
FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCO)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM NO. 7

DATE: July 8, 2015

TO: Local Agency Formation Commission

FROM: David E. Fey, AICP, Executive Officer 

SUBJECT: **Consider Authorization:** Authorize the Executive Officer to amend consulting service agreement with Policy Consulting Associates for preparation of the City of Fresno Municipal Service Review

RECOMMENDATION: Approve Authorization

Background

On January 9, 2013, the Commission authorized the Executive Officer to enter into an agreement with Policy Consulting Associates, LLC (PCA) to prepare a MSR for the City of Fresno. A consulting services agreement was executed on July 24, 2013, and work on the project began in August, 2013, with a kick-off meeting between staff, the consultant, and city department managers. LAFCo has agreed to pay PCA's invoices with the City of Fresno to reimburse LAFCo's expenses. This is consistent with LAFCo's previous policy that cities and large special districts would fully fund their respective MSRs. Fresno City Manager Bruce Rudd has agreed to the budget amendment.

Discussion

Due to the size of the City Fresno and the complexity of its many municipal services, LAFCo chose to retain a consultant to perform the MSR with a goal of having the MSR completed after the completion of the City's general plan update. The Fresno General Plan was adopted in late 2014.

For reasons described in the attached email the MSR schedule has been delayed in part due to turnover of department managers and changes to the state of Fresno's fiscal status. The consultant has requested, and staff supports, a budget amendment of \$3,995 to account for unforeseen expenses associated with preparation of its Fresno MSR. An administrative draft MSR has been reviewed by staff and is in the process of being completed by PCA. Delivery is expected in July, 2015.

Fey, David

From: Jennifer Stephenson <jennifer@pcateam.com>
Sent: Wednesday, June 24, 2015 4:25 PM
To: Fey, David
Subject: Requested Fresno MSR Budget Ammendment

Hi David,

Upon reviewing the City of Fresno MSR contract budget, we would like to request an amendment to the budget in order to complete the project to the satisfaction of all parties involved.

Over the course of the project, senior management staff at the City underwent a significant change-over, during which replacement staff (who were not present at the project kickoff meeting) assumed leadership of their respective departments. Critical communication links were lost in this transition leading to lags in the review and comment on administrative drafts of this report. This delayed response on the part of the City required many follow up attempts, as well as extensively more guidance and assistance provided to City staff by PCA than had been anticipated. This delay also created additional work in updating already drafted portions of the document that became out of date while waiting for further information. In addition, a substantial portion of the report was drafted based upon the City's documents available on its website, in order to minimize the City's time investment in this project. Unfortunately, upon review by City staff it was determined that much of the information in the City's documents was outdated, therefore, requiring substantial editing of already drafted content by PCA to ensure it was up-to-date and accurate.

We request that LAFCo consider adding \$3,995 to the project budget to account for the aforementioned unforeseen circumstances, which have resulted in a higher than anticipated total project cost. When calculating the requested budget amendment we determined what funds had already been used in 1) significant City handholding and reminders due to lack of responsiveness (loss of communication, change-over of city staff), 2) additional work due to extended timeline (such as updating the document to reflect the most recent CAFR) as a result of the lack of responsiveness, 3) addressing the numerous edits caused by dated and inaccurate information in the City's documents and on its website, given that we clearly stated at the kick off meeting that we would be relying on the documents that the City had already produced and its website to the greatest extent possible, and 4) changes in document formatting and organization per LAFCo's request. In order to determine the extent of the additional costs as a result of these setbacks that have already been billed for, the amount necessary to complete the project based on the original scope was calculated and then allocated to each of the reasons for supplementary work as follows:

- A. Additional time devoted to requesting information and follow ups: \$765 (approximately 9 hours)
- B. Additional work created due to delay in timeline: \$1,275 (approximately 15 hours)
- C. Additional time devoted to updates to information based on City comments (comments received to date): \$1,530 (approximately 18 hours)
- D. Additional time for formatting changes of document per LAFCO request: \$425 (approximately 5 hours)

Thank you for your consideration in this matter,
-Jennifer