

**CITY OF EL PASO, TEXAS**  
**AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Office of Management and Budget

**AGENDA DATE:** November 29, 2011

**CONTACT PERSON/PHONE:** Lynly Leeper, Chief Budget Officer, (915) 541-4777  
Bruce D. Collins, Purchasing Manager, 541-4313

**DISTRICT (S) AFFECTED:** ALL

**SUBJECT:**

Award Solicitation 2011-308R Performance Management and Performance Based Budgeting Consultant to Weidner, Inc. in the amount of \$626,990.00 as recommended by the Evaluation Committee and Office of Management and Budget.

**BACKGROUND / DISCUSSION:**

The Office of Management and Budget has reviewed solicitation 2011-308R and recommends the contract to be awarded to Weidner, Inc. for an estimated award during years one through three of \$456,990. Additional option years are available in the form of four additional one year options at an estimated cost of \$70,000, \$40,000, \$30,000, and \$30,000, respectively for a total estimated expenditure of \$626,990.

Over the next three years, the Office of Management and Budget will spearhead the effort to implement Performance Management and the transition to Performance Based Budgeting. Government Finance Officers Association (GFOA) has completed an initial evaluation of the City's Performance Measures and provided recommendations to facilitate the transition to Performance Management and Performance Based Budgeting.

Performance Management is the most recent stage in the evolution of public-sector management. Early reforms focused on processes to eliminate financial improprieties, as well as nepotism, and to promote fair access to government contracts. Performance Management, while continuing to assure appropriate controls through effective processes, has expanded the meaning of accountability and protecting the public interest to encompass achieving results that benefit the public. While bureaucratic processes focus on preventing bad things from happening, Performance Management adds a focus on assuring that government actually produces positive results. Performance Management is becoming the new standard for public-sector management.

With the implementation of a new enterprise resource program, we are uniquely positioned to begin this transition to a budgeting model that will allow us to better understand and prioritize how we best use increasingly scarce resources. The new technology will free up staff time to focus on business processes and systems, regulations and the rationale for them, cost/benefits of services we are now providing and where we can eliminate, change, or redirect our efforts. Performance Based Budgeting will provide the elected officials with better information to make the increasingly tough decisions and choices City Council will face in the coming years.

Five companies submitted offers to become the City's contract for Performance Management, but only two companies were selected for the submission of Best and Final Offers. These companies were evaluated by an evaluation committee comprised of members from the Office of Management & Budget, Aviation, General Services, Information Technology, and the Fire Department. A member of the Purchasing Division oversaw the solicitation process. Two Best and Final Offers were solicited from two companies.

**SELECTION SUMMARY:**

Solicitation was advertised on 07/26/2011 and 8/2/2011. The postcards were mailed out on 7/27/2011. The solicitation was posted on City website on 7/26/2011. The email (Purmail) notification was sent out on 7/26/2011. Five proposals were received.

**PRIOR COUNCIL ACTION:**

N/A

**AMOUNT AND SOURCE OF FUNDING:**

Department:	Office of Management and Budget
Amount:	FY12 \$114,248.00
	FY13 \$171,371.00
	FY14 \$171,371.00
	FY15 \$70,000.00
	FY16 \$40,000.00
	FY17 \$30,000.00
	<u>FY18 \$30,000.00</u>
	\$626,990.00

Funds Available:	99010273 – 502215 – 01101
Funds Source:	General Fund -Outside Contracts

**BOARD / COMMISSION ACTION:**

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:** \_\_\_\_\_  
Lynly G. Leeper, Chief Budget Officer Date

**COUNCIL PROJECT FORM  
(RFP OR RFQ)**

\*\*\*\*\***POSTING LANGUAGE BELOW**\*\*\*\*\*

Please place the following item on the **REGULAR** agenda for the Council Meeting of **NOVEMBER 29, 2011**

Discussion and action on the award of Solicitation No. 2011-308R (Performance Management and Performance Based Budgeting Consultant) to Weidner, Inc. for a total estimated award of \$626,990.00.

Department:	Office of Management and Budget
Award to:	Weidner, Inc. Austin, TX
Item(s):	All
Annual Estimated Amounts:	\$256,990.00 (1st year) \$100,000.00 (2 <sup>nd</sup> year) \$100,000.00 (3 <sup>rd</sup> year)
Option Year 1	\$ 70,000.00
Option Year 2	\$ 40,000.00
Option Year 3	\$ 30,000.00
Option Year 4	\$ 30,000.00
Total Estimated Award:	\$626,990.00 (7 years)
Account No.:	99010273 – 502215 – 01101
Funding Source:	General Fund -Outside Contracts
District(s):	All

This is a Request for Proposal, service contract.

Additionally, it is requested that the City Attorney's Office review and that the City Manager be authorized to execute any related contract documents and agreements necessary to effectuate this award.

The Financial Services - Purchasing Division and Office of Management and Budget recommend award as indicated to Weidner, Inc., the highest ranked proposer based on evaluation factors established for this procurement.

\*\*\*\*\***ADDITIONAL INFO BELOW**\*\*\*\*\*



**COMMITTEE SCORE SHEET**

Request for Proposals

**SOLICITATION TITLE: PERFORMANCE MANAGEMENT AND  
PERFORMANCE BASED BUDGETING CONSULTANT  
SOLICITATION NO: 2011-308R**

El Paso



2010

EVALUATION FACTORS A-E	MAX POINTS	PUBLIC FINANCIAL MANAGEMENT, INC.	WEIDNER, INC.
		PHILADELPHIA, PA	AUSTIN, TX
		*proposed a reimbursement of amount up to 12% of professional fees charged	
<b>A: FEE PROPOSAL</b>			
Year 1		\$98,450.00	\$256,990.00
*12% included		\$110,264.00	
Year 2		\$69,400.00	\$100,000.00
*12% included		\$77,728.00	
Year 3		\$35,000.00	\$100,000.00
*12% included		\$39,200.00	
<b>TOTAL FEE PROPOSAL w/o 12% increase</b>		<b>\$202,850.00</b>	<b>\$456,990.00</b>
*12% included in price		<b>\$227,192.00</b>	
<b>SUBTOTAL EVALUATION FACTOR A:</b>	<b>20</b>	<b>20.00</b>	<b>8.88</b>
<b>B: RESPONSIVENESS AND FEASIBILITY OF PROPOSED BUSINESS PLAN</b>			
A. Description of the proposed contract team, including roles and time commitments for each proposed team member			
B. Plan of approach for achieving required outcomes, including major tasks, subtasks and schedule.			
C. Explanation of how the quality of services will be assured			
<b>SUBTOTAL EVALUATION FACTOR B:</b>	<b>20</b>	<b>11.50</b>	<b>18.77</b>
<b>C: CORPORATE EXPERIENCE AND CAPABILITY</b>			
A. Provide information that documents your firm's and any subcontractor's qualifications to produce the required outcomes, including the ability, capacity, strength, and number of years of experience in providing the required services.			
B. Identify demonstrated experience in the GPRA, SEA information, PBB and MFR and implementation of GPRA, SEA information, PBB and MFR.			
<b>SUBTOTAL EVALUATION FACTOR C:</b>	<b>20</b>	<b>13.83</b>	<b>18.67</b>
<b>D: QUALIFICATIONS OF KEY PERSONNEL</b>			
Provide resumes of all team members that are to provide services.			
<b>SUBTOTAL EVALUATION FACTOR D:</b>	<b>25</b>	<b>17.33</b>	<b>24.67</b>
<b>E: REFERENCES</b>			
Provide a listing of all customers during the past three years for all work similar to RFP.			
<b>SUBTOTAL EVALUATION FACTOR E:</b>	<b>15</b>	<b>15.00</b>	<b>14.00</b>
<b>GRAND TOTAL (100 POINTS MAX)</b>	<b>100</b>	<b>77.66</b>	<b>84.99</b>



# CITY OF EL PASO REQUEST FOR PROPOSAL TABULATION FORM



Bid Opening Date: August 31, 2011

Project Name: Performance Management and Performance  
Based Budgeting Consultant

Solicitation #: 2011-308R

Department: Office of Management and Budget

ACTIVE STRATEGY, INC.	PLYMOUTH MEETING, PA
ANALYTICA	NEWBERRY, FL
OP X, LLC dba OP X CONSULTING, LLC	KELLER, TX
PUBLIC FINANCIAL MANAGEMENT, INC.	PHILADELPHIA, PA
WEIDNER, INC.	AUSTIN, TX
RFPs SOLICITED: 8	RFPs RECEIVED: 5
	RFPs LOCAL: 0
	NO RFPs: 1

NOTE: This is a Best Value Procurement. Price and other factors shall be evaluated to determine an awardee.

The information contained in this rfp tabulation is for information only and does not constitute actual award/execution of contract.

APPROVED: *Nenease Basley*

DATE: 8/31/11

GROTE CONSULTING CORPORATION  
2591 DALLAS PARKWAY SUITE 300  
FRISCO, TX 75034

WEIDNER INC.  
111 CONGRESS AVENUE SUITE 400  
AUSTIN, TX 78701

THE CENTER FOR PRIORITY BASED  
BUDGETING  
720 S. COLORADO BOULEVARD  
SUITE 1000-N  
DENVER, CO 80246-1926

GFOA  
203 N. LaSALLE STREET SUITE 2700  
CHICAGO, IL 60601-1210

IBM SOFTWARE GROUP  
SOFTWARE SALES REPRESENTATIVE  
STATE OF TEXAS  
400 WEST 15TH SUITE 1200  
AUSTIN, TX 78701

OPX CONSULTING,LLC  
ATTN: MARK OSTENDORP  
4713 EXPOSITION WAY  
KELLER, TX. 76244

OPX CONSULTING, LLC  
ATTN: JAY ROSEN  
4713 EXPOSITION WAY  
KELLER, TX. 76244

COEUR BUSINESS GROUP  
ATTN: ZIG BERZINS CMC *No Bid*  
4900 S. ULSTER STREET UNIT 19-101  
DENVER, CO 80237



# Award Solicitation 2011-308R “Performance Management and Performance Based Budgeting”

Lynly Leeper  
Office of Management and Budget  
November 29, 2011



11/29/2011



# Purpose of Award

To develop:

- A comprehensive performance management and budgeting methodology for achieving results
- Locally sustainable Managing For Results (MFR) and Performance Based Budgeting (PPB) implementation plan



# Who We Selected

## Weidner, Inc.

- Located in Austin, TX
- Established in 1998
- Consulted with more than 55 governmental jurisdictions
- National experts in strategic planning and performance based budgeting in the public sector
- Engagements have included:
  - District of Columbia
  - Oklahoma City, OK
  - Long Beach, CA
  - Maricopa County, AZ
  - City of Austin, TX



# Award Amounts

## Three Year Award Period

Year 1: \$114,258

Year 2: \$171,371

Year 3: \$171,371

## Four Additional One-Year Options

Year 4: \$70,000

Year 5: \$40,000

Year 6: \$30,000

Year 7: \$30,000

TOTAL: \$626,990



# Key Work Plan Components

- An enterprise level **Design and Decision Meeting** includes confirming methodology, deliverables, and timeline;
- **Education Sessions** to build understanding and support with key stakeholders – Mayor and Council and department leadership;
- **Facilitator Training** to develop local expertise (train-the-trainer) including firsthand observations of the facilitation of a department strategic business plan;
- Facilitated department **Strategic Business Plans** that include issues, strategic goals, program purpose statements, performance measures, and list of services for three pilot departments; and
- Development of a **Communication Plan** specifically designed to provide assistance in managing the culture change.



# Project Outcomes

- Use planning and performance information to:
  - Actively manage performance
  - Focus attention on results/outcomes
- Establish planning and performance management as focal point for how the City does business
- Increase transparency related to performance



# Proposal Respondents

<u>Company</u>	<u>Final Rating</u>
• Weidner Austin, TX	84.99
• Public Financial Management Philadelphia, PA	77.66
• Analytica Newberry, FL	62.97
• OP X Consulting Keller, TX	56.25
• Active Strategy Plymouth Meeting, PA	48.00

The Research and Consulting Center  
Government Finance Officers Association



*Assessment of the City of El Paso's Performance Management  
System and Opportunities for Improvement*

*FINAL DRAFT*

April 2011

**The Government Finance Officers Association  
Research and Consulting Center  
203 N. LaSalle Street, Suite 2700  
Chicago, IL 60601  
312-917-6102**

**Note:** This is a report developed by the GFOA Research and Consulting Center for the City of El Paso. All information herein is confidential and proprietary to GFOA.

## Part 3 – Key Themes from GFOA’s Assessment

We have organized GFOA’s findings into eleven major themes related to the City’s current performance-based practices (primarily performance measurement) and factors that will be important in implementing an updated best practices-based performance management system. This section summarizes the themes and provides a detailed description of each one. For each theme, we have highlighted key points that heavily influenced the recommendations GFOA’s team developed and that will be presented later in this report. The first six themes primarily concern the current situation, while the second six represent GFOA’s findings related to the City’s readiness to implement an updated performance management system.

1. **The City’s hopes for performance management** provide good momentum for implementing an effective, best practices-based system.
2. **Strategic policies in are place**, creating a good starting point for performance management. Some refinement may be needed.
3. **There is broad support for managing performance** for purposes such as improving community condition, managing departmental resources, assuring accountability, and improving service delivery.
4. **The current performance measurement system is made up mainly of output measures rather than outcome measures and is generally viewed by departments as a reporting requirement**, not as a tool for driving better decisions about performance and resource allocation.
5. **The City’s budget system is incremental and based more on last year’s spending, less on a clear prioritization of community needs**. Consequently, there is not a strong basis for re-examining past spending patterns and rethinking resource allocation.
6. **Public engagement could be used more effectively in planning and budgeting**. Well-planned and well-executed public engagement can clarify community needs and help to define the City’s strategic goals.
7. **There is low trust in the Office of Management and Budget (OMB)**, making it a challenge for OMB to be a major force in implementing a new performance management system.
8. **Executive sponsorship is an important pre-requisite for the success of performance management**. Leadership from the top echelons of City government will be an essential element in adopting and sustaining a new performance management system and therefore leaders must have the time and willingness to fulfill this role.
9. **Meaningful involvement of departmental management in designing and implementing a performance management system is critical** to gaining departmental support and to assure that the system will be relevant to operations.
10. **Training is needed on performance management** to provide OMB, department managers, executives, and elected officials with the knowledge and skills to maximizing the system’s use and effectiveness.
11. **Culture change will be necessary** to create and sustain values that support performance management
12. **The City’s many knowledgeable, capable, and enthusiastic managers and staff** can give the City a “jump start” in implementing a performance management system. For example, OMB’s new director and staff are very enthusiastic about moving forward in

performance management and the City Manager has also indicated strong support. Further, staff from departments can bring significant performance management skills to the initiative.

## **1. The City's Hopes for Performance Management**

There was considerable convergence among interviewees regarding their goals and aspirations for a performance management system. The goals typically identified included:

- *Performance information used for resource allocation.* Rather than base budgeting decisions primarily on what was spent last year, decisions would be based on the value a program creates for the public.
- *Better information in costing services.* The system would make the true cost of doing business transparent by identifying both the direct and indirect costs of providing a service. Interviewees expressed the hope that more complete costing information would help the City make better decisions about alternative service delivery options.
- *Metrics used as a public reporting tool.* An easily understood and accessible reporting system should help citizens understand the value they are getting for their tax dollar.
- *Better management analysis capabilities.* OMB can become less of a gatekeeper and more of a facilitator of improved performance in operating departments.
- *Measure and report outcomes, not inputs and outputs.* Key measures reported to elected officials and the public should focus on results delivered to the community. Input and output measures are more useful for internal resource management.
- *Measure City-wide goals as well as program or service goals.* The system should be able to establish results goals at the City-wide level as well as at an operations level.

### **← Keys**

- A. Interviewees expressed a number of common goals for a future performance management system.
- B. These goals are integrated into GFOA Recommendations, presented later in this report.