comptroller and as Chattanooga Chief Financial Officer, he had direct experience in procurement oversight and management.
- William Fulton will act as a Senior Advisor on the project. Mr. Fulton is a former Mayor of Ventura, California and former director of economic development and planning for San Diego.
- Ryan McNeely will be the Project Manager. Mr. McNeely has led multiple operational reviews for local governments and recently worked closely with local governments across Southern California on an engagement with the Southern California Regional Rail Authority (Metrolink).

Introduction

This proposal highlights PFM's knowledge of and experience with executing projects related to organizational and management system reviews, including recommending and supporting development of standard operating procedures and optimal workflows around myriad local government functions, including procurement.

Our success in these roles stems from our demonstrated ability to build strong, positive relationships with City leaders and staff across and throughout organizations, engaging them to ensure a solid understanding of the project and seeking their input, feedback, and guidance throughout – one of our standard practices is to submit draft reports to City management and/or department heads for their review and comment and hold a follow-up conversation before making edits and submitting the final deliverable(s).

PFM will lead a review of the City's organization-wide management system, as well as be available to review and make recommendations to improve the City's ARs and SOPs and provide procurement process improvement consulting as requested by the City.

We understand the City wishes to:

- Streamline and update its system of ARs and related SOPs
- Enhance its internal and external procurement process and contracting workflow beginning from proposal submittal



- Improve processes, work flows, and decision-making in the City's management and operational systems

Anticipated project outcomes include:

- Reducing purchasing and contracting timelines to deliver City priority outcomes and bring results to the public more quickly.
- Reducing costs, duplicative efforts, and errors thereby increasing overall process efficiency.
- Improve quality of process outcomes across the organization.
- Reducing employee frustration and potential burnout resulting from confusing or contradictory policies.
- Creating transparency into City processes, roles, responsibilities, and results.

Huntington Beach's Administrative Regulations and associated SOPs underpin some of local government's most important functions. Generally, the ARs fall into one of three categories:

- Ensuring compliance with City codes and/or some higher legal standard (i.e., state or federal)
- Ensuring standardization of key business processes and functions across the organization
- Ensuring consistency in addressing issues of community sensitivity or importance

PFM appreciates the critical nature of each of these categories and recognizes the importance of ensuring that ARs and SOPs are up to date, internally consistent, and transparent and accessible for a variety of users within and outside the City organization (where appropriate). In the "Relevant Project Experience" section below, we highlight instances where PFM has helped local governments develop or strengthen policies and procedures to achieve better organizational functioning and transparency.

In particular, we understand that procurement is one of the most important functions in local government. Local governments have increasingly come to rely on outside vendors and contractors for the delivery of programs, services, and the maintenance and construction of vital infrastructure. More than anything, local government needs to have a procurement and purchasing system that both delivers high-quality, efficient outcomes for City residents and taxpayers and ensures compliance with applicable law and regulation.

In other words, Huntington Beach should approach procurement as a smart consumer – going beyond checking boxes for compliance to making sure that it buys the best quality good or service, gets it delivered at the right time and for the right price, and pays its vendors in a timely and accurate manner.



This is easier said than done. The National Institute of Governmental Purchasing's (NIGP) Public Procurement Guide for Elected Government Officials has noted that government procurement is often complex because it "almost always has to balance multiple conflicting goals – speed, low price, quality outcomes, level playing field, social and environmental goals, public transparency, and accountability."

Consistent, predictable outcomes should be the norm. The procurement process should also be accessible and fair to promote open competition between qualified vendors. A procurement process is accessible when there are no or few barriers to participate, including barriers such as lack of information about when and how to participate. A procurement process is fair when vendors have an equal chance to compete and win based on the quality of their bids, price and other criteria identified at the start of the process.

Accompanying our extensive knowledge of organizational policies and procedures across a variety of local government operations is an understanding of how to ensure policies and procedures are implemented through high-functioning management and operational systems. PFM's expertise goes beyond simply designing and proposing particular management and operational systems – we utilize our experience working with and in the public sector to design systems and structures that make real improvements in organizational efficiency, effectiveness, and equity.

Proposed Approach

PFM's proposed methodology and approach are time-tested through decades of successful engagements with local governments across the country. In just the last three years, our Management and Budget Consulting practice has worked with over 80 local governments on a variety of engagements promoting operational excellence and good stewardship of public resources. We would bring our learnings from these projects, along with our decades of experience, to our engagement with the City of Huntington Beach. Our approach will help to ensure thoughtful analysis, high-quality project management, and actionable deliverables, guided by several fundamental principles applied to the precise scope desired by the City.

Work closely with the client to define scope and expectations

At the start of the project, PFM will work directly with City leadership to define the scope and set expectations for the project work. This typically involves establishing the goals of the project, providing a detailed timeline for execution, and identifying key milestones for project delivery. Included in this discussion of approach are proposed timelines for executing the first two components of the RFP's scope in tandem – our suggestion is to begin by focusing on Finance-related ARs while simultaneously conducting the procurement process review. From Finance-related ARs, we would suggest approaching the remaining ARs in the following order: those focused on legal compliance, those focused on establishing consistent best business practices, and those focused on potentially sensitive or challenging community concerns (e.g., Hometown Heroes banners and appropriate dress at City facilities).



For the City, we suggest identification of a small Project Steering Committee (led by a designee of the City Manager's office) with whom we can meet regularly to highlight project progress and challenges. The Committee would also endorse project goals, timelines, and milestones for finalization; we would anticipate working with this same leadership group on any and all of the three scope components the City may assign.

Assign an Engagement Manager and a Project Manager

PFM has designated an Engagement Manager (David Eichenthal) and Project Manager (Ryan McNeely) for the City of Huntington Beach's proposed work. The Engagement Manager will be responsible for management of all aspects of the project, including review of all deliverables. The Project Manager will be principally responsible for coordination of the team, communications with City leadership, and adherence to project timelines. The Project Manager will be responsible for day-to-day support of the project and will also lead management of all document/data collection and analysis and the drafting of final deliverables.

Assign a skilled and experienced team to maximize project delivery effectiveness and efficiency

PFM has identified a dedicated team of professionals to complete the project work. The project team will typically be managed through weekly internal team calls led by the Engagement Manager and Project Manager to review progress and address any challenges with project implementation. Weekly project team calls will also be a means of identifying cross-cutting themes emerging from certain analytical areas that may inform recommendations for other areas of the proposed scope. Finally, weekly project team calls will be a means of identifying non-emergency issues that need to be raised with City leadership.

Engage in frequent and regular communications with the client

A core component of each of our engagements is consistent and direct communication with the client. We value the insights that staff on the ground bring to the project and believe that open dialogue facilitates a higher quality work product. We propose bi-weekly calls with the Project Steering Committee suggested above through the duration of the management system review and any additional work the City may assign on an on-call basis.

Rely on documents and data to drive interviews, findings, and recommendations

For every project, PFM will collect and analyze all available and relevant data. Typically, the PFM team will submit an initial data request to the client for data relevant to the project. The team will also mine existing public databases where appropriate. In this instance, ARs are already publicly available, but PFM will still require additional information, including the Contract Manual developed by Legal and Finance, along with any other relevant documents that may shed light on City processes not currently addressed in the ARs and associated SOPs. We will also review relevant City charter and code provisions, as well as



applicable state laws and any procurement requirements that might apply to the City's use of federal funds.

Our review of these documents will help to drive some of the discussions with leadership that take place during project kickoff (see below). Data gathered from the client and other sources throughout the project will typically be the driver of project findings and recommendations as well; these may include identification of areas where data or documentation is not easily collected or readily available. Ultimately, our guidance will help ensure the City documents policies and procedures in a manner that supports good decision-making.

Ensure high level project engagement starting at project kickoff

A typical project kickoff will begin with a series of interviews with key City and department leadership. Working from the identified project objectives, the goal of these initial meetings is to ensure that the PFM team is focused on addressing key questions that matter most to leadership. The issues and questions identified in these initial interviews will be the baseline for what will be covered during the engagement; we also expect other areas of focus to be raised in conversations with additional stakeholders and through our own analysis and benchmarking.

For each meeting during kickoff, the PFM team develops a tailored discussion guide with an outline of topic areas to be covered specific to the participants' experience and perspective. The discussion guides will be greatly informed by the review of the documents and data previously collected and will feature both open-ended and data-driven questions to gather insight on a variety of project specific issues. The PFM Engagement Manager or relevant PFM team member will lead each meeting. Meetings last between one and two hours and PFM analysts are responsible for detailed note taking and summaries. We also expect that, in many cases, the project team will follow up with one-on-one conversations with participants to gather additional insight.

For Huntington Beach, we propose multiple check-ins with City and department leadership to gather information and double-check initial findings; our intent is that the first round of project kickoff interviews will be conducted in-person per the City's wishes. Depending on project sequencing and/or utilization of on-call services, interviews could be consolidated to address multiple scope areas at once.

Look to best practices and benchmarking to assess the current state vs. potentially better approaches and evidence-based recommendations

At every turn, the PFM project team will look to best practices to inform our project work. We will draw on our own subject matter expertise, knowledge, and research to identify best and promising practices. Best practices are based on research findings that suggest that they may yield improvements in efficiency and effectiveness. Beyond best practices, we will also review "promising practices" – instances where, based



on our subject matter expertise, we believe improved performance is likely but not yet substantiated by independent evaluation.

In addition, we may look to examples from other California and U.S. cities comparable to Huntington Beach that have superior systems or processes. Because of the breadth of our experience, we frequently have relationships – through current or past clients – with leadership of comparable organizations to allow both access to data and detailed discussions to inform the project work.

Understand unique and diverse stakeholder perspectives through frequent engagement

Perspectives of key internal stakeholders inform our understanding of data and the direction of our analysis and recommendations. The process of interviews that begins at project kickoff will typically continue throughout a project, as we propose for Huntington Beach. Because many members of the PFM team have previously worked in government, we have a unique advantage in shaping and leading these conversations in a way that yields candid discussions about opportunities and challenges.

In many projects, input from external or community stakeholders can be valuable as well. This is particularly true when there are outside organizations, agencies, or groups that are critical partners with government organizations that are the subject of the project. Here, we note that while the City speaks to a desire for improved internal and external service in the procurement function, it only anticipates engagement of internal customers. Should the City select PFM for the procurement process improvements portion of the proposed scope, we would propose the development and administration of a vendor survey (or, alternatively, one or two vendor focus groups) to offer additional perspective on opportunities for the City to improve its procurement operations, if amenable to the City.

PFM often reengages stakeholders to review preliminary findings and recommendations. It is important that stakeholders who may be critical to implementation of project recommendations are fully engaged throughout a project. For this project, we are proposing two sets of interviews with City leadership and departmental leadership and staff, but we would expect to engage on a less formal and structured basis throughout the project to ensure productive and ongoing communication.

Apply rigorous quality control through multiple reviews of data, analysis, findings and recommendations, and deliverables

Every PFM deliverable goes through multiple levels of review before being provided to clients in final form. For qualitative analysis, the Project Manager and Engagement Manager review all drafts. Typically, drafts are provided to internal stakeholders – and occasionally external stakeholders at the client’s discretion – prior to development of a final product. Project and Engagement Managers also review detailed outlines of final reports: frequently draft outlines are shared with clients as well. For this project, all draft reports will be provided in Microsoft Word unless PDF is requested by the City; final reports will



be provided in PDF format and in Word as requested by the City. PFM will also develop an executive summary PowerPoint suitable for presentations to elected officials and the public, if desired.

Apply an equity lens to the work that we do

The PFM team believes that equity should be integrated into all that we do. Equity is integrated into how we think about analysis, engage with staff and stakeholders, and contextualize findings and recommendations. Our team brings an analytical, financial, and strategic policy approach to advancing equity through each of our projects, meeting local governments where they are.

PFM is at the forefront in helping local government leaders operationalize equity practices and is working with local governments across the country to create practices for inclusion and address barriers to access. With our comprehensive framework and approach, PFM's goal is to support our clients as they address institutional and structural barriers, evaluate burdens, benefits, and outcomes, and create solutions that promote growth in economic opportunity with a strengthened sense of community belonging.

Timeline

The below table includes suggested timelines for carrying out the proposed scope of work. As indicated earlier, PFM would review and discuss these with City leadership before finalization. Note that the first two scope components (ARs and procurement process) are shown on the same timeline, as we believe they will flow well in tandem with prioritization of Finance-related ARs and SOPs early in the process. Under this timeline, delivery of final recommendations regarding ARs and procurement process review would be completed within four months of project kickoff, leaving an additional two months for PFM to support City staff as they create, consolidate, update and eliminate ARs within a system that reflects best practices from comparable local governments.

For the management systems review component, we offer a suggested eight-week timeframe for completion; this could occur anytime during the six-month period envisioned for completion of the work specified in the RFP, and PFM can be available to conduct multiple reviews if required by the City. We propose beginning this work shortly after submitting the final reports for the prior reviews; under this timeline, all three scope areas will be completed concurrently within a six-month timeframe.

Proposed Timeline: Administrative Regulation/SOP Improvement Consulting Services and Procurement Process Improvement Consulting Services

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	
Administrative Regulation/SOP Improvement Consulting Services																										
Identify project steering committee and key point of contact	█	█																								
Finalize process framework (including prioritization of ARs/processes) and potential comparators		█	█																							
Review existing policies, regulations and procedures/workflows		█	█																							
Review applicable laws and regulations, including City code and federal/state statutes			█	█	█	█	█	█																		
Interviews with City's executive leadership (initial interviews in person)				█				█																		
Interviews with departmental staff (Initial interviews in person)				█																						
Research and best practices review						█	█	█	█	█																
Develop and provide draft report with recommendations for specific ARs and SOPs (update/create/consolidate/eliminate) and for management system structure for ARs/SOPs													█													
Update draft and provide final report with recommendations for specific ARs and SOPs (update/create/consolidate/eliminate) and for management system structure for ARs/SOPs																█										
Support for City staff during AR creation/rewrites																	█	█	█	█	█	█	█	█	█	█
Final review and feedback on draft ARs																					█	█	█	█	█	█
Procurement Process Improvement Consulting Services																										
Interviews with City's executive leadership				█				█																		
Interviews with procurement staff				█				█																		
Interviews with departmental staff				█				█																		
Research and identify best practices including development of a one-stop, user-friendly City procurement manual	█	█	█	█	█	█	█	█																		
Develop and conduct vendor engagement (survey and/or focus groups) if requested by City	█	█	█	█	█	█	█	█																		
Develop and deliver draft report regarding procurement process improvements, including recommendations for writing ARs and SOPs, enhancing efficiency by reducing process steps and time, and streamlining signature authorities												█														
Deliver final report regarding procurement process improvements													█													
Proposed Timeline: Management System Review																										
Review relevant policies/procedures/manuals/other documentation																		█	█	█						
Interviews with City's executive leadership																			█	█						
Interviews with appropriate departmental staff																				█	█					
Research and identify best practices regarding decision-making and work flows in targeted functions																				█	█	█	█			
Develop and provide draft report regarding management and operational system improvement opportunities																							█			
Update draft and deliver final report regarding management and operational system improvement opportunities																									█	

All draft reports will be provided in Word unless PDF is requested by the City; final reports will be provided in PDF format unless Word is requested by the City.



As PFM brings significant in-house experience and expertise to this project, we do not anticipate utilizing any subconsultants to perform the requested work.

I will be the Engagement Manager for the PFM Team and am authorized to contractually obligate PFM for this proposal and any future negotiations. My contact information is: David Eichenthal, PFM Group Consulting LLC, 555 West 5th Street, Suite 2500, Los Angeles, CA 90113, eichenthald@pfm.com, (c) 423-637-8085.

Thank you for your consideration, and please do not hesitate to contact me with questions or if further information is desired.

Sincerely,

David Eichenthal
Managing Director

PFM Group Consulting LLC

2. Firm Qualifications

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Firm Qualifications

PFM was founded in 1975 with the mission of providing independent financial advice to state and local governments, and governmental agencies and authorities in the debt issuance process or undertaking capital planning and budgeting. The firm now has approximately 350 employees. PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation.

Financial advisory services are provided by PFM Financial Advisors LLC, a registered municipal advisor with the SEC and the Municipal Securities Rulemaking Board (“MSRB”) under the Dodd-Frank Act of 2010. Swap advisory services are provided by PFM Swap Advisors LLC which is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission. Additional applicable regulatory information is available upon request.

Consulting services are provided through PFM Group Consulting LLC. PFM’s financial modeling platform for strategic forecasting is provided through PFM Solutions LLC.

As noted earlier, this engagement will be led by PFM Group Consulting LLC. Our work includes experience and expertise in the following areas:

- Operational efficiency studies and organization reviews at both the departmental and enterprise-wide level;
- Multi-year financial planning and fiscal recovery projects, all of which require detailed and in-depth understanding of operational and structural issues;
- Equity analysis and alignment to budget and operations at the departmental and enterprise-wide level; and
- Workforce management and policies, which involves detailed analysis of the day to day functions of government employees.

As indicated by the examples below, PFM has a strong history of supporting local governments in addressing operational and financial challenges, including consulting on improvement of policies, procedures, and organizational structures. For more information regarding PFM’s services or entities, please visit www.pfm.com.

Relevant Project Experience

Operational and Organizational Review – Harris County, Texas

Scope of work: Since 2019, PFM has contributed to a transformation of the County government toward a more performance-and outcome-focused organization that emphasizes strategic investment of public funds while tracking and reporting progress toward long-term goals. Harris County is the nation’s third largest county with an



estimated population of 4.8 million residents, including approximately 2 million residents living in unincorporated parts of the county.

The relationship began with the County's selection of PFM to perform an Operational and Organizational Review that yielded department-specific reports for some of the largest County departments reporting to Commissioners Court, including: Budget Management (including a separate report for the Human Resources and Risk Management Division), Community Services, Domestic Relations, Engineering, Homeland Security and Emergency Management, Intergovernmental and Global Affairs, Pollution Control Services, Public Health, and Universal Services. For most departments, the PFM team produced two reports – a preliminary report detailing our findings and a summary report detailing our recommendations.

Ultimately, the PFM team provided a final report that summarized the most impactful recommendations from the individual department reports and identified cross-cutting themes related to challenges and opportunities affecting multiple departments. Identifying countywide-wide gaps and overlaps in service delivery, the final report noted opportunities to collaborate among County departments and, where feasible, with other entities. Many of PFM's recommendations have been implemented by the Commissioners Court, including the appointment of the first county administrator in Harris County's history in June 2021.

Costs: \$1.8 million

Partnership structures: PFM was the prime contractor and utilized subcontractor services as necessary.

Duration: October 2019-October 2020

Applicability to this RFP: For each department reviewed, the PFM team assessed current operations through a combination of data collection and analysis (including applicable laws, policies and procedures) and interviews with department staff and key stakeholders. PFM also benchmarked the County's current state against comparable county governments across Texas and the U.S. and reviewed relevant best and promising practices from similar jurisdictions before issuing recommendations that frequently focused on improvements in overall departmental management. For example, the report on the Budget Management Department called for a realignment of functions within the department and changes in the department reporting structure. The final report for the Community Services Department called for structural reorganization, changes in span of control, and more strategic deployment of resources. Nearly all the reports called for increased use of data to drive planning and decision-making.

Multi-Year Financial Plan – City of Salinas, California

Scope of work: Through the National Resource Network, a consortium of organizations that has provided cross-cutting technical assistance to more than 60 economically challenged communities across the nation, PFM supported the City of Salinas in developing a plan to address critical dual challenges: a major structural budget deficit and a severe affordable housing crisis. The PFM Team's key insight was that the City's structural budget deficit and affordable housing crisis were actually two sides of the same coin. In something of a vicious cycle, budget pressures limited the City's capacity to address its housing needs, while the housing crisis weakened



Salinas's economy and depressed City tax revenues. Based on City, civic, and community input, PFM's Salinas Plan set forth a framework to advance a set of major initiatives that addressed Salinas's twin crises – its budget deficit and unaffordable housing. Recommendations included a renewed focus on prioritized core services; a series of management and productivity reforms; strategic rethinking of the City's approach to employee compensation; game-changing investments in more affordable and safer housing; and increased commitment to basic infrastructure and deferred maintenance needs.

Costs: \$400,000 (\$100,000 from City, \$300,000 from third-party philanthropic funder/Arnold Ventures)

Partnership structures: PFM was the lead contractor and utilized subcontractor services as necessary.

Duration: November 2017-November 2018

Applicability to this RFP: The Salinas Plan called for the City to make difficult decisions to accomplish the following: balance the General Fund budget and close a cumulative deficit of \$63.1 million over the next ten years; free up the resources needed to invest in infrastructure; provide a stronger fiscal foundation for the future service of municipal employees; and position Salinas to boldly take advantage of new federal and state initiatives designed to create thousands of units of new affordable housing. The Plan included a detailed review of departmental operations and management and detailed a new approach to service delivery while strengthening City partnerships within the community. The Plan charted a path forward for a safer, more prosperous Salinas that can efficiently deliver basic services, maintain an effective and stable government, and truly provide opportunities to all residents.

Before accepting the job as City Manager, Salinas' current City Manager read Salinas' city plan and considered it to be a great blueprint for solving problems. "There was a sentence in the Salinas plan that just jumped out at me and grabbed me by the collar and really got my attention and the sentence was 'Salinas is at a crossroads,'" he said. "When I read that, I knew this was where I wanted to be."

Operational Review of Finance, Budget and Information Technology Department and Development and Infrastructure Department – Harris County (Texas) Precinct One

Scope of work: PFM was contracted by Harris County Precinct One (one of four precincts, each represented by a county commissioner) to review the Precinct's operations, focusing primarily on two departments – Development and Infrastructure (D&I) and Finance, Budget and Information Technology (Finance and Budget). Precinct leadership launched the project with the goal of aligning Precinct operations with the recommendations PFM made for Harris County as a whole in a 2020 operational review of 13 County departments and divisions reporting directly to Commissioners Court. Topic areas for the final report included a review of the Precinct's processes for developing the annual operating budget and capital funding priorities, along with analyses of the Precinct's use of formal policies and procedures to guide its day-to-day operations and an assessment of the Precinct's use of financial reporting as a means of guiding its budget and finances. As requested, a two-page sample of a County SOP reviewed by PFM team members (including Mr. Eichenthal, Mr. McNeely, and Ms. Fonicello) is included at the conclusion of the Firm Qualifications section along with the "Policies and Procedures" section of PFM's final report to Precinct One.



Costs: \$330,500

Partnership structures: PFM was the prime contractor and utilized subcontractor services as necessary.

Duration: March 2021-July 2021

Applicability to this RFP: PFM conducted more than 45 interviews with Precinct personnel and also engaged with external stakeholders to develop findings and recommendations for improvement of Precinct operations and financial management. PFM identified a number of opportunities for improvement, including challenges regarding centralized authority, organizational capacity, and the need for formal prioritization of capital projects and linkage to County goals regarding equity and resiliency. PFM also identified a lack of well-documented policies and procedures across Precinct departments and divisions and highlighted the potential for uneven responses to constituent service requests – and noted that without documented policies and procedures, some departments were exercising authority through institutional knowledge or simple momentum. Recommendations for improvement included restructuring leadership and reorganizing departments for improved communication flow and proper span of control; development of policies and procedures for areas including employee safety, emergency response, constituent response, and maintenance of capital assets; and enhanced financial reporting and transparency.

Commissioner Ellis said of PFM's work: "In Harris County, we engaged PFM Group Consulting (PFM) to conduct comprehensive reviews of both our county's departmental operations and organization and our criminal justice system. Additionally, I entrusted them to review my precinct's organization and operations. Collectively, the three reviews, which were completed in the last 12 months, are functioning as a blueprint for data-informed decision making as we strategically address justice, safety, efficiency, and effectiveness in all aspects of the County's services. As a County Commissioner, my team and I worked closely with PFM throughout their engagements. With PFM's help, Harris County now has its first ever County Administrator, a roadmap to effective, efficient, equitable, and fair service delivery, and a path forward on justice and safety."

Project name: Procurement Review and Managed Competition Guidance – City of Houston, Texas

Scope of work: The City of Houston engaged PFM to conduct a Ten-Year Financial Plan in 2017, including an organizational review that identified several areas of potential improvement for the procurement function. These included consolidating and reforming City procurement with all procurement activity moving under a Chief Procurement Officer. Procurement activity would then be carried out by two City departments – Strategic Procurement for all goods and non-construction services, and Design and Construction for all construction and construction-related services. PFM's analysis found that consolidation would make it easier to implement a series of strategies designed to reform the overall procurement process. Suggested approaches for improving the procurement function included increasing professional development of procurement staff, using data to better understand vendor pools and increase competition, reviewing the impact of preferences for local bidders, and establishing a consolidated means of monitoring contractor performance between the procurement function and customer departments. PFM further recommended that the City should develop a set of policies and criteria for increased use of the private sector to deliver services and perform activities then performed by City employees using managed competition in areas including solid waste, facilities maintenance, fleet management and street



maintenance. Managed competition provides an environment where private sector firms and public sector employees can both be given an opportunity to compete to provide services. This model has also been used to provide a broader choice in how to deliver service.

As a follow up to the Plan's recommendations related to managed competition, the City engaged PFM in 2019 to build on the managed competition recommendation. PFM reiterated its estimates of potential 10-year savings of \$10 million or more for solid waste and \$5 million to \$10 million for fleet management and recommended that the City consider a phased approach to managed competition, starting with a pilot initiative in a single solid waste service area. Based on the results of that pilot, the City could then decide whether to go forward with managed competition for additional operations in solid waste management. And pending the outcome of that work, the City could choose to move forward with managed competition for fleet management maintenance and repair services provided to the Houston Police Department (HPD). Issuing its final report in mid-2020, PFM also noted that the City should proceed with planning the procurement process, but not pursue implementation of managed competition until the COVID-19 pandemic subsided.

Costs: \$167,500

Partnership structures: PFM was the prime contractor and did not utilize subcontractors.

Duration: November 2019-August 2020

Applicability to RFP: PFM's review of the potential for City implementation of managed competition included an options paper addressing whether and how the City should move forward with managed competition based on best practices and a follow-up paper recommending specific pilots that the City should pursue in solid waste management and fleet management. These recommendations were accompanied by details on expected levels of private sector competition, a suggested approach to how the City should evaluate cost of service, and a set of minimum service standards applicable to managed competition for the solid waste and fleet management functions. PFM's work highlighted a number of improvements to be implemented as preparatory steps toward ensuring effective oversight of managed competition and providing a means for current employees to effectively compete. Reports also provided guidance on procurement solicitation development, contract management, and performance oversight in carrying out managed competition. The underlying procurement review noted suggested approaches for improving the procurement function, including increasing professional development of procurement staff, using data to better understand vendor pools and increase competition, reviewing the impact of preferences for local bidders, and establishing a consolidated means of monitoring contractor performance between the procurement function and customer departments.

Project name: Seven Year Financial Plan – City of Rockford, Illinois

Scope of work: As a traditional northern manufacturing community, the City of Rockford's economy has struggled for decades but was particularly hard-hit by the broader economic declines following the September 11, 2001, terrorist attacks and the 2008 financial crisis. By 2017, Rockford faced a population decline of over three percent in five years, a poverty rate of nearly 25 percent, and an average unemployment rate of 6.6 percent. Notably, nearly 45 percent of Rockford children under age five were living in poverty. In addition, Rockford had an urgent



need to align spending with available revenues due to large and increasing pension obligation, collective bargaining constraints and rising personnel costs, and limited revenue options due to lack of home-rule status.

In 2017, the City of Rockford applied to the National Resource Network for assistance with multi-year financial planning. PFM recommended that the City develop a seven-year financial plan to give policy makers the tools to make sound decisions. To frame the plan, PFM focused on key priorities to address going forward:

- Fiscal Stability
- Crime Reduction
- Investing in community and economic development

PFM partnered with city leaders to develop a multi-year financial plan and associated budget model tool to allow the city to project revenues and expenditures, and to better understand how discrete budget decisions would impact available resources in the future.

Costs: \$350,000

Partnership structures: PFM was the prime contractor and did not utilize subcontractors.

Duration: December 2018-October 2019

Applicability to RFP: Despite its challenges, Rockford had significant opportunities and potential for growth and fiscal sustainability. PFM developed an asset-driven approach to Rockford's economic recovery. Taking into account Rockford's numerous higher education options, redevelopment potential along the Rock River, its renowned regional parks district, and valuable public assets, the Network designed a seven-year financial model to bridge forecasted budget gaps to make Rockford a more attractive place to live and work. The Network worked closely with department heads and city leaders to identify opportunities to reduce fiscal liabilities and increase the effectiveness and efficiency of city government. Upon completion, the Network presented a menu of choices to the city to close projected deficits and create funding for investments in neighborhood revitalization.

Rockford Mayor McNamara said of our work: "One of the best things we did right when I became mayor was reach out to...experts like David [Eichenthal] because it did a couple of things. One, it solidified many of the items that we knew, but when you see them in writing and you see them from a third party, they come a little bit closer to home. Two, they brought experts to the table that found items that quite honestly our finance director – who is amazing – didn't quite see or didn't believe were possible. And the last one, which I think is really important for mayors and aldermen, is it does provide a little bit of political cover when you're making these tough decisions to say 'Hey, this third party provided these recommendations as well. This is what we need to do.'"



Department of Finance and Management Procurement Review – City of Columbus, Ohio

Scope of work: PFM was engaged to review the City's Department of Finance and Management's strengths, weaknesses and opportunities for improvement in four areas: budget management, grants management, facility management, and purchasing. PFM synthesized the findings from interviews, data review, and peer analysis into a final narrative report that identified opportunities to rethink the Purchasing Department's mission, structure, and scope of work. The report highlighted that the current process focused on commodity transactions rather than customer relationships, and cited customer concerns regarding lack of standardization and clarity around Purchasing Department roles, responsibilities, practices, and standards.

Costs: \$120,000

Partnership structures: PFM was the prime contractor and utilized subcontractor services as needed

Duration: January 2019-October 2019

Applicability to this RFP: PFM interviewed senior City leadership, Finance Department leadership, and the City Auditor to get their perspectives on the Department's primary challenges. More detailed interviews were conducted with each of the Department's division administrators and office managers, and the Department provided additional documents and data for analysis. PFM interviewed staff in Finance's four major "customer" departments – Development, Public Safety, Public Service, and Recreation and Parks – to gather input on Finance's procurement processes and identify opportunities to rethink the Purchasing Department's mission, structure, and scope of work. Recommendations for improving the procurement function and pivoting the unit from a traditional transactional focus to a more strategic and customer-friendly focus included changing the Purchasing Department's reporting relationship and staffing structure to emphasize customer service; establishing consistent standards and targets for procurement timelines and responses to user inquiries; conducting a spend analysis to identify potential savings around commodity spending and contract pricing; and adopting key performance indicators for better monitoring and management of areas including processing times, customer satisfaction (internal and external), green buying, service lapse avoidance, cost avoidance, staff development and training, and transparency around vendor engagement and City compliance with procurement policies and laws.



Resumes and backgrounds of principal staff who will be working directly and regularly on this project as well as their roles

For all areas of the proposed scope, PFM's team will be led by David Eichenthal (Engagement Manager) and Ryan McNeely (Project Manager), with Mr. McNeely responsible for day-to-day project management. Mr. Eichenthal and Mr. McNeely will receive additional support from Elyssa Fonicello (Senior Managing Consultant) and Bill Fulton (Senior Advisor), as well as additional analytical support from PFM analysts.



David Eichenthal will serve as Engagement Manager for this project. Mr. Eichenthal joined PFM in 2011 and has been a Managing Director with PFM's Management and Budget Consulting practice since 2014 and leads the firm's New Orleans office.

From 2013 to 2021, Mr. Eichenthal was the Executive Director of the National Resource Network (NRN, or "the Network"), a consortium of organizations that has provided cross-cutting technical assistance to more than 60 economically challenged communities across the nation: the Network's efforts were funded by \$10 million from the U.S. Department of Housing and Urban Development and a \$4 million grant from the Laura and John Arnold Foundation. In leading the Network, Mr. Eichenthal oversaw the Network's engagements with the City of Salinas as well as financial planning projects with the City of Richmond and the City of Compton.

In addition to his work on the Network's financial planning engagements, Mr. Eichenthal has led the development of multi-year financial plans for Houston, TX (2017) and Memphis, TN (2013), as well as an operational efficiency study of Youngstown, OH (2012).

Since 2019, Mr. Eichenthal has overseen all of PFM's work with Harris County, Texas. He led the development of a County Operational Review, which included detailed reviews of more than a dozen county departments reporting to the Commissioners Court. PFM's recommendations in Harris County led to the appointment of the first-ever County Administrator and a complete reform of the County's budget process. Mr. Eichenthal also led the detailed management review of Harris County Precinct One.

Prior to joining PFM, Mr. Eichenthal was finance officer and director of performance review for the City of Chattanooga where he oversaw the development of the City's \$150 million budget, implementation of one of the nation's first 311 systems, and creation of a citywide performance management initiative and managed 175 employees across functions including the City's Purchasing Department.

In New York, he served as Chief of Staff to the Public Advocate – the City's second highest elected official – and as Chief of Policy, Assistant Advocate for Research and Investigation. Under the Public Advocate, Mr. Eichenthal co-directed the City Performance Review, tasked to "re-invent" New York City government with the goal of delivering better services at a lower cost. In that role, Mr. Eichenthal managed a 15-member board steering committee of prominent New York officials, legislators, and leaders from the corporate community to commission a series of reports to improve New York City government operations and services. He also led a systemwide review of procurement in New York City government – City as Consumer – and investigations of contracts for food services in homeless shelters.

As an Assistant Inspector General in the New York City School Construction Authority, Mr. Eichenthal reviewed all contracts and pre-qualifications: his investigation of the school system's \$150 million school leasing program led to termination of employees and contractors and systemwide reform. As an Assistant Deputy New York City Comptroller, Mr. Eichenthal consulted in the development of the initial rules of the Procurement Policy Board and



led investigations of corrupt contractors. He also served as an Assistant Inspector General for Policy in the New York City School Construction Authority.

Mr. Eichenthal is a former member of the New York State Procurement Council and co-authored *The Art of the Watchdog: Fighting Fraud, Waste, Abuse, and Corruption in Government*, a book *The New York Times* called “required reading for any government executive (and)... a timely reminder of the necessity for holding appointed and elected officials accountable.”

Mr. Eichenthal has presented at the White House Convening on Strong Cities Strong Communities; the convening of the Sustainable Communities Initiative grantees; and the Government Finance Officers Association and the Association of Government Accountants annual conferences. He has taught college courses in American government, public policy, public administration and criminal justice at New York University, Georgia State University, Baruch College and the University of Tennessee at Chattanooga.

Mr. Eichenthal holds a B.A. in Public Policy from the University of Chicago and a J.D. from the New York University School of Law.



Ryan McNeely will be responsible for day-to-day management of this project. Mr. McNeely is a Director in the Management and Budget Consulting practice in PFM’s New Orleans office. He has engaged in multi-year planning for Savannah, GA (2020) as well as the cities of Danville, VA (2018); Rockford, IL (2018); and Seaside Heights, NJ (2019).

Mr. McNeely led reviews of the Harris County Budget Management Department, Public Library, Office of Homeland Security & Emergency Management, and Department of Intergovernmental and Global Affairs (2020); he also co-led a review of the Harris County

Toll Road Authority (2021). Mr. McNeely led a multi-year financial forecast for Chattanooga, TN (2019) and assisted the City in procuring a new Enterprise Resource Planning (ERP) system to achieve process improvements across City government (2020). He also assisted Davidson County, TN (2020) with an analysis of their criminal justice-related fines and fees. Mr. McNeely also recently led an engagement with Metrolink that evaluated opportunities for revenue and involved detailed consultations with stakeholders throughout the Metrolink operating area.

Prior to joining PFM, Mr. McNeely was a Senior Associate for a consulting firm in New Orleans. His primary client was the New Orleans Aviation Board during the planning and implementation of a \$1 billion capital program, including the construction of a new airport terminal. Mr. McNeely also has experience as a budget analyst for the New Jersey Office of Management & Budget. He led budgeting and monitoring for the largest and most significant programs in state government, including municipal aid, school aid, and community development initiatives. Mr. McNeely also managed the accounts for federal programs such as Section 8 housing assistance and unemployment insurance.

Mr. McNeely holds a B.A. in Political Science from Williams College and an M.P.A. from the Woodrow Wilson School at Princeton University.



Elyssa Fonicello is a Senior Managing Consultant in PFM's Management and Budget Consulting practice, based in New Orleans. Since joining PFM in 2017, she has provided budgetary analysis and research support for operational reviews, efficiency studies, and multi-year planning engagements.

Ms. Fonicello served as the lead analyst on the Countywide Operational review for Harris County, TX, with a focus on the County's Budget Management, Community Services, and Pollution Control Services departments. Most recently, Ms. Fonicello supported operational reviews of the Harris County Toll Road Authority and Harris County Precinct One (2021).

Ms. Fonicello has also been the lead analyst on multi-year strategic and financial plans for Rockford, IL, Savannah, GA, and Trenton, NJ. Ms. Fonicello has also served clients including the City of Austin, TX, the City of Chattanooga, TN, the New Orleans, LA Sewerage and Water Board, and was the day to day project manager for the development of a budget forecast and model for Missouri City, TX.



William "Bill" Fulton, AICP is a Senior Advisor in PFM's consulting practice and one of the nation's most prominent experts on cities and urban development. Mr. Fulton joined PFM in 2022 after completing eight years as director of Rice University's Kinder Institute for Urban Research.

Mr. Fulton is former director of planning, neighborhoods and economic development for the City of San Diego, CA; served as Mayor for the City of Ventura, CA; and was the economic development columnist for *Governing* magazine for many years. Throughout his career, Mr. Fulton has led successful strategy and planning processes, including:

- As planning and economic development director for San Diego, Mr. Fulton directed a strategic planning exercise to reconstitute and structure the 130-person department, which had been dismembered by the previous mayoral administration. As part of this initiative, he reached out to, consulted with, and convened dozens of community stakeholders, gained the support of a demoralized staff, and drafted a plan to structure, organize, and budget the reconstituted department. He successfully led this strategic plan through approval by the mayor's office, City Council committees, and the full City Council.
- As Mayor of Ventura, Mr. Fulton led a citywide strategic planning process to respond to the Great Recession, restructuring the City's budget and organizational approach. Working with City staff and community leaders to devise an entirely new budget and priority-setting process, Mr. Fulton led an effort to achieve community stakeholder engagement through workshops and table exercises, rather than the more typical budget hearings. The resulting strategic plan affirmed the City's priorities, outsourced certain functions to nonprofit groups as a budget savings, and reorganized City staff to minimize layoffs.

Mr. Fulton has also served as a principal in the California-based urban planning firm now known as Placeworks and as policy director for Smart Growth America. His latest book, *Place and Prosperity: How Cities Help Us Connect and Innovate*, was published by Island Press in mid-2022. He holds master's degrees in mass communication from The American University and urban planning from the University of California, Los Angeles.



Three references for whom PFM has performed services of similar scope within the past 10 years

Harris County Precinct One

1001 Preston, 9th Floor, Houston, TX 77002
Brandon Dudley, Chief of Staff, Harris County Precinct One
713-274-1000, brandon.dudley@cp1.hctx.net

Description of services performed: See above. PFM was contracted by Harris County Precinct One (one of four precincts, each represented by a county commissioner) to review the Precinct's operations, focusing primarily on two departments – Development and Infrastructure (D&I) and Finance, Budget and Information Technology (Finance and Budget). PFM identified a number of opportunities for improvement, including challenges regarding centralized authority, organizational capacity, and the need for formal prioritization of capital projects and linkage to County goals regarding equity and resiliency. PFM also identified a lack of well-documented policies and procedures across Precinct departments and divisions and highlighted the potential for uneven responses to constituent service request, noting that “without documented policies and procedures, some departments may hold power through institutional knowledge.” As requested, a two-page sample of a County SOP reviewed by PFM team members (including Mr. Eichenthal, Mr. McNeely, and Ms. Fonicello) is included at the conclusion of the Firm Qualifications section along with the “Policies and Procedures” section of PFM's final report to Precinct One.

City of Salinas

200 Lincoln Avenue, Salinas, CA 93901
Andy Myrick, Economic Development Manager, City of Salinas
831-758-7362 (o), 831-809-8620 (c), andym@ci.salinas.ca.us

Description of services performed: See above. Through the National Resource Network, a consortium of organizations that has provided cross-cutting technical assistance to more than 60 economically challenged communities across the nation, PFM supported the City of Salinas in developing a plan to address critical dual challenges: a major structural budget deficit and a severe affordable housing crisis. The PFM Team's key insight was that the City's structural budget deficit and affordable housing crisis were actually two sides of the same coin. In something of a vicious cycle, budget pressures limited the City's capacity to address its housing needs, while the housing crisis weakened Salinas's economy and depressed City tax revenues. Based on City, civic, and community input, PFM's Salinas Plan set forth a framework to advance a set of major initiatives that addressed Salinas's twin crises – its budget deficit and unaffordable housing. Recommendations included a renewed focus on prioritized core services; a series of management and productivity reforms; strategic rethinking of the City's approach to employee compensation; game-changing investments in more affordable and safer housing; and increased commitment to basic infrastructure and deferred maintenance needs.

City of Rockford

425 E. State Street, Rockford, IL 61104
Thomas McNamara, Mayor, City of Rockford
779-348-7333, thomas.mcnamara@rockfordil.gov



Description of services performed: See above. PFM developed an asset-driven approach to Rockford's economic recovery. Taking into account Rockford's numerous higher education options, redevelopment potential along the Rock River, its renowned regional parks district, and valuable public assets, the Network designed a seven-year financial model to bridge forecasted budget gaps to make Rockford a more attractive place to live and work. The Network worked closely with department heads and city leaders to identify opportunities to reduce fiscal liabilities and increase the effectiveness and efficiency of city government. Upon completion, the Network presented a menu of choices to the city to close projected deficits and create funding for investments in neighborhood revitalization.



**Two-Page SOP Sample from Harris County Precinct One Administration Department Policy Reviewed
by PFM**

(Accompanied by Policies and Procedures section of Final Report to Precinct One)

“Instructions for Submitting Commissioners Court Agenda Items

Agenda Items: All Commissioners Court (CC) Agenda Letters must be reviewed and approved by COS. Letters and the corresponding coversheets are to be submitted to the COS **on Thursday at 9am, 12 days prior to Commissioners Court (see calendar for specific dates).**

- **The County’s Agenda Item deadline is the Tuesday before CC at 9am, 7 days prior to Commissioners Court (see calendar for specific dates).** The Policy Director (PD) forwards approved agenda items and appropriate backup documents to the Admin Agenda Team, which includes Dawn Hurd, Chalisa Dixon & Anjelica Contreras by 8am.. . Anjelica Contreras will submit the agenda items and supportive documents to CommissionersCourt.hcx.net, copying all Precinct One department Directors, policy team members and the agendateam.
- **Final court book materials must be submitted to the COS by 9 am, the Wednesday before CC as they will be presented in Commissioners Court.** Court book materials consist of all final draft documents, scripts, talking points, Q&A, and other supportive documents. Said documents must be properly formatted, with correct grammar and spelling.
 - This applies to all issues policy staff should reasonably anticipate will arise for discussion during the coming commissioners court, and not solely Precinct One items (e.g. items submitted from another court member or department, issues arising out of a workgroup, important issues based on staff’s due diligence and monitoring they anticipate will be raised, etc.).
 - For all issues/items that the policy team could not have reasonably been aware of prior to Wednesday’s deadline, court prep materials should be provided as soon as practicable once a policy team member should be aware.
- PD will provide a printout of the approved court book materials and deliver to the Commissioner for review the Friday before CC. Staff will make edits at the direction of RE.
- PD will forward then provide the final court book materials and the court agenda with staff notes to the COS and the Admin Agenda Team.
- The Monday before CC, a staff member from Policy will compile the court book materials in separate folders “*court books*” at the Preston office for Commissioner Ellis and the COS.

Court Resolutions

- Resolutions must be submitted to the COS as they will be presented in Commissioners Court by **Thursday at 9 am, 12 days prior to Commissioners Court (see calendar for specific dates).**
- An agenda letter and memo must be submitted with the resolution



- Completed Memo should include date and purpose of the resolution, i.e. Precinct One employee's retirement, recognition of a group or organization for a specific event.
- Confirm the attendance of the recipients or representatives of the resolution prior to submission.
- Forward agenda letter, resolution, and memo to EA for the approval of Chief of Staff.
- Although Mirinda Crissman drafts personnel, ceremonial and memorial related resolutions, and the Policy Department drafts issue related resolutions; all Court Resolution requests documents and all supporting documentation should be sent to Ceremonialdocuments@cp1.hctx.net.

Supplemental Agenda Items

All supplemental agenda items must be at the direct instruction of the Commissioner. All attempts should be made to meet the regular agenda item deadlines.

- Supplemental agenda letters, corresponding cover letters, and court book materials must be submitted and reviewed by COS as soon as reasonably possible. Agenda letters submitted after Tuesday **must** read **Supplemental Agenda Item**.
- **The County's Supplemental Agenda Item deadline is the Friday before CC at 3pm (see calendar for specific dates).** The Policy Director (PD) forwards approved supplemental agenda items and appropriate backup documents to the Agenda Team by 2 pm. Anjelica Contreras will submit the agenda items and supportive documents to CommissionersCourt.hcx.net, copying all Precinct One department Directors, policy team members, and agenda the team.
- Commissioner Court calendar can be found here [Commissioners Court Agenda](#)

**As a reminder, the following documents require review and approval by the COS for Commissioners Court: Agenda Letters, In-State Travel, Out of State Travel, Traffic Study, Grant Funding, Donations, Precinct One Policies, and Resolutions.*

Ceremonial Documents

- Requests should be sent to Ceremonialdocuments@cp1@hctx.net . Mirinda will be responsible for checking and maintaining this inbox. For emergencies, please copy Mirinda at Mirinda.Crissman@cp1.hctx.net.
- Please include all supporting documents including contact information from the requestor, the due date, and delivery instructions.
- We are requesting a 10-day notice for resolutions and 5-day notice for certificates. Of course, emergencies will be handled and should be requested by your Department Director or his/her designee. Most governmental agencies require a 10-14 day notice, but we recognize that is not always possible. The Admin Team to completing accurate resolution/certificate requests in a timely manner.”



POLICIES AND PROCEDURES

Policies and procedures are critical to the efficient and effective operation of local government. Well-documented policies and procedures provide stability and continuity through inevitable transitions in leadership and staffing. Policies – guidelines that define expectations and communicate priorities to employees and residents – provide the “why.” Procedures establish and describe the process for actions – or the “how.”

Commissioner Ellis and Precinct One leadership are intent on becoming a model for County government. To that end, the Precinct established the following mission statement:⁶⁴

“Precinct One is committed to becoming a national model for delivering responsive public service that utilizes inclusive, innovative and collaborative approaches to improve the quality of life, advance equality of opportunity, and promote the fair treatment of all people in Harris County.”

The Precinct has also adopted a set of strategic priorities and objectives to achieve its mission. These include the goal of becoming a “high performance organization.” To achieve that priority, Precinct One has acknowledged that it needs to “become the leading advocate for, and example of, effective and efficient County government” and “set and enforce clear standards and objectives for organization, department, leadership, and individual contributor performance.”

In other words, policies and procedures are a critical means of moving from the Precinct’s priorities and objectives to actual implementation.

The Current State of Precinct One Policies and Procedures

The Precinct generally lacks well-documented policies and procedures across all departments and divisions. In our review, we asked all departments and divisions for copies of existing policies and procedures. We received the following policies and procedures from different departments:

- The Administration Department Duties and Responsibilities memo details Precinct-specific policies and procedures for Administration Department staff. It includes the Department’s mission statement and specific duties by team member. The nine page memo also explains the Administrative Team’s processes for communicating with Commissioner Ellis, communication with press and submitting Commissioners Court agenda items.
- Policy Department staff adhere to Department-specific policies and procedures formalized in the Policy Department Personnel Policy and Procedures. Most of the document is dedicated to explaining procedures for developing weekly reports, memos, talking points for the Commissioner and team meetings. There are also guidelines for scheduling and time off requests, volunteer work, ordering supplies and parking reimbursements within the 10-page document.
- Precinct One provided two different manuals in response to PFM’s request for documented financial policies and procedures.

⁶⁴ “Our Priorities,” Harris County Precinct One, accessed July 22, 2021, (<https://www.hcp1.net/OurPriorities>).



The “2020 Finance, Budget & Technology Information Manual” is a 38-page document that includes:

- Personnel roster
- Organization chart
- Strategic plan
- Harris County Purchasing Agent Guidelines
- Account codes and fund structure
- Acquisition form and procedures
- “Request to Purchase” form and procedures
- “Budget Transfer Request” form and procedures
- Description of procedures for approving PeopleSoft requisitions
- Financial dashboard instructions
- Frequently asked questions

This manual outlines the Precinct-specific procedures for purchasing and budget transfers. Precinct staff are asked to fill out a Precinct-specific acquisition form when “requesting a new purchase order or when requesting the procurement of a good or service with a new vendor.”⁶⁵ The manual also requests that staff complete a different “Request to Purchase” form for purchases on existing contracts or blanket purchase orders.

The second finance-related manual provided to PFM is titled “Finance and Budget New Information – STARS Manual” and was last updated in April 2020. The intent of this manual is to “bridge the gap between IFAS and STARS (Shared Technology & Reporting System).”⁶⁶ The manual is primarily a presentation and training on Countywide procedures for using STARS for requisitions, purchasing, budget transfers and expense reports. It does not explain how these Countywide procedures relate to the Precinct’s own internal financial processes.

- The Harris County Precinct One Work Rules & Regulations document includes work regulations specific to Precinct One staff in the Parks and Roads & Bridge divisions. The two-page document outlines 18 work rules for those employees at a high-level:
 - Attendance, Punctuality, Absenteeism
 - Leaving the Jobsite/Workplace
 - Insubordination
 - Alcohol and Drugs
 - Weapons
 - Disrespectful Behavior Towards Other Employees and the Public
 - Fighting, Horseplay, Other Unsafe Acts
 - Uniforms
 - Abuse of Benefits
 - Negligence and Safety Regulations

⁶⁵ 2020. *Budget & Technology Information Manual*. Harris County Precinct One Finance. Page 16.

⁶⁶ 2020. *New Information Manual*. Harris County Precinct One Accounting/Finance Department. Page 3.



- Personal Conduct
- Littering
- Unauthorized Use of County Property
- Falsification of Records
- Disclosure of Confidential Information or Records
- Accepting or Soliciting Gifts and/or Services
- Sexual Harassment
- Remaining on Premises after Working Hours

Most Precinct operations, however, are not guided by policies or procedures. Instead, department leaders rely on norms or practices that are not recorded in a formal policy or procedure document. Most Precinct staff interviewed indicated that they understand procedures or certain practices due to their tenure and have not seen written policy documents that memorialize these processes. In other words, the Precinct relies extensively on staff institutional memory, norms and established practices that have developed over time.

There are several problems with this approach. First, it leaves no guidance to address inevitable issues around succession. Both departments that were the focus of this review have staff with long tenure and will ultimately see significant retirements or separations. In the absence of clear, written policies and procedures, newcomers will have little to rely on. Second, the absence of clear policies and procedures makes it difficult to hold department and division heads and their employees accountable for meeting certain standards of performance. Third, the absence of written policies and procedures and the reliance on norms – “this is how we do things” – leaves Precinct operations susceptible to concerns about equity: as discussed later in this section, the limited data that is available suggests that there are differences in outcomes for the same operations in different parts of the Precinct.

Precinct One generally relies on existing Countywide policies and procedures related to finance, personnel and procurement. All employees of Precinct One are also employees of Harris County. Like most County departments and elected officials, Precinct One generally relies on County policies and procedures when it comes to finance, personnel and procurement questions. The County’s policies and procedures, in turn, are frequently based upon – and designed to ensure adherence to – federal and state laws.

The County’s Human Resources and Risk Management (HRRM) division – within the Budget Management Department – sets forth detailed policies and procedures applicable to all County and Flood Control District employees in the following areas:⁶⁷

- Ethics, Fraud and Confidentiality
- Equal Employment Opportunity
- Non-Discrimination and Anti-Harassment
- Americans with Disabilities Act
- Workplace Safety

⁶⁷ 2021. *Personnel Policies & Procedures*. Harris County and Harris County Flood Control District. Page iv. (<https://hrm.harriscountytx.gov/Documents/Personnel%20Policies%20and%20Procedures%20Handbook.pdf>).



- Property and Electronic Service
- Payroll Procedures and Compensation
- Group Health and Related Benefits
- Emergency Situations
- Time Off and Leave of Absence
- Grievance
- Separation from Employment

The County Auditor's Office establishes and updates policies and procedures for department-level financial reporting, which are published and maintained on an internal website. The Precinct's Finance and Budget team adheres to these established policies and procedures. Based on interviews with other Precinct staff, however, it is not clear that there is widespread awareness of these internal resources beyond the Precinct's Finance and Budget team.

The County Purchasing agent also sets policies and procedures for the Purchasing process at the County level. Precincts and County departments have freedom to develop their own internal processes for Purchasing before the point of interacting with the Purchasing department.

In several cases, though, countywide policies and procedures are a baseline for departmental policies and procedures. In other words, departments can go beyond the countywide policies and procedures: they just cannot violate them. For example, the Harris County Toll Road Authority (HCTRA) has established agency-specific policies for its employees. HCTRA has its own policies and procedures for promotions, employee ethics and payroll. The agency-specific policies indicate that "at no time do HCTRA policies or procedures supersede the most current edition of the *Harris County Personnel Policies and Procedures*." HCTRA revises and updates its agency-specific policies and procedures on a regular basis.

Finance and Budget policies and procedures are opaque to other Precinct staff. Though Precinct One provided two different manuals in response to PFM's request for documented financial policies and procedures, interviews with Precinct staff revealed that these manuals have not been recently updated or widely circulated. In particular, the Precinct's procurement process was frequently suggested as an area for improvement, with Precinct staff reporting that the current process is ambiguous, inefficient and slow-moving.

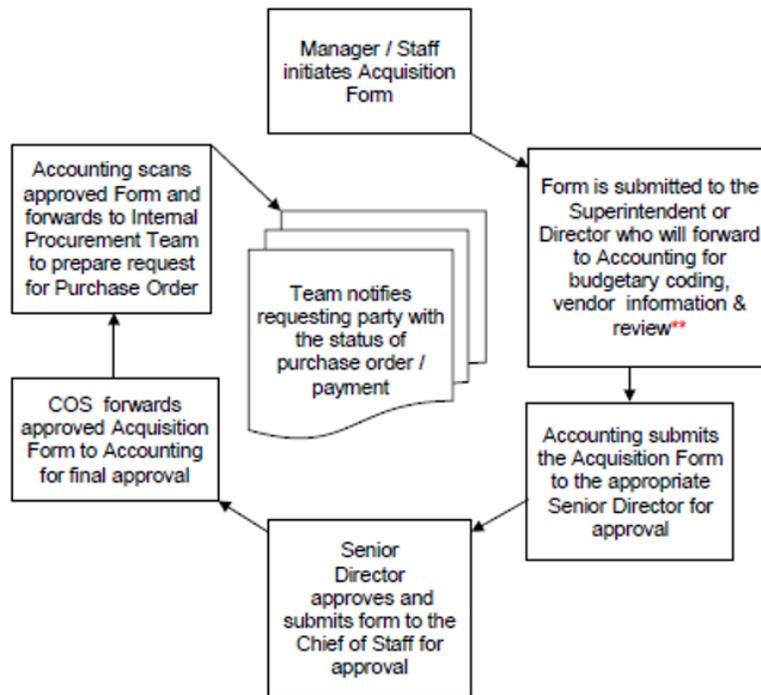
The 2020 Finance, Budget & Technology Information Manual does outline the Precinct's internal procedures for purchasing and budget transfers. For example, Precinct staff are asked to fill out a Precinct-specific acquisition form when "requesting a new purchase order or when requesting the procurement of a good or service with a new vendor."⁶⁸ The manual also requests that staff complete a different "Request to Purchase" form for purchases on existing contracts or blanket purchase orders.

Descriptions of the processes within the manual are sometimes inconsistent. The Acquisition flow chart shown below does not match the written description of the process elsewhere in the

⁶⁸ 2020. *Budget & Technology Information Manual*. Harris County Precinct One Finance. Page 16.



manual. Further, one section of the manual indicates a separate process for purchases over \$100, while another section suggests the threshold is \$500.



****Issues will be redirected to the Superintendent or Director**

To the extent that policies and procedures do exist, there are opportunities for streamlining:

- Ability to make transfers within departmental budgets: At the present time, the Chief of Staff has to approve all transfers within departmental budgets. This limits the discretion that is left with department heads. In the case of larger departments (such as D&I and Programs), a percentage threshold might be more appropriate.
- Invoice approval process: The current process appears to require multiple levels of approval by the same party for the same invoice. For example, the process seems to require approval by the department head both prior to Finance and Budget review and then again after Finance and Budget review. There are also some occasions where the same invoice is required to be reviewed by the Chief of Staff on multiple occasions.
- Pre-approval of purchasing: Precinct One's new Finance and Budget director has identified the Precinct's internal procurement process as an area for improvement. Before the Finance and Budget team can approve a purchase order, they are required to verify that each department or division has enough available funds in the appropriate account. However, this process is complicated by the fact that there are often inconsistencies or errors in the Precinct's internal financial system. Some accounts show



a balance of zero in the system when there are funds available. Precinct One is also the only precinct that requires the use of an internal acquisition form to begin the procurement process. Interviews with other Precinct staff revealed that there is lack of clarity around the process after submission of an acquisition form. Multiple staff indicated that they had not seen any written explanation of the Precinct's internal procurement process.

This lack of transparency prevents the department, and the Precinct overall, from achieving the following strategic priorities and objectives that were established by Finance and Budget team:

- Provide timely, accurate, and complete financial information
- Exercise financial stewardship
- Create an internal departmental annual budget process
- Safeguard County property and equipment

Development and Infrastructure has minimal documentation of policies and procedures compared to the policies and procedures for other local governments doing similar work.

As the largest department within the Precinct, D&I engages in a wide range of activities. Among other duties, the Department is responsible for capital planning and oversight of execution of capital projects, maintenance of roads and bridges and park facilities, aspects of environmental management, oversight of the Precinct fleet and building and construction activities.

Yet the department's only policies and procedures are detailed in the Work Rules and Regulations document discussed above. Other local government departments with similar responsibilities provide far greater guidance as to their operations.

For example, the City of Houston Public Works Department publishes a department-specific set of policies and procedures applicable to all public works and engineering employees.⁶⁹ Each individual policy typically includes an approval signature, the date approved, and effective date, as well as sections on purpose, scope, definition, and policy. The Houston Public Works' policies and procedures are grouped in the following categories:

- Administration policies address sexual harassment, violence in the workplace, emergency response, substance abuse, employee identification, building access, drug testing and smoking in the workplace.
- General policies involve employee behavior, such as participation in investigations and adherence to a telephone policy and weapons policy. This category also includes a reimbursement for travel policy.
- Personnel policies outline several employee benefits-related policies regarding leaves of absence, retirement, overtime and compensation. There are also policies related to performance, hiring and employee standards. Other policies discuss inclement weather and accident or illness while on duty.

⁶⁹ "Administration Policies 1-1 to 1-36," Houston Public Works, June 4, 2019, (<https://www.insidehoustonpublicworks.org/hpw-policies-procedures>).



- Purchasing policies and loss or theft of equipment.
- Operations & Safety policies address vehicle and equipment policies. There are also policies for improving employee safety and body temperature screenings during the COVID-19 pandemic.
- Property policies define city property and address issuance and retrieval of property.
- Environment policies address hazardous material, wastewater management and relationships with Houston’s Green Building Resource Center Advisory Committee.

In addition to providing greater detail than any of the policies and procedures available for Precinct One D&I, the Houston Public Works policies and procedures also have the benefit of providing a one stop resource: many similar policies exist for Precinct One employees – either through County policies and procedures or limited Precinct One specific procedures – but they are spread across multiple documents.

The Precinct did not provide policies and procedures related to use of parks. But in discussions with D&I staff – and review of the Precinct website – it became clear that such rules do in fact exist. According to the Precinct website, the following activities in parks are prohibited or limited:

- Alcoholic beverages are prohibited; except by permit.
- Control noise levels (guidance is to “please be respectful of others”).
- Cook only on designated camp stoves or barbeque grills; no open fires.
- Fireworks are prohibited; except by permit.
- Glass bottles or containers are prohibited.
- Harming wildlife is prohibited.
- Hunting is prohibited; except by permit.
- Littering or dumping is prohibited.
- Motorized vehicles are prohibited on grass areas, trails and sidewalks.
- Park in designated lots. Vehicles parked overnight are subject to towing.
- Pet waste must be picked up and placed in trash bins.
- Pets must be on a leash at all times; except in designated dog parks.

There are, however, no policies and procedures that address how these rules are enforced by Precinct employees.

Other local governments provide more detailed rules for park activities and do so in the context of larger policies that guide not just visitors, but employees as well. The Forest Preserves of Cook County categorizes its policies into five categories:⁷⁰

⁷⁰ “Policy & Guidance,” Forest Preserves of Cook County, February 24, 2021, (<https://fpdcc.com/about/policy-guidance/>).

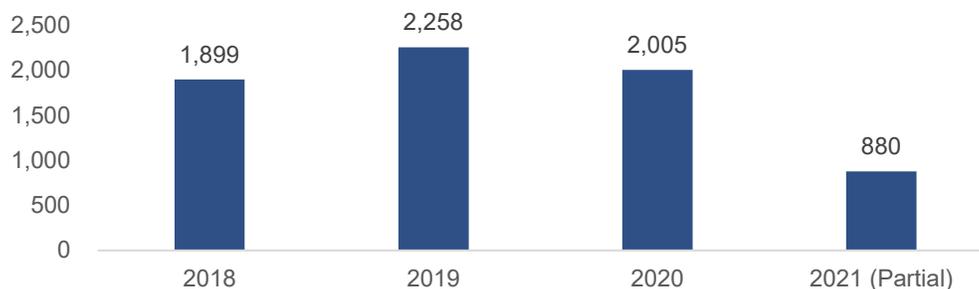


- General operations policies include limitations on building height and park asset naming policies. It also includes some environmental policies such as reducing light pollution, drone use (to protect wildlife habitats), seed sourcing, burn management (to prevent wildfires) and tree management and removal.
- Emergency & safety policies address aggressive dogs, emergency safety, identity protection, inclement weather and firearms. Some policies apply to all District visitors, permit holders, and employees, while others are directed primarily for employees or outline employee response to issues of safety.
- Financial affairs policies cover purchasing, reimbursement, cash handling and fee waivers. Two other policies in this category have to do with contract authorization and gift restriction policies.
- Human resources & legal affairs policies address employee benefits, non-discrimination, overtime and compensation, internship and volunteer, and conflict of interest policies. This section also includes policies on violence in the workplace, harassment and controlled substance usage.
- Travel, vehicles, equipment & parking policies address vehicle equipment, vehicle accidents and parking as well as employee travel.

Each policy is built from a similar template that outlines the title, subject, page number, policy number, category, approval date and last revision date in the header. Following that, each policy document has headers for policy statement, purpose, affected areas, definitions, procedure/process, responsibility, training requirements, communication plan, references, policy lead, approval and policy history.

The lack of policies and procedures may lead to uneven responses to constituent service requests. From 2018 to 2021, Precinct One received 7,042 requests for service through the County customer relationship management (CRM) system. On average, there were 2,054 requests per year from 2018 to 2021. Data for 2021 is partial and includes requests through May 2021.

Precinct One CRM Requests Recieved, 2018 - 2021



Between 2018 and May of 2021, 50 percent of requests were categorized as:

- Constituent concerns (12 percent)
- Potholes and Sinkholes (10 percent)



- Drainage (10 percent)
- Street Signs (9 percent)
- Dead Animals (8 percent)

Total requests grew by 19 percent from 2018 to 2019. This growth was driven by increases in requests regarding potholes and sinkholes, dead animals, street signs, drainage, mowing, tree maintenance and debris. “Constituent Concerns” is a catch-all category that ranges from drainage/trash concerns to government praise, to pavilion reservations, and, more recently, questions and concerns regarding park openings and vaccines.

Table 7: Precinct One CRM Requests by Type

Request Type	Total Number of Requests, 2018 - May 2021	Percent of Total Requests	Average Time to Completion (Days)
Constituent Concerns	880	12.5%	21.6
Potholes and Sink Holes	732	10.4%	8.0
Drainage	674	9.6%	18.1
Street Signs	652	9.3%	2.8
Dead Animals	541	7.7%	(0.4)
Tree Maintenance	486	6.9%	16.2
Miscellaneous/Other	382	5.4%	11.8
Ditches	316	4.5%	21.8
Trash	316	4.5%	6.8
Culverts	274	3.9%	12.4

From 2018 to May 2021, 32.6 percent of requests were in the North region of the Precinct. The South and Miller Road, or Central, regions each received approximately 18 percent of requests from residents. As shown in the following table, requests located in the North region took an average of 12.36 days to complete. This time to completion is 41 percent higher than the average time to completion for requests located in the South region of the Precinct and 28 percent higher than the average time to completion for requests located in the Miller Road region.

Table 8: Precinct One CRM Requests by Area

Request Area	Total Number of Requests, 2018 - May 2021	Percent of Total Requests	Average Time to Completion (Days)
North	2,293	32.6%	12.36
South	1,258	17.9%	8.79
Miller Road	1,246	17.7%	9.68
City of Houston	282	4.0%	8.98



D&I staff interviewees indicated that when they receive service requests, they work to immediately resolve those service requests. The data suggest otherwise. There are differences in time to completion for the same type of complaint by location, as shown in the following table. Requests related to potholes, drainage, ditches and culverts take longer to complete in the North region than in the South and Miller Road regions. Constituent complaints and requests related to street signs take longer to complete in the South region than in the North and Miller Road regions. Tree maintenance and trash requests take longer to complete in the Miller Road region than in the North and South regions of the Precinct.

Table 9: Average Days to Completion by Area and Type of Request

Request Type	North	South	Miller Road
Constituent Concerns	40.67	66.42	N/A
Potholes and Sink Holes	9.51	4.45	6.14
Drainage	22.22	15.43	14.85
Street Signs	2.49	6.01	0.36
Tree Maintenance	15.27	5.15	21.66
Miscellaneous/Other	5.60	8.28	19.91
Ditches	31.01	8.64	18.66
Trash	8.44	4.04	8.66
Culverts	16.83	12.84	6.89

Without documented policies and procedures, some departments may hold power through institutional knowledge. The substitution of institutional memory for policies and procedures has left some to perceive that the lack of policies and procedures are a means of maintaining power within the Precinct. For example, some Precinct One officials believe that Finance and Budget has historically limited training and information on policies and procedures as a means of controlling the budget and procurement processes.

There are no real mechanisms for tracking adherence to the policies and procedures that do exist. Policies and procedures are only as effective as compliance. In some organizations, compliance with policies and procedures is formally incorporated into employee evaluations. Typically, local governments will also audit compliance with certain policies and procedures. In other cases, employees may be required to certify their compliance with policies and procedures on an annual basis.

In interviews with Precinct staff, it was clear that there was no formal process in place for ensuring compliance.

There are also no requirements for reviewing and updating existing policies and procedures. According to the Society for Human Resource Management, “[P]olicies should be reviewed on a regular basis to ensure they continue to comply with federal and state laws and the needs of the organization. New laws, regulations and court cases can affect both policy



language and how employers implement the policies. Most experts suggest a thorough review of policies at least once a year.”⁷¹

Within Precinct One, there are no requirements for regularly reviewing and updating policies and procedures. For example, the one set of policies and procedures that addresses D&I activities includes a provision related to personal conduct and notes that “[T]he conduct of employees on or off duty is reflective of Commissioner El Franco Lee...”

Applying a Best Practices Approach to the Development of Precinct One Policies and Procedures

Given the general absence of policies and procedures, Precinct One should prioritize the development of policies and procedures based on the priorities outlined in the Precinct Strategic Plan.

- Ensure equitable delivery and accessibility of programs and services across all Precinct neighborhoods.
- Develop robust communication networks that identify community needs and communicate Precinct responses to addressing them.
- Create and use objective measures to evaluate Precinct effectiveness in meeting community needs.
- Ensure transparency in the management of public funds.
- Demand efficient and effective use of taxpayer monies.
- Establish long-term financial stability and sustainability.
- Set and enforce clear standards and objectives for organization, department, leadership, and individual contributor performance.
- Make Precinct One the employer of choice for those committed to working for the benefit of Precinct One and Harris County residents.

These priorities suggest a framework for how Precinct One should go about developing policies and procedures where they are currently absent:

- Focus on setting clear standards for service delivery to make sure that programs and services are delivered equitably.
- Build upon current policies and procedures for Administration – and existing norms for communications and community relations – by setting clear policies for communication and public engagement.
- Develop clear service level standards and a means for measuring against those standards in the delivery of services.

⁷¹ “How to Develop and Implement a New Company Policy,” Society for Human Resource Management (SHRM), accessed July 22, 2021, (<https://www.shrm.org/resourcesandtools/tools-and-samples/how-to-guides/pages/howtodevelopandimplementanewcompanypolicy.aspx>).



- Create customer service standards to measure the Precinct’s efficiency and responsiveness to community interactions.
- Create policies and procedures that ensure that the Precinct’s use of funds is transparent and efficient.
- Ensure that employees have clarity regarding performance expectations, compensation, and safety.

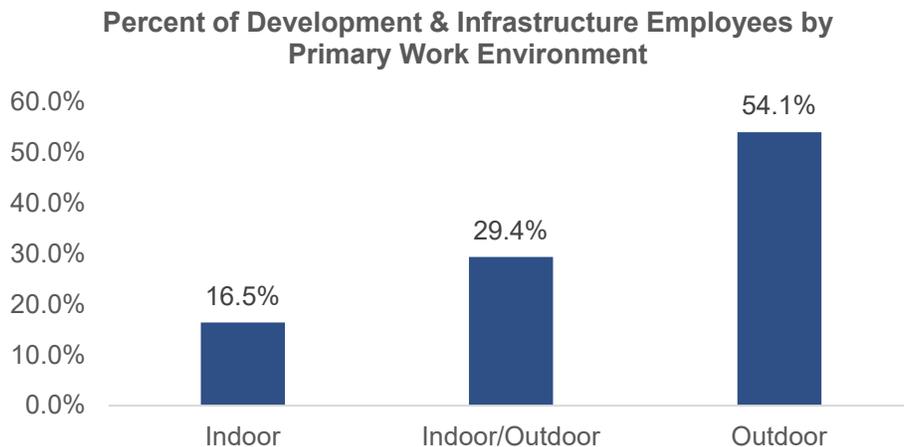
Recommendation 1: Develop basic, written and public policies and procedures focused on ensuring the safety of employees – starting with high heat conditions. Precinct One should build upon existing countywide rules regarding employee safety based on reported incidents to HRRM to identify where current employee risk is the greatest.

One area of particular concern is the effect of extreme heat on the D&I workforce. D&I employees are generally more vulnerable and prone to accidents or injuries due to the physical demands of their jobs. The Precinct’s most recent job description for an Operator specifies the following duties and responsibilities:

- Repair concrete/asphalt on roads and sidewalks.
- Mow, weed eat and trim branches from right of ways.
- Maintain and improve drainage by cleaning out ditches and culverts.
- Keep roadways and right of ways free of liter, heavy trash and other debris.

Based on the job description, Operators are also required to know how to “use and repair mowing equipment” and “operate heavy equipment.”

Further, most D&I staff work outdoors. According to staffing data and job descriptions provided by the Precinct, 54.1 percent of D&I employees are outdoor workers.



Outdoor workers have more exposure to extreme heat, placing them at higher risk of heat-related illness. The proper protective clothing and equipment often necessary for job safety can also make the body hotter and reduce its ability to cool naturally. And, due to climate change, this problem is likely to get worse. The City of Houston’s 2020 Climate Impact Assessment



projects longer summers and more extreme heat days for the Greater Houston Area in the future.⁷²

While the federal Occupational Safety and Health Administration (OSHA) does not have formal regulations related to individuals working in extreme heat conditions, it has set forth a series of guidelines for employers.⁷³ Under the OSHA guidelines, employers should develop specific plans for employees based on heat conditions – or the “heat index” – that account for both high temperature and high humidity. OSHA classifies different heat conditions – Lower, Moderate, High and Very High to Extreme – and recommends that for each condition, the employer have a plan for protective measures.

In July and August, the average monthly high temperatures in Houston are 93.7 and 94.5 degrees respectively: whenever humidity exceeds 60 percent under these average high temperatures, Houston is in a high heat condition. OSHA recommends a very specific set of procedures during such high heat conditions:⁷⁴

- Alert workers to the heat index anticipated for the day and identify each precaution in place at the work site to reduce the risk of heat-related illness
- Provide plenty of cool drinking water and disposable cups
- Actively encourage workers to drink small amounts of water often
- Ensure that adequate medical services are available.
- Respond to heat-related illness and medical emergencies without delay.
- Have a knowledgeable person onsite who is well-informed about heat-related illness and authorized to modify work activities and the work/rest schedule as needed.
- Establish and enforce work/rest schedules
- Adjust work activities to help reduce worker risk:
 - Schedule heavy tasks earlier in the day or at a time during the day when the heat index is lower. Consider adjusting the work shift to allow for earlier start times, or evening and night shifts.
 - Where possible, set up shade canopies over work areas in direct sunshine or move jobs that can be moved to naturally shaded areas.
 - Permit only those workers acclimatized to heat to perform the more strenuous tasks. Rotate physically demanding job tasks among acclimatized workers.
 - Decrease the physical demands and pace of jobs. If heavy job tasks cannot be avoided, change work/rest cycles to increase the amount of rest time.
 - Add extra personnel to physically demanding tasks so that the shared work load is less intense. This will lower the workers’ risk of heat-related illness.

⁷² Stoner, Anne, Katharine Hayhoe. 2020. *Climate Impact Assessment for the City of Houston*. ATMOS Research & Consulting. Page(s) 21-50. (<https://www.houstontx.gov/mayor/Climate-Impact-Assessment-2020-August.pdf>).

⁷³ “Using the Heat Index: A Guide for Employers,” United States Department of Labor, accessed July 22, 2021, (<https://www.osha.gov/heat/heat-index>).

⁷⁴ “Protective Measures to Take at Each Risk Level,” United States Department of Labor, accessed July 22, 2021, (<https://www.osha.gov/heat/heat-index/protective-high>).



- Rotate workers to job tasks that are less strenuous or in cooler/air conditioned setting for part of the work shift.
- Acclimatize workers.
- Take actions described for the Very High to Extreme Risk Conditions (>115°F) if heat index approaches 115°F OR the work is being conducted in direct sunshine.

After two deaths during a record-breaking heat wave were linked to workplace conditions, Oregon OSHA adopted emergency rules on July 8, 2021, to protect workers from heat-related illnesses. The rules are some of the most stringent heat-related workplace regulations in the nation. When the heat index reaches 80 degrees Fahrenheit, the rule requires that employers provide access to shade and an adequate supply of drinking water. The temporary rule also establishes requirements for training supervisors and employees on the risk factors for heat illness, procedures for complying with new requirements of the temporary rule and employees' rights. Further, employers are required by the temporary rule to implement additional high heat practices when the heat index surpasses 90 degrees Fahrenheit.⁷⁵

- Ensure that effective communication by voice, observation, or electronic means is maintained so that employees working at the site can contact a supervisor when necessary. Cell phones and text messaging may be used for this purpose only if reception in the area is reliable.
- Ensure that employees are monitored for signs of heat illness, and whether medical attention is necessary, using one or more of the following:
 - Regular communication with employees working alone – by radio, cell phone, or other alternative means.
 - A mandatory buddy system.
 - Other equally effective means of observation or communication.
- Designate and equip one or more employees at each site who can call for emergency medical services.
- Allow other employees to call for emergency services when designated employees are not immediately available.
- Ensure that each employee takes a minimum 10-minute preventive cool-down rest break in the shade at least every two hours, regardless of the length of the shift.
 - The rest break can take place with any other meal or rest period required by policy, rule, or law if the timing of the break coincides with the required meal or rest period.
 - The preventive cool-down rest break is a work assignment and employees must be compensated accordingly (unless the rest break coincides with an existing unpaid meal period).

Recommendation 2: Develop a formal emergency response plan and accompanying set of policies and procedures. Currently, the Harris County Office of Homeland Security and Emergency Management (HCOHSEM) is responsible for protecting Harris County's

⁷⁵ Key requirements: Oregon OSHA's emergency temporary rules for heat illness prevention. Oregon OSHA. Page(s) 1-4. (<https://osha.oregon.gov/OSHAPubs/factsheets/fs85.pdf>).



infrastructure and people through disaster planning, mitigation, response and recovery. While HCOHSEM has lead responsibility for emergency response, other jurisdictions have created their own emergency management plans. For example, the City of Houston Emergency Management Plan provides strategic guidance for City departments in the event of an emergency.

Precinct One should develop a formal emergency response plan – with clear policies and procedures – to provide guidance to Precinct staff about how to respond to various incidents in coordination with HCOHSEM.

Precinct One should develop policies and procedures designed to support HCOHSEM in outreach efforts to Precinct One residents. The countywide Operational Review recommended that HCOHSEM analyze the deployment of training and public outreach resources to ensure they are focused on areas most affected by emergencies and with more vulnerable populations.

The Forest Preserves of Cook County have a specific policy document for emergency events, including:⁷⁶

- Fire, visible smoke, or carbon monoxide
- Injury or medical emergencies
- Severe weather or tornado
- Flash flood
- Workplace violence
- Civil disturbance
- Utility/power failure
- Bomb or explosive device threats
- Biological threats and suspicious materials
- Hazardous materials

It details how and when employees should seek assistance during emergencies, typically by calling 911. Employees are also expected to keep technology devices in working order and know which devices to use in an emergency.

Employees are expected to be familiar with the policies and procedures outlined in this document, attend training, be aware of threats and familiar with local procedures. Employees are to take threats seriously without confronting individuals. Forest Preserves leadership schedules and manages trainings for these policies and also documents training completion.

According to the policy, the Forest Preserves' Landscape Maintenance Department is directed to collaborate with law enforcement and Cook County Homeland Security to promote joint preparedness and respond to large scale disasters and emergencies. Law enforcement is

⁷⁶ Forest Preserves of Cook County. 2018. *Emergency Safety Response Policy*. Chicago, IL: Forest Preserves of Cook County. Page(s)1-9. (<https://fpdcc.com/downloads/policies/FPCC-Emergency-Safety-Response-Policy-062718.pdf>).



responsible for responding to all emergencies and assisting, investigating, and informing senior police management. They also serve as liaison and help create emergency management policies and procedures. The Office of the General Superintendent declares District emergencies and closures and communicates via the District website. They work with the President's Office and other organizations to ensure the District remains safe, and also help to develop policies and procedures.

Finally, the Forest Preserves' Resource Management Department collaborates with law enforcement for joint emergency preparedness and response. They are expected to support the response to District emergencies.

The policy outlines that it should be distributed to all staff in addition to being stored on the shared drive, intranet, and website. Forest Preserves department heads also should ensure their staff are familiar with the policy.

Recommendation 3: D&I should establish policies and procedures for responding to complaints and requests from residents in a timely manner. For every service request type in the CRM, Precinct staff should set a service level agreement (SLA) or the amount of time to resolve the request. These SLAs set expectations for employees and constituents related to the timeliness of response. SLAs also creates a mechanism for ensuring equitable delivery of service across the entire Precinct. Finally, SLAs set a benchmark for measuring performance – a critical factor in assessing budgetary needs.

The City of Houston has set SLAs as part of its deployment of a 311 system for responding to constituent requests for service. For example, Houston Public Works' Transportation & Drainage division has a policy of responding to pothole complaints within 24 hours. By comparison, from 2018 to 2021, the average number of hours to respond to a citizen complaint related to a pothole or sinkhole in Precinct One was approximately 200 hours.

Precinct One should also explore whether CRM could be used to input, manage and track non-routine maintenance activities even when they are generated internally (e.g. playground repair, need for bathroom repairs, mowing, etc.). SLAs should also be set for these activities as well.

Recommendation 4: D&I should adopt a best practice approach for managing and maintaining Precinct One parks. One of the largest and most prominent urban parks in the nation is run by the federal government – the National Mall in Washington, D.C. In assessing its maintenance of the Mall, the National Park Service identified a set of best practices relevant to policies and procedures in all urban parks, including those in Precinct One.⁷⁷

As part of setting SLAs for Precinct One parks, there should be specific, realistic and measurable landscape quality standards for different parks and various areas within certain parks. Not all Precinct parks are alike – El Franco Lee Park has different uses and activities than Eisenhower Park. But each park should have clear standards when it comes to upkeep.

⁷⁷ 2007. *Best Management Practices Used at Urban Parks in National and International Locations*. Center for Park Management National Parks Conservation Association for the National Mall & Memorial Parks. Page(s) 1-64. (<https://www.nps.gov/nationalmallplan/Documents/National%20Mall%20Plan%20-%20Best%20Management%20Practices%20Used%20at%20Urban%20Parks%20in%20National%20and%20International%20Locations.pdf>).



That may result in different standards, but those differences can be addressed by policy rather than simply be the result of unwritten norms and practices.

As part of setting standards, there should be clear policies with respect to grass (height, aeration, weeding and seeding), flowers and trees. There should also be specific maintenance standards for drainage, electrical systems, parking lots, trails, playgrounds and parking lots based on cleanliness, state of good repair and safety.

Best practices would also suggest that the standards – and the procedures for meeting them – address issues related to sustainability in the maintenance of parks. This could lead to consideration of water usage, the use of pesticides and the reliance on vehicles.

Recommendation 5: D&I should adopt a best practices approach to policies and procedures for road and bridge maintenance. When asked how priorities were assigned for maintenance of roads and bridges, Precinct One staff regularly referred to a geographic rotation. In other words, need and conditions are not explicitly part of deciding how and when to apply maintenance resources.

D&I should adopt the recommended best practices of the Federal Highway Administration (FHWA). It should apply both cyclical and conditions-based analysis to prioritizing preventive maintenance of roads and bridges.

In the case of bridges, FHWA identifies a list of cyclical maintenance activities for preservation:

- Clean/wash bridge
- Clean and flush drains
- Clean joints
- Deck/parapet/rail sealing and crack sealing
- Seal concrete

FHWA also identifies a more detailed list of condition-based maintenance activities:



Table 11: FHWA Condition-Based Maintenance Activities

Examples of Condition-Based Maintenance Activity	Bridge Component
Drains, Repair/Replace	Deck
Joint Seal Replacement	Deck
Joint Repair/Replace/Elimination	Deck
Electrochemical Extraction (ECE)/Cathodic Protection (CP)	Deck
Concrete Deck Repair (see halo effect below) in Conjunction with Overlays, CP Systems or ECE Treatment	Deck
Deck Overlays (thin polymer epoxy, asphalt with waterproof membrane, rigid overlays)	Deck
Repair/Replace Approach Slabs	Approach
Seal/Patch/Repair Superstructure Concrete	Superstructure
Protective Coat Concrete/Steel Elements	Superstructure
Spot/Zone/Full Painting Steel Elements	Superstructure
Steel Member Repair	Superstructure
Fatigue Crack Mitigation (pin-and-hanger replacement, retrofit fracture critical members)	Superstructure
Bearing Restoration (cleaning, lubrication, resetting, replacement)	Superstructure
Movable Bridge Machinery Cleaning/Lubrication/Repair	Superstructure
Patch/Repair Substructure Concrete	Substructure/Culvert
Protective Coat/Concrete/Steel Substructure	Substructure/Culvert
ECE/CP	Substructure/Culvert
Spot/Zone/Full Painting Steel Substructure	Substructure
Pile Preservation (jackets/wraps/CP)	Substructure
Channel Cleaning / Debris Removal	Channel
Scour Countermeasure (installation/repair)	Channel

FHWA specifically recommends creation of rules – in other words, policies and procedures – on when certain actions should occur based upon these types of analyses: “An agency rule identifies when a preservation action may be appropriate. An agency rule serves as guidance to help identify when to perform an action and what action to perform.”⁷⁸

FHWA also identifies a series of steps as part of a bridge preservation program that can be adopted as parts of policies or as procedures:

- Encourage maintenance crews to check deck joints for leakage and to replace seals where needed.
- Encourage maintenance supervisors to note conditions of both joints and beam ends, and then prioritize new joint seals at bridges with beam ends in good condition.

⁷⁸ 2018. *Bridge Preservation Guide*. U.S. Department of Transportation Federal Highway Administration. Page 14. (<https://www.fhwa.dot.gov/bridge/preservation/guide/guide.pdf>).



- In bridge maintenance, promote as a policy the scheduled replacement of wearing surfaces, coatings, surface sealers, and joint seals in place of policies that wait for defects before planning repairs.
- Using inspection data, track and monitor the conditions of wearing surfaces, coatings, surface sealers, and joint seals, and update intervals for scheduled replacement accordingly.

Recommendation 6: Adopt design standards for capital projects. In 2013, the National Association of City Transportation Officials (NACTO) published the *Urban Street Design Guide*, which is intended to serve as “a blueprint for designing 21st century streets.”⁷⁹ It presents the principles and practices of engineers, planners and designers working in cities to reinvest in streets as safe public spaces and offers localities a road map to implement these strategies.

There is no “one size fits all” approach to capital projects. But development of design standards in alignment with the NACTO recommendations would be a good starting point for setting forth a broad array of general principles for future Precinct One capital projects.

- In its discussion of **Streets**, NACTO identifies a set of street design principles, including Streets are Public Places, Great Streets are Great for Businesses, Streets Can Be Changed, Design for Safety, Streets are Ecosystems, and Act Now!. Phases of transformation (Existing, Interim, and Reconstruction) are described to emphasize the benefit of interim design strategies that can help test the consequences of projects. Street design is then explored in context through transformation plans for thirteen different street designs, complete with detailed recommendations.
- The discussion of **Street Design Elements** focuses on specific street design elements, broken into the following subsections: Lane Width, Sidewalks, Curb Extensions, Vertical Speed Control Elements, Transit Streets, and Stormwater Management.
- NACTO details a set of **Interim Design Strategies** – near-term improvements to roadways and public spaces using low-cost interim materials, new public amenities, and creative partnerships with local stakeholders. These designs allow communities to test the functionality of a project and build support before construction. Subsections include: Moving the Curb, From Pilot to Permanent, Parklets, Temporary Street Closures, and Interim Public Plazas.
- The discussion of **Intersections** explores the role of intersections as shared spaces – utilized not only for traffic control, but also as spaces that bring people together. Intersection design principles include Design Intersections to be as Compact as Possible, Analyze Intersections as Part of a Network, not in Isolation, Integrate Time and Space, Intersections are Shared Spaces, Utilize Excess Space as Public Space, and Design for the Future. Subsections include: Major Intersections, Intersections of Major and Minor Streets, Minor Intersections, Raised Intersections, Mini Roundabout, Complex Intersections, and Complex Intersection Analysis.

⁷⁹ “Urban Street Design Guide,” National Association of City Transportation Officials (NACTO), accessed July 22, 2021, (<https://nacto.org/publication/urban-street-design-guide/>).



- The discussion of **Intersection Design Elements** explores design elements of intersections and their implications for safety and mobility. Subsections include: Crosswalks and Crossings, Conventional Crosswalks, Midblock Crosswalks, Pedestrian Safety Islands, Corner Radii, Visibility/Sight Distance, Traffic Signals, Signalization Principles, Leading Pedestrian Interval, Signal Cycle Lengths, Fixed vs. Actuated Signalization, and Coordinated Signal Timing.
- Finally, the discussion of **Design Controls** seeks to establish the difference between passive design and active design approaches and their effects on human behavior. While the clear zones and setbacks characteristic of the longstanding norm of passive design are sound in terms of stormwater management and seismic engineering for earthquake zones, these design elements also encourage unsafe speeds. Proactive design, on the other hand, uses design to guide user behavior through physical and environmental cues. Subsections include: Design Speed, Speed Reduction Mechanisms, Design Vehicle, Design Hour, Design Year, Performance Measures and Functional Classification.

Recommendation 7: Adopt best practice policies and procedures to enhance customer service. The most important step that the Precinct can take in the area of customer service is by implementing Recommendation 3 and setting clear performance expectations for responses to requests for service. But there should also be a set of basic standards for how all members of the Precinct One staff engage with members of the public.

The State of Maryland has developed a useful framework for this approach, identifying five areas of focus related to customer service:⁸⁰

- **Friendly and Courteous:** We will be helpful and supportive and have a positive attitude and passion for what we do.
- **Timely and Responsive:** We will be proactive, take initiative, and anticipate your needs.
- **Accurate and Consistent:** We will always aim for 100% accuracy, and be consistent in how we interpret and implement state policies and procedures.
- **Accessible and Convenient:** We will continue to simplify and improve access to information and resources.
- **Truthful and Transparent:** We will advance a culture of honesty, clarity and trust.

Recommendation 8: Increase internal transparency and communication around its policies and procedures. As the Precinct increases the number of policies and procedures, it needs to take a series of additional steps to ensure that the policies and procedures are adhered to and remain relevant.

The Precinct should develop an Intranet site that houses all of the Precinct's policies in one place, that is accessible to all staff and that is easily searchable. Eventually, all Precinct policies and procedures should also be available on the Precinct One website.

⁸⁰ ⁸⁰ "Our Customer Service Promise," The State of Maryland, accessed July 22, 2021, (<https://www.maryland.gov/pages/customerservice.aspx>).



The newly appointed Chief of Operations should be responsible for overall adherence to policies and procedures. Policy and procedure compliance should be part of discussions about proposed budgets and regular reviews of Precinct personnel. The Chief of Operations should also lead an annual policies and procedures update process to ensure that all policies and procedures remain relevant.

In the development of policies and procedures, the Chief of Operations should also identify which member of the leadership team is primarily responsible for which policy or set of procedures.

Finally, there should be annual trainings for all Precinct employees related to policies and procedures to make sure that all employees understand their intent and work toward their adherence.

3. Cost Proposal

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City of Huntington Beach

RFP for Management System Review Consulting Services and On-Call Consulting Services for Citywide Standard Operating Procedures and Procurement-Related Process Improvement

RFP #2022-0822

Cost Proposal



555 West 5th St.
Suite 3500
Los Angeles, CA
90113

pfm.com

Team Member	Hourly Rate	AR/SOP Improvement		Procurement Process Improvement		Management System Review	
		Total Hours	Total Cost	Total Hours	Total Cost	Total Hours	Total Cost
Managing Directors	\$ 350	10	\$ 3,500	10	\$ 3,500	8	\$ 2,800
Directors	\$ 325	42	\$ 13,650	35	\$ 11,375	30	\$ 9,750
Senior Managing Consultants and Senior Advisors	\$ 300	70	\$ 21,000	55	\$ 16,500	50	\$ 15,000
Senior Analysts and Analysts	\$ 275	80	\$ 22,000	60	\$ 16,500	50	\$ 13,750
Total	N/A	202	\$ 60,150.00	160	\$ 47,875.00	138	\$ 41,300.00

(or equal flat fee is acceptable)

**Proposed Total Cost for All Scope Items (inclusive of expenses):
\$149,325**

4. Appendix: Potential Exceptions to Insurance Requirements & Contract Language





Insurance Requirements and Contract Language

PFM notes the following potential exceptions with the insurance requirements and contract language circulated by the City. Understanding that these terms are mandated by City Council and can only be changed under extraordinary circumstances, should we be selected for the project, we respectfully request the opportunity to work with the City on mutually agreeable terms.

Insurance Requirements

Page 1 of 4

1. Note 3 references additional insured endorsements for “automobiles owned, leased or borrowed by the contractor.” PFM does not own autos and maintains auto liability coverage for hired and non-owned autos only.

Page 2 of 4

1. Clarify that waiver of subrogation would not apply to professional liability.
2. PFM’s professional liability insurance provides minimum of \$1,000,000.00 per claim rather than per occurrence.
3. PFM's professional liability carries a deductible SIR amount of \$200,000.00.
4. Regarding Note 2, industry standards prohibit the inclusion of additional insureds on professional liability.

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1. We believe this requirement may not be applicable to this scope of work/PFM.

Page 4 of 4

1. PFM’s professional liability insurance provides minimum of \$1,000,000.00 per claim rather than per occurrence.
2. PFM’s professional liability insurance carries a deductible of \$200,000.00.
3. Industry standards prohibit the inclusion of additional insureds on professional liability.

Contract Terms

Page 4 of 11

1. At 9. Professional Liability Insurance, request substituting “occurrence” for “claim” and deductible of \$200,000.00 rather than \$10,000.00. PFM's professional liability carries a deductible SIR amount of \$200,000.00.
2. AT 10.C., request adding “provided by the Consultant” after reference to 30 days’ prior written notice. Not all of PFM’s insurers will provide 30 days’ notice in all cases. In case of reduction in coverage, material changes, or cancellation, Consultant will provide 30 days prior of written notice to the City.