



## Legislation Details (With Text)

**File #:** 22-743  
**Type:** Consent Calendar **Status:** Passed  
**File created:** 8/29/2022 **In control:** City Council/Public Financing Authority  
**On agenda:** 9/20/2022 **Final action:** 9/20/2022  
**Title:** Approve and authorize execution of a Professional Services Agreement with PFM Group Consulting LLC for Consulting Services Related to Management System Reviews, Citywide Standard Operational Procedure Updates, and Procurement Process Improvements  
**Attachments:** 1. Att#1 PFMGC Contract, 2. Att#2 List of Proposals, 3. Att#3 PFMGC - Proposal for Huntington Beach Consulting Services, 4. Att#4 RFP - SOPS, Procurement, and Management Review

Date	Ver.	Action By	Action	Result
9/20/2022	1	City Council/Public Financing Authority	approved	Pass

## REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Al Zelinka, City Manager

**VIA:** Travis K. Hopkins, Assistant City Manager

**PREPARED BY:** Grace Yoon-Taylor, Senior Administrative Analyst

### Subject:

**Approve and authorize execution of a Professional Services Agreement with PFM Group Consulting LLC for Consulting Services Related to Management System Reviews, Citywide Standard Operational Procedure Updates, and Procurement Process Improvements**

### Statement of Issue:

The City seeks to enter into a Professional Services Agreement with PFM Group Consulting, LLC (PFM) to provide consulting services on three separate scopes of work that will improve internal processes, workflows, and decision-making strategies. The end goal will result in a higher performing municipal organization that is employing industry best practices, operating more efficiently and effectively, and providing a higher level of transparency. The three scopes of work include a comprehensive review and update of (1) the City's existing citywide management systems; (2) Administrative Regulations that outline the City's organizational policies and standard operating procedures; and (3) procurement processes and contracting workflow. Currently, these existing systems and policies have not been evaluated regularly and require modernization.

### Financial Impact:

The Professional Services Agreement with PFM for three separate scopes of work will require a total not-to-exceed amount of \$180,000 from the General Fund.

**Recommended Action:**

A) Approve and authorize the Mayor and City Clerk to execute “Professional Service Agreement Between the City of Huntington Beach and PFM Group Consulting for On-Call Consulting Services.”

B) Approve the one-time appropriation of \$180,000 from General Fund balance to FY2022-23 City Manager’s Office Budget and Account 10030101.69365.

**Alternative Action(s):**

Do not approve the agreement, and direct staff accordingly.

**Analysis:**

The City released a Request for Proposals (RFP) in August 2022 for consulting services on three separate scopes of work that include comprehensive reviews and updates of (1) the City’s existing citywide management systems; (2) Administrative Regulations (AR) that outline the City’s organizational policies and standard operating procedures (SOP); and (3) procurement processes and contracting workflow. Currently, these existing systems and policies have not been evaluated regularly and require modernization to keep up with industry best practices.

**Management Systems**

This scope will require a comprehensive review of the existing citywide management system to identify any deficiencies and make any recommendations for system improvements. This review is focused on identifying specific recommendations for improvement and clear communication of decision making systems and work flows relied upon by management throughout the organization.

**Administrative Regulations (ARs)**

Over the years, the City has developed a series of 93+ ARs that outline organizational policies and SOPs for specific areas, including financial administration, personnel administration, public information, and facilities and equipment management. However, many of these ARs require updates, are inconsistent with current practices, and may be missing important SOPs specific to City operations and in conformance with State and Federal regulations. The City Manager’s Office intends to utilize the selected consultant and to work closely with the Executive Leadership Team and Deputy Leadership Team to update these ARs accordingly.

**Procurement Policies**

During the July 19, 2022 City Council Meeting, Mayor Pro Tem Posey requested a comprehensive review of the City’s procurement policies to promote transparency and adherence to best practices. Through is professional services agreement staff proposed to improve internal and external procurement process and contracting workflow from proposal submittal to contract execution. Working with PFM, the City intends to identify inefficiencies, reduce process steps and time, and minimize errors in work through enhanced internal collaboration and streamlined workflows.

During the RFP process in August 2022, the City received proposals from eight qualified consulting firms (see Attachment 2):

The evaluation panel, comprised of three staff members from the City Manager’s Office and the Finance Department, carefully reviewed and scored each proposal. The Committee conducted an additional interview with the two highest scoring proposers and ultimately recommended PFM to be

awarded a Professional Services Agreement for the aforementioned scope of work.

PFM is a national firm with 33 offices including one located in Los Angeles, offering a wide range of services from financial advisory, modeling, and other specialized services with a deep understanding of local government operations. PFM's team for Huntington Beach will be led by David Eichenthal, Managing Director with 30 years of experience in senior positions in state and local government. In the public sector, he has had significant responsibility for procurement - serving as a Counsel for Special Projects in the NYC Comptroller's Office, as Assistant Inspector General of the NYC School Construction Authority, and CFO for the City of Chattanooga. He is also the co-author of The Art of the Watchdog: Fighting Fraud, Waste, Abuse and Corruption in Government.

Once awarded, PFM will engage City staff in a series of in-person interviews, undertake a review of City documents and data, and make recommendations based on best practices. All three projects will run concurrently with a focus on prioritizing finance-related regulations and procurement process improvement review. This project will be closely managed and monitored by the City Manager's Office and will be completed in early 2023.

The cost proposal for the outlined scope of work for three projects is \$149,325; the contract will also include a contingency of approximately 20% for a total not-to-exceed amount of \$180,000.

The full RFP and the PFM proposal are attached (Attachment 1 and Attachment 3).

**Environmental Status:**

Not applicable.

**Strategic Plan Goal:**

Non Applicable - Administrative Item

**Attachment(s):**

1. Professional Services Agreement with PFM Group Consulting
2. List of Proposals
3. Proposal by PFM Group Consulting
4. RFP for Consulting Services for SOPs, Procurement, and Management System Review