
CITYGATE ASSOCIATES, LLC

■ FOLSOM (SACRAMENTO)

MANAGEMENT CONSULTANTS ■

■ ■

**PROPOSAL TO CONDUCT AN
ORGANIZATIONAL STUDY
OF THE**

**CITY OF
ALBANY, CA**

January 30, 2009

■ ■



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CITYGATE ASSOCIATES, LLC





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January 30, 2009

Beth Pollard
City Administrator
City of Albany
405 Kains Avenue
Albany, CA 94706

RE: PROPOSAL TO CONDUCT AN ORGANIZATIONAL STUDY OF THE CITY OF ALBANY, CA

Dear Ms. Pollard:

Citygate Associates, LLC is pleased to submit our proposal to conduct an Organizational Study of the City of Albany. Below, we highlight some key aspects of our firm and proposal that we believe position Citygate to provide the City of Albany with outstanding organizational review capabilities and superior, responsive client service.

Extensive Local Government Experience with Organizational and Staffing Reviews

Because the credibility of the assessment effort must be “earned” by the consulting team with each member of the City Council and each representative of City management, we have assigned consultants with in-depth experience in each of the functions that are within the scope of your project. Your City Council and department heads will be impressed by the extensive professional qualifications and experience of our consulting team.

Citygate’s Project Director, Jay Corey, has served at the executive level in local government for 30 years including cities in the East Bay. Jay’s Citygate office is located in nearby Pt. Richmond. He will be able to bring his local knowledge of the Albany and the East Bay region, and a high level of on-site responsiveness to this performance review engagement. Our team will also be supported by a panel of Citygate’s consultants, including two highly experienced Alameda County-based local government leaders. Stewart Gary, Citygate’s Fire Specialist, is the recently retired Fire Chief of the Livermore-Pleasanton Fire Department and leads Citygate’s fire services consulting practice. Steven Harman, Citygate’s Human Resources Consultant, recently retired after a thirty-two year career in human resource management and served as the Director of Human Resources for the City of Livermore for the past six years. Citygate has utilized these consultants to form effective multi-disciplinary project teams on prior engagements. The team is distinguished at analyzing innovative, cost-effective approaches to providing public safety services, public works services, community development, human resources, and information technology services. Our recommendations are justified and easily understood by our clients. We build consensus around our recommendations such that policy setters, department leaders, and staff readily embrace them.



Citygate has completed numerous successful citywide management and staffing reviews throughout the western U.S.

Customized Assessment

We understand that an underlying concern of your City is to be an effective, efficient, and responsive municipality, with well-tuned processes and optimal staff/work load balancing within limited resources. Citygate's flexible study design will allow the City to pursue those issues that are most rewarding while functioning within a fixed fee budget. In addition, our recommendations will be developed in a step-by-step format so that when recommendations are implemented consecutively, they will act as a road map to improvement.

Responsive and Professional Services for Long-term Clientele

Citygate Associates is prepared to develop an analysis of the City of Albany operating departments described in the Request for Proposals, while working closely with you and your staff. We are committed to becoming the City's partner in this effort. When Citygate commits to a client, we commit to that client's success, not just in the short term. This is why 70 percent of Citygate's client base is from repeat business and sole source contracts based on our reputation, because the marketplace knows we help agencies to improve via quality work and long-term positive relationships. In the last nineteen years, our firm has helped numerous cities with a variety of citywide and departmental reviews. These cities have repeatedly utilized Citygate's capabilities and responsive professional service. We encourage you to call these references to explore how our firm compares with our competitors, and why these cities continue to call on Citygate for their projects.

For an example of our consulting philosophy with respect to Organization Development, please see Citygate Associates' *Cornerstone* newsletters in **Appendix D**.

* * *

I am the individual responsible for this proposal and this project. Please feel free to call me at (916) 458-5100 ext. 101 should you have any questions concerning our proposal or wish to arrange for an interview. We look forward to serving the City of Albany.

Sincerely,



David C. DeRoos, CMC, MPA
President

SECTION 1—INTRODUCTION TO CITYGATE ASSOCIATES

FIRM PROFILE

Citygate Associates' mission is "The Business of Better Government." Through our "Virtual City Hall" model, the firm provides consulting services across the full array of municipal functions. Citygate's goal is to provide the highest quality diagnostic, analytical, and change management services to governmental agencies in several specific areas, including:

- ◆ Local government organization analysis, performance audits and organizational development.
- ◆ Strategic planning and performance measurement.
- ◆ Pragmatic government operations diagnostics and action planning.
- ◆ Public services cost-benefit analysis.
- ◆ Policy and procedure development, definition and analysis.
- ◆ Effective, efficient and ethical management of government operations.

Citygate Associates has an outstanding record in performance analysis and organization development. Citygate has in-depth experience in both the theory and application of various management models. We have consulted on management structure and assisted in the implementation of change in municipal departments ranging in size from 3 to more than 5,000 employees, and in cities from 5,000 to 9 million in population. We have assisted in such key management areas as:

- ◆ Organizational structure.
- ◆ Financial systems and budgeting.
- ◆ Creation and implementation of performance measures.
- ◆ Identification of best practices in municipal government.
- ◆ Benchmarking of service levels with comparable cities.
- ◆ Matching of staffing patterns with service levels.
- ◆ Alignment of policies and procedures with department goals.
- ◆ Interdepartmental problem solving.
- ◆ Communication with policy-makers.
- ◆ Public education and information.
- ◆ Project management and tracking systems.



SECTION 2—CITYGATE PROJECT TEAM

PROJECT TEAM QUALIFICATIONS

This section of Citygate Associates' proposal describes our proposed study team and how we are organized to successfully execute this engagement for the City of Albany. Citygate has assigned consultants to the proposed project with the necessary local government, functional, and technical skills to perform this study.

The qualifications of the Project Team are critical, since it is the expertise and the capabilities of the consultants that ultimately determine the success of the project. We have carefully assembled this team to provide the knowledge, depth, judgment, and sensitivity required to perform this engagement.

Overview of Required Project Team Skills

A range of skills is required of the consultants to properly conduct Albany's organizational review:

- ◆ Organizational structure.
- ◆ Identification of "best practices" in municipal fire, police, human resources, community development, planning, finance, and information technology programs.
- ◆ Creation of meaningful performance measures.
- ◆ Workload allocation.
- ◆ Cost/benefit analysis.
- ◆ Written and oral communications.
- ◆ Contracting out.
- ◆ Operations analysis and process design.
- ◆ Human resource experience, including advanced knowledge of supervisory practices.
- ◆ Facilities and equipment.
- ◆ Operating and capital budgeting.
- ◆ Enterprise funds.
- ◆ Management information systems.
- ◆ Knowledge of business process reengineering.



PROJECT TEAM ORGANIZATION

Primary members of our project team include the following experienced consultants. Full resumes of each consultant are provided in **Appendix B** of this proposal. Please note that a brief description of each consultant's role is presented immediately following each summary biography. Citygate has a number of experienced consultants available, and depending on what specific study issues arise throughout the engagement, may assign other consultants to the project as required for specific expertise.

David C. DeRoos, MPA, CMC, Citygate President

Mr. DeRoos is President of Citygate Associates and has over twenty-five years experience as a consultant to local government, preceded by 5 years in local government in a northern California city. He earned his undergraduate degree in Political Science/Public Service (Phi Beta Kappa) from the University of California, Davis and holds a Master of Public Administration degree from the University of Southern California. Prior to becoming a Principal in Citygate in 1991 he was a Senior Manager in the local government consulting division of Ernst & Young. Mr. DeRoos also served as the Deputy Director for the California Redevelopment Association for seven years, following municipal practitioner experience in economic development. Over the last nineteen years, Mr. DeRoos has worked on and provided oversight for numerous citywide management reviews.

Mr. DeRoos is responsible for ensuring that the project is conducted smoothly and efficiently within the schedule and budget allocated and that all work products meet Citygate's and the client's standard of quality.

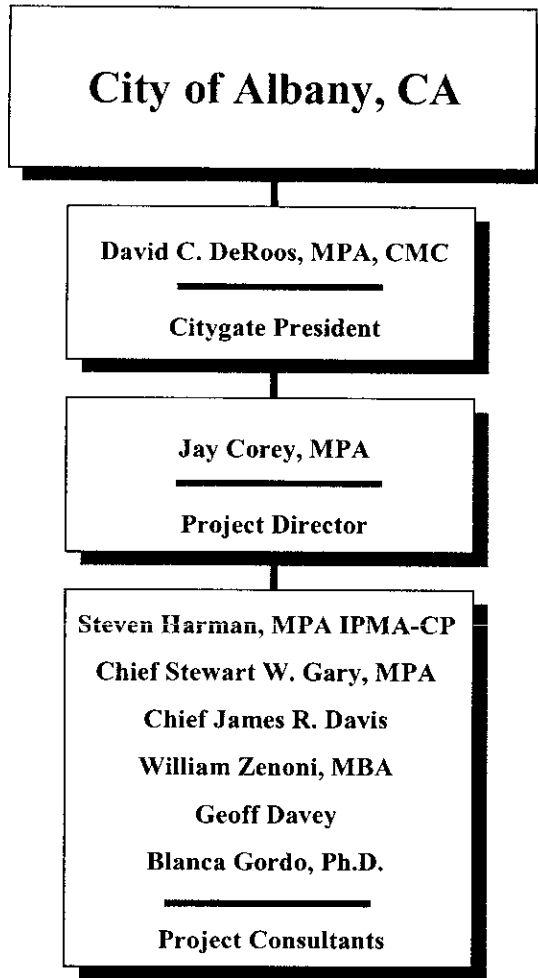
Jay Corey, MPA, Project Director

Mr. Corey is a Principal with Citygate Associates. He has served at the senior executive level in cities for over 30 years. Mr. Corey specializes in organizational structure and staffing issues, public finance issues, and performance management. He began his association with Citygate in 1999, taking leave in 2002 to be of service to the City of Richmond as Assistant City Manager, Acting Finance Director and Interim City Manager. He has had oversight responsibility for all municipal functions, including City Clerk, Public Works, Finance, Community Development, Recreation and Community Services, and City Manager's Office. As such, Jay has had leadership responsibility for day-to-day management and operations, project management, budgeting, scheduling, work load balancing, costing, contracting out, coordination with private sector and internal department/customers, and delivery of complex infrastructure projects. Mr. Corey holds a Master's degree in public administration (MPA) from the University of Southern California. He received his undergraduate education from the University of California, Davis, with a Bachelor's degree in political science.

As Project Director, Mr. Corey will be responsible for day-to-day management of the project, including direction of project personnel, detailed planning and scheduling of tasks, conducting interviews, preparation of work products, direct participation in key activities as the key interface with the client, delegation of activities to project consultants, and synthesis of the study data into a meaningful and useful Final Report.



Project Team Organization Chart



SECTION 3—PROJECT APPROACH AND SCHEDULE

WORK PLAN

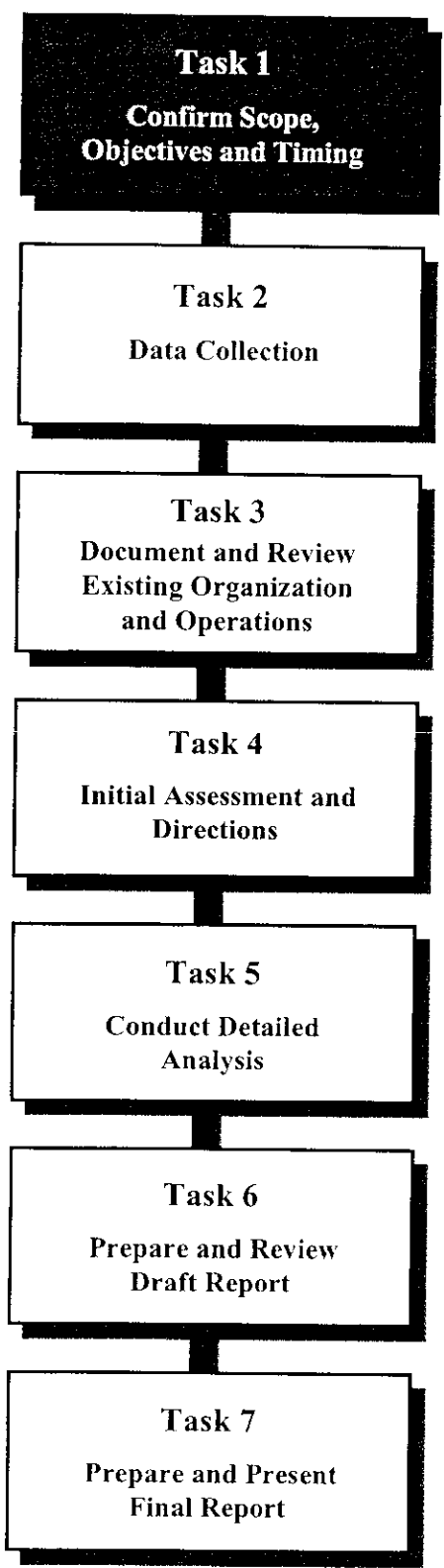
Citygate's Work Plan to conduct an organizational and staffing review of the City of Albany is comprised of seven tasks. Our Work Plan is presented in a standardized format on the following pages, which describes each of the tasks in more detail. The standard format includes:

- ◆ Name of the Task
- ◆ Objective of the Task
- ◆ Sub-Tasks
- ◆ Key Milestones and/or Deliverables
- ◆ Summary Project Schedule.

The Summary Project Schedule is designed to show the relative timing of each of the major tasks. A discussion follows each standardized task presentation that describes important aspects or considerations of the task. We intend to review our Work Plan and schedule with the City Administrator, Beth Pollard, or her designee, prior to beginning work. After obtaining additional input, we will finalize our Work Plan and the accompanying schedule.

Citygate's Work Plan has been developed consistent with our experience in conducting management and operations reviews in local government agencies across the western United States. This proven approach is similar to the one used in our other management audits.





- Task Objectives:**
- To verify the study's scope and objectives.
 - To finalize the project schedule.
 - To orient the employees on our study efforts.
 - To maintain ongoing communications and reporting to the City officials and committee.

- Sub-Tasks:**
- 1.1 Develop Work Schedule for the Project
 - 1.2 Meet with City Officials to initiate study
 - 1.3 Finalize Project Work Schedule
 - 1.4 Review the work products to be delivered and their content
 - 1.5 Develop Employee Orientation Brochure
 - 1.6 Conduct a preliminary work session with key City representatives
 - 1.7 Conduct all-staff orientation meeting
 - 1.8 Provide oral progress reports and written monthly status reports
 - 1.9 Monitor engagement progress and completion of tasks
 - 1.10 Maintain engagement files including work papers

- Key Milestones/Deliverables:**
1. Final Detailed Project Schedule
 2. Employee Orientation Brochure (see Appendix C for example)
 3. Monthly Written Progress Reports

Task	PROJECT SCHEDULE			
	Month			
	1	2	3	4
1. Confirm Scope, Objectives and Timing	[Bar spanning months 1-4]			
2. Data Collection	[Bar spanning months 1-2]			
3. Document Review Existing Organization and Operations		[Bar spanning months 2-3]		
4. Initial Assessment/Directions		[Bar spanning months 2-3]		
5. Conduct Detailed Analysis		[Bar spanning months 2-3]		
6. Prepare/Review Draft Report		[Bar spanning months 3-4]		
7. Prepare/Present Final Report		[Bar spanning months 3-4]		



We are keenly aware of Albany's current budget challenges, including its published \$300,000 general fund deficit projected for June 30, 2010. We welcome the challenge of developing alternative ways to help the City close this gap without organizational disruption and with long lasting positive outcomes, financial and otherwise.

In order to achieve the above objective, we will carefully initiate and manage the project to ensure its complete success. The ongoing project management activities begin in this task and are directed to tracking and reporting the project's progress against the Work Plan.

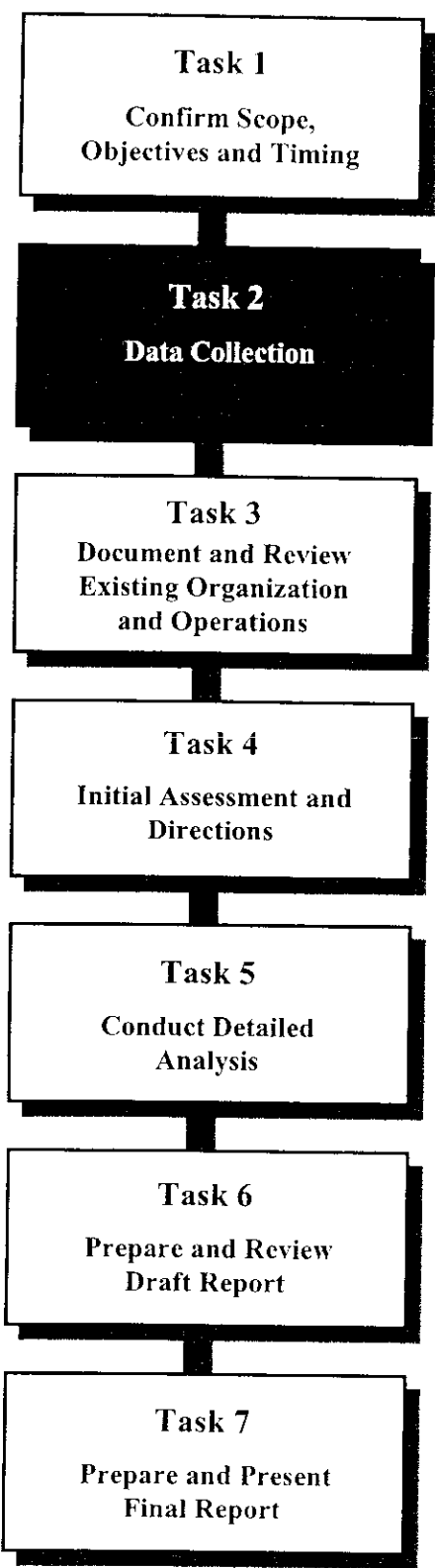
The activities performed in Task 1 are critical to the success of the study for several reasons. First, the Work Plan and schedule for the project must be defined and clearly understood by the City so that expectations concerning study objectives and our approach are mutually held by the City and the consulting team. Second, this task is designed to ensure that from the initial steps of the engagement the roles of all persons involved are clear and that appropriate lines of communication are established. The additional effort required to clearly define expectations, roles, and lines of communication early in the project will result in a better focus on substantive study issues as the engagement progresses.

During our initial project meeting and site visit, we will finalize the Work Plan and project schedule. The consulting team will utilize this opportunity to explore the City and citizen assessment of unmet needs, the expectations of the proposed project, and the local factors that may influence the project.

In order to fully communicate our study approach and objectives to City employees, the consulting team will conduct an employee orientation meeting and provide a brief brochure of pertinent study information (see **Appendix C** for an example of our Employee Orientation Brochure). These initial meetings will further provide a clear understanding of the project and minimize misconceptions concerning our role, how we plan to accomplish this study, and the potential outcome of our work. A key message must be that our role is not an adversarial one. Our role is to provide an independent assessment of management operations and staffing. We believe our ability to initiate and maintain positive, two-way communication as the study proceeds will result in not only well-supported findings but also a consensus among City personnel concerning the acceptance of our work and the benefit of implementing our recommendations. Overall, this approach will help ensure that both the consultants and the City are performing their work in an open, unencumbered, and positive environment.

These are only the first steps of Citygate's communication strategy. In addition to direct study activities and ongoing oral communication, we will provide monthly written status reports. More importantly, there will be many opportunities for direct contact with the consultants, as a significant portion of the work will be performed on-site.





- Task Objectives:**
- To orient the consultant team to the City, its departments, and the events leading to the initiation of this study.
 - To obtain employee perceptions of the City and its services.
 - To focus our subsequent analysis on priority, high-value issues.

- Sub-Tasks:**
- 2.1 Conduct interviews with City officials
 - 2.2 Review baseline documents and data for each department, by respective departmental specialists
 - 2.3 Formulate additional detailed interview questions by department

- Key Milestones/Deliverables:**
4. Document Request List

Task	PROJECT SCHEDULE			
	Month			
	1	2	3	4
1. Confirm Scope, Objectives and Timing	[Bar spanning months 1-4]			
2. Data Collection	[Bar spanning months 1-2]			
3. Document Review Existing Organization and Operations		[Bar spanning months 2-3]		
4. Initial Assessment/Directions		[Bar spanning months 2-3]		
5. Conduct Detailed Analysis		[Bar spanning months 2-3]		
6. Prepare Review Draft Report			[Bar spanning months 3-4]	
7. Prepare/Present Final Report			[Bar spanning months 3-4]	



The purpose of this task is to obtain as much basic information about the City and its departments within the scope of the project, emphasizing those elements that are highlighted in Albany's RFP and from our initial introductory interviews. We will initiate this task by providing the City with an extensive document request list, broken down by department, where applicable. Generally speaking, the cities we work with can usually have 90 percent of these documents collected and delivered to Citygate within 7 to 10 days from the receipt of our written request.

Our document review will include the City and departments' mission statements, overall strategic work plans, goals and objectives, organization charts, staffing guidelines, position descriptions, procedure and operations manuals, operating budget, ongoing management information reports, special reports, forms, operating and work load statistics, user fees and charges, and pertinent City, State and Federal legislation and guidelines.

Specifically, the document review will include, at a minimum, the following:

- ◆ Any adopted mission, goals, objectives, performance standards, etc. of the City as they relate to the operations of the City.
- ◆ Position descriptions and organization charts.
- ◆ Current and prior year's budgets (previous 2 years), year-end revenue/expenditure printouts, and audit reports.
- ◆ Staffing levels, including resource allocation and utilization.
- ◆ Administrative and financial policies, procedures and practices.
- ◆ Personnel policies, procedures and practices.
- ◆ To the extent available, current workload and workload trend information.
- ◆ The services and service levels of each department, including detailed performance measures, if available.
- ◆ Operating statistics and other information systems reports.

The objective of this task is to orient the consultant team to the City, its departments, and the events leading to the initiation of this study. In Task 2, we make our initial individual contacts with each of the departments' staff and develop a preliminary understanding of how each of the departments function. We also begin to understand the City's past and future strategic planning efforts; to the extent they are available. To achieve this objective we propose to conduct on-site visits and interviews, make observations, review documents, and perform high-level analysis.

The goal of this task is to reach a preliminary decision regarding materiality, impact and direction of our focus on specific performance issues. Our preliminary impressions will be based on our initial interviews with selected City officials and citizen representatives, to the extent suggested by the City, to gain their perspective on the function and operations of the City. The project team will interview members of the City Council, the City Administrator, City Clerk, Police Chief, Fire Chief, Community Development Director, including Public Works and Planning program leaders, Parks and Community Services Director, Human Resources Manager,



and Albany's Information Technology staff. The project team will also interview up to 12 other key staff and stakeholders, as identified in collaboration by the City.

As this task is still early in the study, we anticipate our discussions with interviewees will continue to clarify study roles and expectations.



TASK 3 DISCUSSION:**DOCUMENT AND REVIEW EXISTING ORGANIZATION/OPERATIONS**

A major objective in this task is to develop a factual profile of each departments' activities, workload, and an understanding of how functional responsibilities are distributed within the organization. We will assess what work units perform specific services, the level of functional interdependence and areas of potential overlap or duplication. This inventory will enable us to identify bottlenecks, redundant systems, inadequate controls, inefficient procedures and opportunities for streamlining.

In this task we will analyze the systems and procedures employed to actually deliver services. We will use the expectation for service delineated in Task 1, and the roles, responsibilities, and hopes for outcomes defined in Tasks 2 as the basis for this task. Often, in municipal organizations, a multitude of requirements and expectations can overwhelm service providers. In these circumstances, issues of mission readiness, priorities and resource adequacy can be key. Our analysis will give particular attention to unmet needs, trend analysis, and alternatives to existing current delivery mechanisms. Our objective in this task is to develop a detailed understanding of how the City operates.

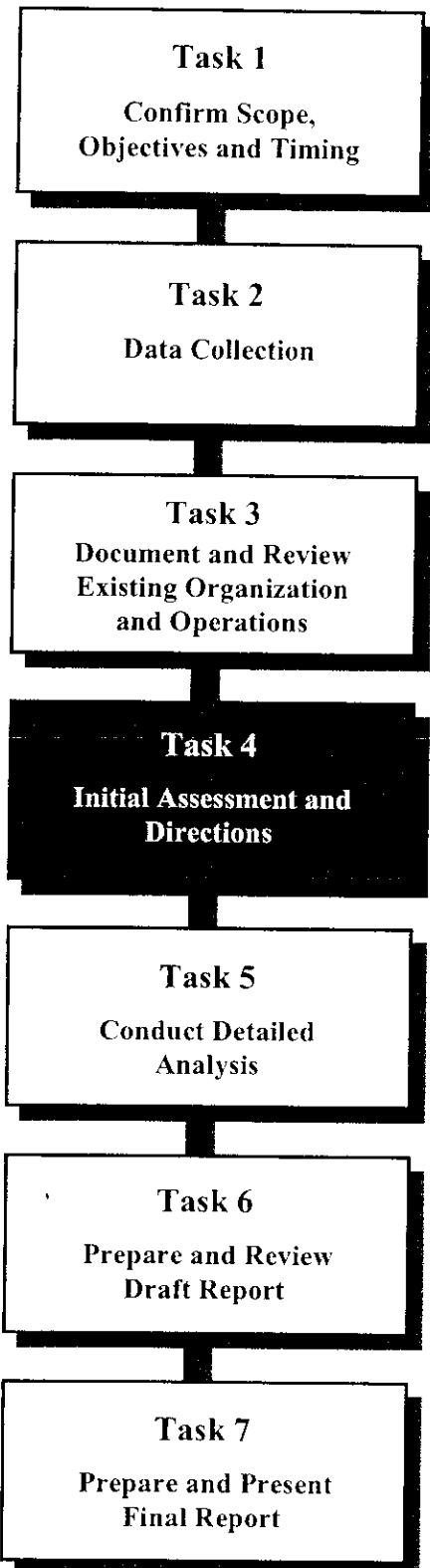
Information systems and effective records management systems can provide valuable tools to improve employee effectiveness and productivity. In addition to seeking opportunities to streamline procedures, we will review the departments' use of Information Systems in the accomplishment of daily tasks and in managing its records. We will integrate this review with the analysis of workload described above to understand fully the factors contributing to each department's productivity and service levels.

Building upon the information from prior tasks, the factual profile will document in summary form for each department the following:

- ◆ The organization, staffing and reporting relationships within the departments, and between departments and general administration.
- ◆ The objectives, priorities and programs of the departments.
- ◆ To the extent available, the current workload and workload trend information.
- ◆ The services and service levels provided by each organizational unit.
- ◆ The use and effectiveness of existing resources.
- ◆ The use and effectiveness of existing information technology systems.
- ◆ The use and effectiveness of training.

The factual profile summaries will be included in the Final Report.





Task Objectives:

- To analyze the City's systems and procedures.
- To develop preliminary findings and conclusions on departmental service levels.

Sub-Tasks:

- 4.1 Inventory primary inputs, outputs and processes
- 4.2 Analyze case processing systems
- 4.3 Assess operational issues
- 4.4 Present informal confidential report to City Administrator

Key Milestones/Deliverables:

5. Preliminary Findings and Major Recommendations Discussion Outline

Task	PROJECT SCHEDULE			
	Month			
	1	2	3	4
1. Confirm Scope, Objectives and Timing	[Bar spanning months 1 to 4]			
2. Data Collection	[Bar spanning months 1 to 2]			
3. Document/Review Existing Organization and Operations		[Bar spanning months 2 to 3]		
4. Initial Assessment/Directions		[Bar spanning months 2 to 3]		
5. Conduct Detailed Analysis		[Bar spanning months 2 to 4]		
6. Prepare/Review Draft Report			[Bar spanning months 3 to 4]	
7. Prepare/Present Final Report			[Bar spanning months 3 to 4]	

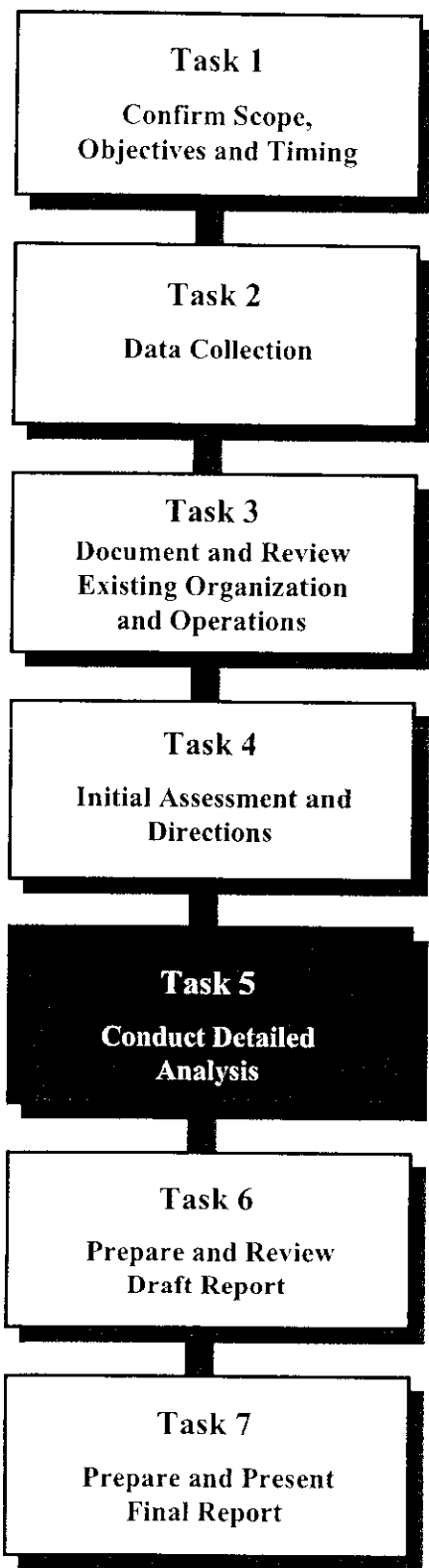


In the course of our systems analysis we anticipate developing preliminary findings and major recommendations on many internal operating and organizational issues. At the conclusion of this task, we will have a thorough understanding of the major systems and the policies and procedures employed by the City and will have the direction necessary to focus on specific operations or issues where improvements would be beneficial. Improvements may be recommended where units do not meet desired service levels, or where they are outdated or cost-inefficient. In addition, we will develop and catalog our findings and major recommendations. All strategic issues will be identified and discussed. These will serve as a basis for our additional analysis performed in Tasks 5 and 6.

We will present an informal confidential report in which we detail our preliminary findings and major recommendations. We will expect to address the following:

- ◆ Is there an adequate mix of staff skill sets and capabilities to handle the work of each department?
- ◆ Are the roles of each department clearly established and accepted?
- ◆ Are there efficiencies or improvements that can be achieved through the consolidation of processes, job duties, the elimination of redundancies, etc?
- ◆ Can information technology improvements add value, efficiency, and effectiveness?
- ◆ Can training improvements add value, efficiency, and effectiveness?
- ◆ To what extent could each department realistically take on additional duties or projects, given current staffing levels?
- ◆ Are the functions of each department organized logically?
- ◆ Are management and supervisory spans of control efficient and effective?
- ◆ Is there a structured process for objective-setting, priority-setting, and service delivery planning? If so, is it effective?
- ◆ Does each department have the resources necessary to achieve their objectives and expected service levels?
- ◆ Is each department flexible and able to respond effectively to changes in service demand?
- ◆ Does each department have a strong service orientation?
- ◆ Are staffing levels and workload demands in balance?
- ◆ Are the activity reporting and other information systems adequate to convey the necessary information?
- ◆ Are the facilities and equipment available to the departments adequate to effectively meet service demands?
- ◆ Are communications within and among the departments effective?
- ◆ Has each department taken advantage of available technology and modern management practices to improve organizational effectiveness?
- ◆ Are reporting and records systems adequate?
- ◆ Is long-term planning conducted?
- ◆ Is there an effective management system for controlling expenditures?





Task Objectives:

- To determine if each department's organization structure is in alignment with its mission.
- To identify opportunities for restructuring.
- To explore alternative service delivery approaches.
- To maximize services in the context of the City's other departments and functions.

Sub-Tasks:

- 5.1 Review operational findings made to this point in the study
- 5.2 Examine existing organization structure
- 5.3 Identify issues which can be addressed through reorganization, if any.
- 5.4 Explore alternative service delivery opportunities

Key Milestones/Deliverables:

None—Opportunities for revisions to the City's organization structure will be included in the final report.

Task	PROJECT SCHEDULE			
	Month			
	1	2	3	4
1. Confirm Scope, Objectives and Timing	[Bar spanning months 1 to 4]			
2. Data Collection	[Bar spanning months 1 to 2]			
3. Document/Review Existing Organization and Operations		[Bar spanning months 2 to 3]		
4. Initial Assessment/Directions		[Bar spanning months 2 to 3]		
5. Conduct Detailed Analysis		[Bar spanning months 2 to 3, highlighted in black]		
6. Prepare/Review Draft Report			[Bar spanning months 3 to 4]	
7. Prepare/Present Final Report			[Bar spanning months 3 to 4]	

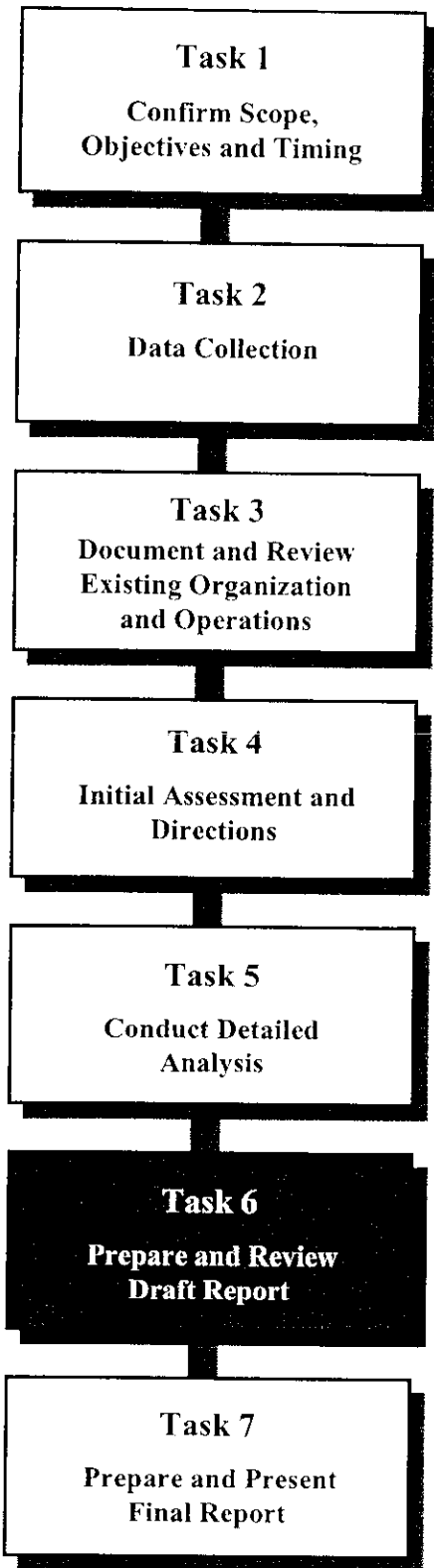


The culmination of our analytical process focuses on further substantiating the preliminary findings and recommendations identified and discussed in Task 4 to ensure their technical soundness and practical application prior to inclusion in the Action Plan. Although this task is delineated, it does not stand alone. It is based on all the previous task work and our experience in such analysis combined with detailed and thorough conversations intended to “test” our recommendations on those individuals ultimately responsible for their implementation. A key objective of Task 5 is to refine our recommendations regarding any significant organization structure adjustments that would contribute to improved operations and service, and to fully justify the same. We do this in a way that results in ownership by the organization, thus contributing to the City Administrator’s success with what might otherwise be difficult organizational changes.

The key questions we will be addressing include:

- ◆ What is the official purpose of each department/work unit?
- ◆ What does each department/work unit do?
- ◆ Are there gaps or overlaps in the departments’ day-to-day functions?
- ◆ Is work grouped appropriately between work units?
- ◆ What is the relationship of the departments to other external agencies?
- ◆ What is the hierarchical structure of the departments/work units in terms of:
 - Who does what?
 - What part do supervisors, managers and the department heads contribute to the management process?
 - What is the level of delegated authority?
 - What amount and kind of direction is given?
- ◆ Is technology being used efficiently?
- ◆ Is training being used efficiently on an ongoing basis?

Each department’s activities will be reviewed in the context of other departmental functions to determine if opportunities exist to enhance organizational performance through the reorganization of functions, the consolidation of service providers, joint agreements, contracting out (or contracting in), and other alternative service delivery approaches. To the extent warranted and practical, we will recommend the reconfiguration of specific services, the establishment of user fees, providing referrals to other service providers, contracting out, and other options.



Task Objectives:

- To document our study findings and recommendations.
- To provide the City with ample time for review and discussion of our draft.
- To provide an Action Plan to guide the City's implementation efforts.

Sub-Tasks:

- 6.1 Review initial findings with City staff and the management assessment committee
- 6.2 Prepare Draft Report and Action Plan
- 6.3 Review Draft with City
- 6.4 Make Revisions to Draft, as necessary

Key Milestones/Deliverables:

6. Draft Report and Action Plan

Task	PROJECT SCHEDULE			
	Month			
	1	2	3	4
1. Confirm Scope, Objectives and Timing	[Bar spanning months 1 to 4]			
2. Data Collection	[Bar spanning months 1 to 2]			
3. Document/Review Existing Organization and Operations		[Bar spanning months 2 to 3]		
4. Initial Assessment/Directions		[Bar spanning months 2 to 3]		
5. Conduct Detailed Analysis		[Bar spanning months 2 to 3]		
6. Prepare/Review Draft Report			[Bar spanning months 3 to 4]	
7. Prepare/Present Final Report			[Bar spanning months 3 to 4]	

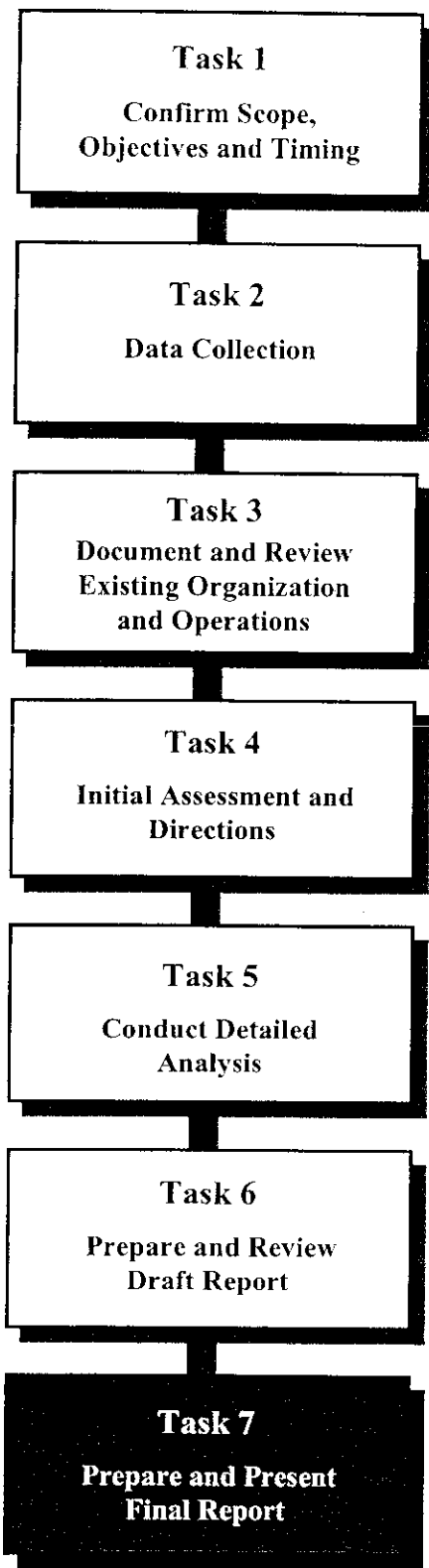


Citygate will prepare a Draft Report. The Draft Report will summarize all findings, conclusions and specific recommendations. This report will also include, but not be limited to:

- ◆ Appropriate background information
- ◆ The factual profile of existing operations
- ◆ Recommendations including specific opportunities for improvement
- ◆ An ***Action Plan*** detailing the recommendations, anticipated benefits, relative priority, timeline for implementation, and responsible party.

Our normal practice is to review a draft of our report with management personnel and City officials to ensure that the factual basis for our recommendations is correct and to discuss any areas that require further clarification. It is during this time that understandings beyond the written text can be communicated.





Task Objectives:

- Build consensus and support for the Final Report and Action Plan

Sub-Tasks:

- 7.1 Finalize report
- 7.2 Present report to City Administrator and department head team

Key Milestones/Deliverables:

7. Final Report and Action Plan

Task	PROJECT SCHEDULE			
	Month			
	1	2	3	4
1. Confirm Scope, Objectives and Timing	[Bar spanning months 1 to 4]			
2. Data Collection	[Bar spanning months 1 to 2]			
3. Document/Review Existing Organization and Operations		[Bar spanning months 2 to 3]		
4. Initial Assessment/Directions		[Bar spanning months 2 to 3]		
5. Conduct Detailed Analysis		[Bar spanning months 3 to 4]		
6. Prepare/Review Draft Report		[Bar spanning months 3 to 4]		
7. Prepare/Present Final Report			[Bar spanning months 3 to 4]	



After receiving the review and comments from the City on the Draft Report and Action Plan, Citygate will make any needed revisions, clarifications, or elaborations, and prepare a Final Report. The Final Report and Action Plan will also contain an *Executive Summary*.

Citygate will deliver one master copy and ten (10) printed and bound copies of the Final Report to the City as well as an electronic PDF file.

A final de-briefing session will be held with the City Administrator and department heads to summarize the findings, conclusions, recommendations and observations of the study team. The process of Final Report preparation is an important one. Implicit in this process is the need for a sound understanding of how our review was conducted, what issues were identified, why our recommendations were made and how implementation should be accomplished. For these reasons, our report will also, to the extent appropriate, include the following:

- ◆ Summarize the strengths of the City's services.
- ◆ Present a review of how our approach and analyses were conducted.
- ◆ Describe an Action Plan as a guide for implementation, describing responsibilities, schedules, expected benefits, and priorities.
- ◆ Describe a methodology for monitoring implementation status.

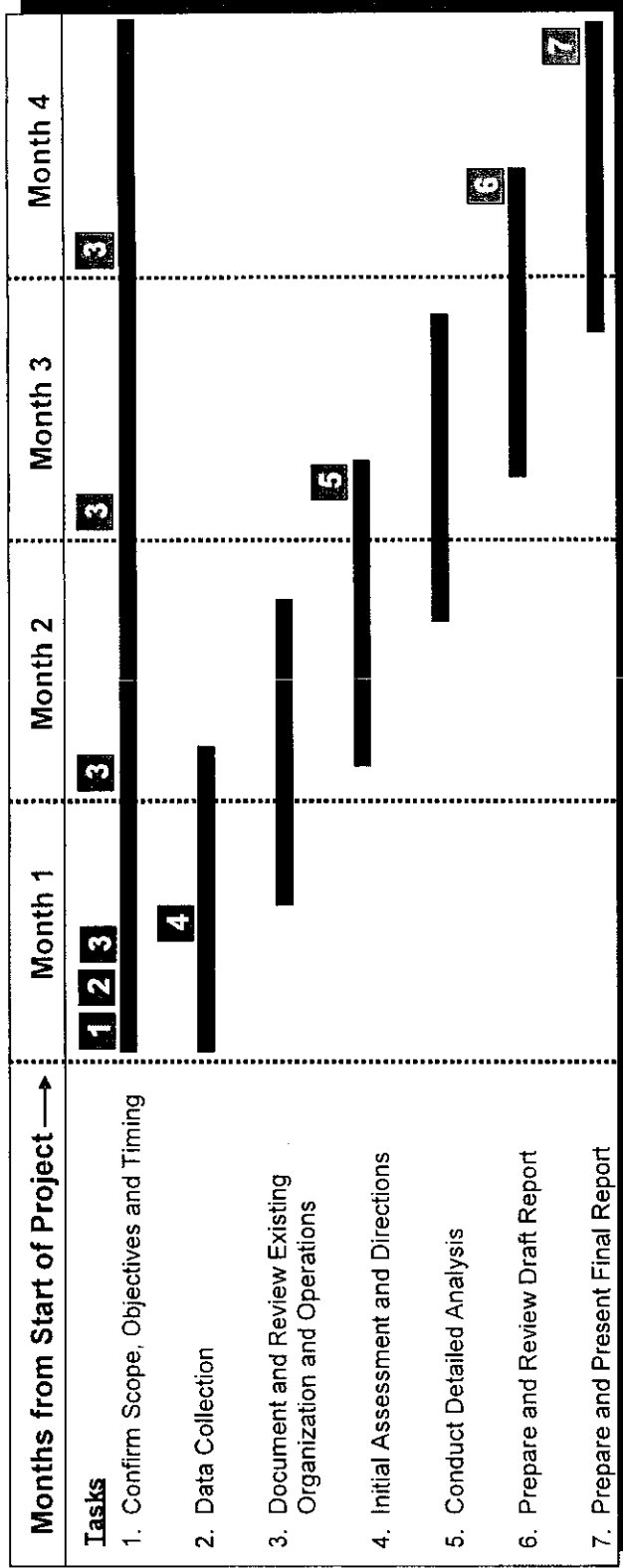


PROJECT SCHEDULE

Based on our experience with performing similar organizational reviews, Citygate anticipates this project will take approximately four months to complete. Citygate is available to start this engagement in mid-February, with an estimated Final Report delivery date in June. On the following page, Citygate presents a four-month schedule highlighting key project milestones and deliverables.



Albany, CA Project Schedule



KEY

- 1** Final Project Schedule
- 2** Employee Orientation Brochure
- 3** Monthly Status Report
- 4** Document Request List
- 5** Preliminary Findings Outline
- 6** Draft Report
- 7** Final Report

• Timing can be revised



SECTION 5—PROJECT COST

PROJECT COST

Our charges are based on actual time spent by our consultants at their established billing rates, plus reimbursable expenses incurred in conjunction with travel, printing, clerical, and support services related to the engagement. For this study, we are proposing a “not-to-exceed” total cost based on our core Work Plan and scope of work as follows:

Core Work Plan

Hourly Fees of Project Team	Reimbursable Expenses	Administration (5% of Hourly Fees)	Total Citygate Project Amount
\$28,270	\$311	\$1,414	<u>\$29,995</u>

It is our understanding that the scope of work presented is negotiable and likewise our estimated bid may change with any additions or deletions to the work plan.

We have found that we can best serve our clients by being available for additional assistance at the conclusion of our engagements. This assistance often takes the form of presentations to the City Council, advisory bodies, and employee groups. Sometimes our clients find it helpful for us to be available on-site to provide technical support during implementation of the approved Action Plan. We are happy to provide these post-engagement services above and beyond the core Work Plan and scope of work as follows:

Optional Assistance

Hourly Fees of Project Team	Reimbursable Expenses	Administration (5% of Hourly Fees)	Total Citygate Project Amount
\$3,240	\$98	\$162	<u>\$3,500</u>

The prices quoted above are effective for 30 days and includes one (1) draft cycle as described in Task 6 of our Work Plan. The Draft Report will be delivered electronically to the City for review and comment. The City will have two (2) weeks after receipt of the Draft Report to review and suggest changes for the Final Report. When changes are agreed upon, Citygate will provide ten (10) bound copies of the Final Report document and a reproducible master copy on CD-ROM. The Draft Report will be considered to be the Final Report if there are no suggested changes within thirty (30) days of the delivery of the Draft Report.

It is our policy to bill monthly for professional fees, which will include a five percent (5%) administration charge in lieu of individual charges for copies, phone, etc. Our invoices are payable within thirty (30) days. Citygate’s billing terms are net thirty (30) days plus two percent (2%) for day thirty-one (31) and two percent (2%) per month thereafter.



We request that ten percent (10%) of the project cost be advanced at the execution of the contract, to be used to offset our start-up costs. This advance would be credited to our last invoice.

SCHEDULE OF HOURLY RATES

Hourly rates to be charged are as follows:

Classification	Rate	Consultant
Citygate President	\$ 195/per hour	David DeRoos, MPA, CMC
Project Director	\$ 195/per hour	Jay Corey, MPA
Project Consultants	\$ 195/per hour	Steve Harman, MPA Stewart Gary, MPA James Davis Geoff Davey
Senior Research Associate	\$ 115/per hour	Blanca Gordo, Ph.D.
Administrative Staff	\$ 80/per hour	Various



Mr. DeRoos is the President of Citygate Associates and the former Deputy Director of the California Redevelopment Association. He earned his undergraduate degree in Political Science/Public Service (Phi Beta Kappa) from the University of California, Davis and holds a Master of Public Administration degree from the University of Southern California. Mr. DeRoos has over five years of operational experience as a local government administrator in budgeting, personnel, and land use planning, as well as twenty years of consulting experience performing operations and management reviews of local government functions. Prior to becoming a Principal in Citygate in 1991 he was a Senior Manager in the local government consulting division of Ernst & Young.

Relevant experience includes:

- ◆ Performed seven General Management and Operations Studies for the City of Ogden's Community Development, Redevelopment Agency, Community Services, Police, Public Works, Animal Control, and Fire as Project Director. The studies included numerous tasks such as analyzing existing programs and service levels in terms of performance measures, evaluating the current operations, assessing the adequacy of organizational structure and management staffing levels, identifying and documenting the attitudes of employees, and identifying modifications.
- ◆ Served as Project Director for Citygate's performance audit of the City of Vista's Development Review Process, including the program areas of Building, Planning, Engineering, Inspection Services, and other municipal functions that relate to the Development Review Process.
- ◆ Performed eight General Management and Operations Studies for the City of Corona's Planning and Building Departments, Public Works Department, Utility Services Department, Public Library, Housing and Development Department, Police Department, Fire Department and the Management Services Department. These studies examined such crucial factors as performance measures, organizational structure, human resource management and allocation, department policies and procedures, strategy and planning, leadership, operations, resource allocation, training, and management information systems.
- ◆ Served in an oversight capacity for a citywide organizational review and analysis for the City of Delano, CA. This study included the following functional areas: Community Development, Finance, City Manager, Public Works, Community Services, City Clerk, Community Correctional Facility, Administration/Human Resources, and Information Technology.
- ◆ Currently serving in an oversight capacity for an organizational review and analysis of the city government for the City of Colton, CA. The following departments are included in the study: City Manager; City Clerk; Human Resources; Finance; Purchasing; Information Services; Treasurer; Redevelopment and Economic Development, Community Development; Water and Wastewater Utilities; Electric Utility; Public Works; Fire; and Community Services.



- ◆ Served as the Project Director for a citywide management assessment of the non-safety departments of the City of Covina, California. The municipal departments included in this assessment were: the City Manager's office; Public Works; Finance; the City Clerk office; Parks and Recreation; Personnel and Risk Management; Development Services; Redevelopment and Housing; and the City Library.
- ◆ Served as the Project Director for a citywide management audit for the City of Pinole, California. The project was conducted at the initiative of the City Council, and emphasized the establishment of performance measures for each Department and division of the City, including Community Development, Planning, Building, Redevelopment, Administration, Finance, Public Works, Personnel, Police, Fire, and Sewer Treatment. Citygate also formulated recommendations to improve the efficiency and effectiveness of the City. Included in the project was the evaluation of the City's financial stability, and measures to improve the health and vigor of the City's finances. As part of this analysis, Citygate also reviewed the adequacy of the City's cost recovery methodology.
- ◆ Served as the Project Director for a citywide management audit for the City of Glendora, California. The following departments were included in the study: Planning; Community Services; Public Works; Administration; City Clerk; Finance; Public Library; and Police. The study culminated with recommended ways in which the City structure can better serve the community and be more "user friendly." The study further determined the extent to which the members of the City employee structure take advantage of appropriate training, equipment, and technology, and whether there might be more efficient implementation of technological advances. The study also recommended cost savings and restructuring to permit funding of capital requirements.
- ◆ Served as Project Director for Citygate's performance audit of the Development Permitting Process for Jackson County, OR. The scope of the study included the Planning Counter, Planning, Environmental Quality, Code Enforcement, and Building programs of the County's Roads, Parks and Planning Department. The study analyzed these program areas and made recommendations for improving the service provided by these programs to the applicants and citizens of Jackson County.
- ◆ Served as Project Director for a performance audit of the Community Development Department for Clark County, Washington. The study included the divisions of Planning, Customer Service, Development Services, Building, Engineering, Code Enforcement, and Fire. The goal of the project was to provide recommendations to support increased efficiencies, effectiveness, timeliness, and customer service. The review focused on performance measurement, fee methodologies, staff development, and process streamlining. This study was followed by a strategic planning project using performance information from the first study to create a 5-year strategic plan for the affected Departments. More recently, Citygate completed a project to analyze the Permit Center operations and service delivery.



- ◆ Served as Project Director for a two-phased study in which Citygate conducted extensive interviews regarding the effectiveness of Salt Lake City's planning program and processes, and based on issues identified in Phase I, performed a detailed analysis of the planning program in Phase II.
- ◆ Served as the Project Director for a Management Audit of the Salt Lake City Engineering Division. The principal purpose of the review was to assess the Division's organization structure, staffing levels, workload, project scheduling, workload prioritization, project management, outsourcing/contracting services, cost allocation formulas, cost allocation methodology, record keeping, customer service/relations, and the internal and external coordination of work.
- ◆ Served as the Project Manager for three separate, but concurrent management audits for Salt Lake City Corporation's Development Services, Redevelopment, and Housing Authority. The audits evaluated the: (1) mission and objectives of each department, (2) organizational structure, allocation of staff and other resources; (3) personnel management and training; (4) information management and office automation; (5) facilities and equipment; and (6) fiscal management.
- ◆ Served as Project Director for a Business Process Audit and Re-Engineering of the Development Services and Building Inspection Services of the City of Beaverton, OR. This project included analyzing the policies, procedures, management and operations of the City of Beaverton's development review and building inspection processes preparatory to conducting a re-engineering project to improve these processes.
- ◆ Served as Project Director for Citygate's performance audit of the Community Development Department of the City of Reno, NV. The scope of the study included the program areas of Planning, Engineering, Building Inspections, Code Enforcement, and Property Management.
- ◆ Served as Project Director for Citygate's Development Review Process audit of the City of Carlsbad. The scope of the study included the program areas of Planning, Environmental Quality, Building, Housing and Redevelopment, Development Services Engineering, Code Enforcement, and Fire Prevention. Part of this study included an in-depth analysis of Carlsbad's Development Services Counter.
- ◆ Served in an oversight capacity for Citygate's organizational and functional analysis of the Department of Planning and Land Use and associated land development services for San Diego County, CA.
- ◆ Served in an oversight capacity for Citygate's performance audit of the Planning and Environmental Review and Assessment departments for the County of Sacramento, CA.
- ◆ Served as Project Director for Citygate's performance audit of the Planning Department and Building Department of Calaveras County, CA. The scope included the County's planning, environmental review, development review, code enforcement, and plan check and building inspection processes.



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- ◆ Served as Project Director for Citygate’s management review of the Planning, Building, and Public Works Counter Operations for the City of Dana Point. This review included an evaluation of service levels, customer/applicant satisfaction, workload and staffing. Internal systems and procedures, automated support, and management information.
 - ◆ Served as Project Director for Citygate’s efficiency review of the Development Permitting Programs in the Planning and Engineering Operations for the City of Pittsburg, CA. The objective of this study was to provide an analysis of the policies, procedures, management and operations of these development permitting programs as they exist, and to design a creative strategy for improvement, if needed.
 - ◆ Served as Project Director for a project that assessed critical land development processes, including Environmental Review, Improvement Plan Check, Building Plan Check and Final Map Approval Plan Check for Placer County’s Land Development Departments. This assessment involved working with department heads, senior managers, staff and key stakeholders to review operation, organization, and staffing issues that affect the effectiveness, efficiency and timeliness of the permitting process. This assessment resulted in approximately 50 recommendations and an Action Plan for their implementation. Since the time of Citygate’s initial work in Placer County, the CAO’s office has retained the firm for a number of development related projects in this quickly growing County.

Mr. DeRoos is a member of several professional and civic associations. He has taught “Managing the Development Review Process” for the U.C. Davis Extension College, graduate classes in Public Administration, Administrative Theory and Labor Relations for Golden Gate University, and Non Profit and Association Management for the University of Southern California. He taught a graduate public management course for mid-career officials in Taiwan. He has been a speaker for the American Planning Association (APA), written for the California APA Newsletter and the California Redevelopment Journal, and been a speaker on redevelopment, Base Closures, and related issues across the US. Mr. DeRoos holds a certificate in Public Sector Labor Management Relations from U.C. Davis, and is a Certified Management Consultant (CMC).



Mr. Corey is a Principal with Citygate Associates. He has served at the senior executive level in cities for over 30 years. Mr. Corey specializes in organizational structure and staffing issues, public finance issues, and development issues in rapidly changing high-growth environments. He began his association with Citygate in 1999, taking leave in 2002 to be of service to the City of Richmond as Assistant City Manager, Acting Finance Director and Interim City Manager. He has had oversight responsibility for all municipal functions, including City Clerk, Public Works, Finance, and City Manager's Office in some of the most rapidly growing local governments in the nation. As such, Jay has had leadership responsibility for organization development, management, operations, project management, budgeting, scheduling, work load balancing, costing, contracting out, coordination with developers and internal department/customers, and delivery of complex infrastructure projects. Mr. Corey holds a Master's degree in public administration (MPA) from the University of Southern California. He received his undergraduate education from the University of California, Davis, with a Bachelor's degree in political science.

Related experience includes:

- ◆ Served as Project Manager for Citygate's efficiency review of the Development Permitting Programs in the Planning and Engineering Operations for the City of Pittsburg, CA. The objective of this study was to provide an analysis of the policies, procedures, management and operations of these development permitting programs as they exist, and to design a creative strategy for improvement, if needed.
- ◆ Currently serving as Project Manager for a feasibility assessment of creating a non-profit organization to run the City of Antioch, CA Animal Services and Shelter.
- ◆ Served as Project Manager for Citygate's performance audit of the Planning and Environmental Review and Assessment departments for the County of Sacramento, CA.
- ◆ Served as Project Manager for Citygate's performance audit of the Development Permitting Process for Jackson County, OR. The scope of the study included Planning, the Planning Counter, Environmental Quality, Building, and Code Enforcement programs of the County's Roads, Parks and Planning Department. The study analyzed these program areas and made recommendations for improving the service provided by these programs to the citizens of Jackson County.
- ◆ Served as Project Manager for a performance audit of the Community Development Department for Clark County, Washington. The study included the divisions of Planning, Customer Service, Development Services, Building, Engineering, Fire and Code Enforcement. The goal of the project was to provide recommendations to support increased efficiencies, effectiveness, timeliness, and customer service. The review focused on performance measurement, fee methodologies, staff development, and process streamlining. This study was followed by a strategic planning project using performance information from the first study to create a 5-year strategic plan for the affected Departments. Citygate



also completed a project to analyze the Permit Center operations and service delivery.

- ◆ Served as Project Manager for Citygate's organizational and functional analysis of the Department of Planning and Land Use and associated land development services for San Diego County, CA.
- ◆ Served as Lead Consultant for a Business Process Audit and Re-Engineering of the Development Services and Building Inspection Services of the City of Beaverton, OR. This project included analyzing the policies, procedures, management and operations of the City of Beaverton's development review and building inspection processes preparatory to conducting a re-engineering project to improve these processes.
- ◆ Served as Principal Consultant for a two-phased study in which Citygate conducted extensive interviews regarding the effectiveness of Salt Lake City's planning program and processes, and based on issues identified in Phase I, performed a detailed analysis of the planning program in Phase II.
- ◆ Served as Project Manager for Citygate's performance review of the Community Development Department for the City of Modesto, CA. Separately, Citygate provided redevelopment and economic development technical assistance services for the City of Modesto.
- ◆ While serving as interim Planning Manager for the City of Modesto, provided an organizational assessment report of the City of Modesto's Planning Division and the development review permitting process.
- ◆ Served as Project Manager for Citygate's performance review of the Community Development Department for the City of Los Altos, CA.
- ◆ Served as team leader in developing an award winning, comprehensive five-year capital improvement program (CIP) for the fastest growing city in the state of California (Brentwood). In order to facilitate policy decisions, the CIP included detailed Prioritization Criteria and a Performance Accountability Strategy. The CIP earned the *California Society of Municipal Finance Officers Award* and *National Government Finance Officers Association Award of Merit*.
- ◆ Served as team leader for development of five-year rate analysis and capital and operating plans for municipal water and wastewater systems serving a rapidly growing community in Northern California. The plan included identification of all fixed assets, life cycle costing, development of full-cost accounting, capital facility replacement, and successful justification of substantial multi-year rate increases to cover operating and plant expansion costs.
- ◆ Assembled and led the team of experts that developed the City of Richmond (CA) *Financial Recovery Plan* which set the course for the City to eliminate its massive operating deficit and cash flow problem. The Bond Buyer in January, 2005 reported "Moody's Investors Service restored Richmond, California's issuer credit rating to investment grade this week, citing a financial turnaround for the San Francisco Bay area city a year after it discovered a \$35 million budget deficit."



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- ◆ Developed a Three-year Extraordinary Financial Plan for a Southern California municipality (Fontana) that was facing a \$13.9 million operating deficit in its \$44 million general fund.
 - ◆ Served as team leader in the successful structuring and issuance of over \$500,000,000 in tax exempt bonds for various projects including community facilities (police and fire stations, city halls), streets and roads, water and wastewater facilities, affordable housing, and economic development projects.
 - ◆ Served as project manager for planning and development of a 44-acre civic center complex.



Mr. Steven Harman recently retired after a thirty-two year career in human resource management and joined Citygate Associates. For the past six years, he was the Director of Human Resources for the City of Livermore, CA where he provided human resource management leadership and technical expertise in all functional areas including executive search, classification and compensation, labor relations, training and development, policy development and implementation along with other responsibilities. Mr. Harman is a skilled, experienced and acknowledged leader in the public sector human resource management community.

Mr. Harman is active in the profession; he was on the Board of Directors of the International Public Management Association for Human Resources (IPMA-HR) and is currently on the Board of Directors of the IPMA-HR Certification Council. He holds an IPMA-CP, which is the highest level of professional certification offered to public sector human resource professionals.

Some of his related experience includes:

- ◆ Recently served as Project Manager for Citygate's analysis of the Human Resources Division for the City of Vista, CA. This review included an analysis of the Division's effectiveness and efficiency, use of technology, timeliness of recruitments, workload and assessment of the organization's expectations of the Human Resources functions by the user departments.
- ◆ Developed and implemented human resources strategic plans so that the goals of the human resource program were aligned with the organizational goals and objectives.
- ◆ Developed and implemented a comprehensive employee compensation policies and procedures.
- ◆ Developed and implemented strategies for compliance with Accounting Standard #45 and reducing long-term liabilities for retirement health insurance.
- ◆ Successfully negotiated more than 50 labor agreements all within bargaining parameters; concurrently developing a high level of trust with representatives of organized labor.
- ◆ Successfully negotiated the consolidation of two municipal fire departments.
- ◆ Served as Program Chair for the 2006 IPMA-HR International Training Conference, Solving the Generational Collide, Las Vegas, Nevada, October 2006.
- ◆ Presented at numerous human resource management conferences.
- ◆ Served as a certified expert witness in state and federal court in matters pertaining to recruitment and selection, assessment and employment discrimination.
- ◆ Received the 2005 NCCIPMA-HR Agency Award of Excellence.



