



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Marilynne Beard, Assistant City Manager
Date: July 3, 2012
Subject: DEVELOPMENT SERVICES ORGANIZATIONAL STUDY

RECOMMENDATION:

City Council authorizes the use of up to \$100,000 from 2012 General Fund year-end savings for an organizational review of the City's development services functions.

BACKGROUND DISCUSSION:

This study is the second in a series of studies that is intended to evaluate and identify opportunities for increased efficiency and effectiveness in various City operations. The series of organizational studies is supplemental to the budget process. The first study was the Fire and Emergency Services Organizational Review. The second study included on the City's 2012 work plan is a cross-departmental review of development services functions. A copy of the Request for Proposals is attached that describes the proposed scope of the project and proposed time line. The timing of this study coincides with the City Hall renovation project that will begin in 2014. The Development Services study may include recommendations for organizational and/or physical reconfigurations of customer service functions that would need to be taken into consideration in the City Hall design process.

At the City Council retreat financial update, staff estimated up to \$1 million in expenditure savings that will result from the delayed hiring of annexation staffing across all General Fund Departments, including development service. Staff recommends that funding for this study be funded from anticipated savings.

CITY OF KIRKLAND
DEVELOPMENT SERVICES
Request for Proposals
Job Number 30-12-CMO
ORGANIZATIONAL REVIEW

Organizational Evaluation of Development Services Functions

The City of Kirkland, Washington is seeking a qualified consultant to conduct an organizational and operational analysis of the City's development services functions and to assist the City in refining its staffing and service delivery model.

Background

The City of Kirkland provides development services from three departments that coordinate internally through a Development Services Team composed of division managers from the Planning and Community Development Department, the Public Works Department and the Fire and Building Services Department.

- **Planning and Community Development** provides long range and current planning services through the review and issuance of land use permits and the review of building permits for zoning code compliance. The department is also responsible for code enforcement services.
- **Public Works Development Services Division** provides review, permitting and inspection services for public and private street and utility improvements related to building, land surface modification, projects and right-of-way permits. The Public Works Division is also responsible for all traffic impact review as well as providing general day to day customer service and public information for all Public Works issues.
- **The Fire and Building Department's Building Division** provides permit processing, plan review and inspection services for building, mechanical, electrical and plumbing permits.
- **The Fire and Building Department's Fire Prevention Division** provides permit processing, plan review and inspection services for building, land use, fire suppression and alarm permits. These functions were reviewed in a recent fire department study so the scope of this study will be limited to how this division interacts with the other development services divisions.

On June 1, 2011, the City of Kirkland annexed an area of approximately 31,000 new residents, bringing the total city population to 81,000. Additional staffing was added in all development services departments to address the increased workload associated with development in the larger City. At the same time, the current recession has caused a significant slow down in development activity resulting in the addition of fewer staff than had been anticipated. Over the past year, the City has also been implementing a new permit system which went "live" on April 1, 2012.

The development services departments commissioned two permit process improvement studies between 2007-2009 that resulted in operational changes and code amendments intended to improve permit processing times and customer satisfaction.

An upcoming remodel of City Hall will provide an opportunity to optimize the City's development services customer interface and interdepartmental coordination by relocating and/or co-locating selected functions. A City Hall space planning and renovation project will run concurrent with the Development Services Organizational Study.

Scope of Work

The consultant work will include a review of current conditions, an evaluation of future service demands, and an analysis of opportunities for organizational changes and process improvements that can further enhance customer service and achieve efficiencies.

The selected consulting firm will interview key stakeholders in the departments and in other departments of the City, the Kirkland City Council, a variety of external customers, appropriate community decision makers and others that the project team deems necessary. From these interviews, the consultants will obtain additional perspective on operational, economic, and policy issues facing the City. The consultant will also include comparisons with and examples of service delivery models and performance standards with other similar agencies.

I. Review and Evaluation of the Current Service Demand and Organization

The consultant will complete a comprehensive review of Kirkland's development services functions including organizational and service delivery configuration. The purpose of this evaluation is to assess the agency's operations in comparison to industry standards and best practices. The study shall focus on a baseline assessment of the current conditions and current service delivery performance.

Analysis of Current Service Demand

The Consultant will evaluate historical and current service demands and how staff resources are applied to meet customer service demands and regulatory requirements. Analysis of service levels will be applied to:

1. Permit processing
2. Long range planning projects
3. Code enforcement
4. Customer inquiries
5. Field inspection
6. Plan review

Analysis of Current Operations

An in-depth review of the organization will be conducted including an evaluation of:

1. Organizational configuration
2. Staffing levels
3. Department management and administrative support functions and lines of authority
4. Interdepartment coordination and planning practices
5. Data collection systems, record keeping, reporting and performance metrics
6. Human resource management practices and systems
7. Public outreach and education
8. Operating budget and funding sources
9. Impact of current laws and regulations that drive staffing and permit processing
10. Permit processing efficiency and effectiveness

II. Future Service Demand and Delivery Options

Analysis of Future Service Demand

Conduct an assessment of the future service delivery needs and projected service demand including:

1. Service area characteristics
2. Projected population growth
3. Future service demand as it relates to increasing density and redevelopment patterns

Analysis of Future Delivery System Models

The consultant will develop alternatives and strategies for meeting future service delivery needs, develop and analyze options for models by which services may be delivered with increased effectiveness and efficiency. Analysis shall include, at a minimum:

- Review and analysis of permit processing standards and development of revised standards as appropriate
- Review of customer service facilities and physical adjacencies as they relate to maximizing customer responsiveness and interdepartmental coordination
- Analysis and recommended changes to code provisions as they relate to work flow, cost/benefit and customer service
- Review and analysis of staff resource allocation between permitting and other departmental work
- Recommendations for long, mid and short-term strategies and alternative service delivery models that will enhance customer service and staff productivity
- Financial analysis and cost projections relating to recommended strategies including consideration of the impact of any changes to the organizational structure on the current cost of service model and fee structure

III. Implementation Planning

The consultant will develop a report detailing organizational capabilities and challenges, goals and objectives for maintaining and improving services and development of performance measures to quantify progress.

The report will outline an implementation plan addressing each of the areas discussed in previous sections with particular focus on processing development permits. Key components include:

1. Development of departmental/functional goals and target objectives for moving forward
2. Description of recommended actions to achieve goals and objectives including, organizational changes, relocation or co-location of functions, investments and new or modified laws or regulations
3. Cost or savings of proposed changes and enhancements to the current system
4. Establishment of performance measures relative to goals and objectives
5. Identification of the process needed to implement recommendations including actions needed by the City Council

Proposal Submission and Consultant Selection

Proposals titled "**Development Services Organization Review**" may be submitted as an email attachment in PDF or MS Word format to: purchasing@kirklandwa.gov. Note that faxed proposals or proposals submitted as Zip files will not be accepted.

OR

One (1) unbound double sided original and four (4) double sided paper copies with one (1) CD in PDF or MS Word format of the proposal must be mailed or delivered to:

City of Kirkland
Attn: Purchasing Agent-Job #30-12-CMO
123 5th Ave
Kirkland, WA 98033

The City is committed to reducing costs and facilitating quicker communication by using electronic means to convey information. Those interested in submitting a proposal are encouraged to provide contact information to Barry Scott, Purchasing Agent, at bscott@kirklandwa.gov. Providing contact information will allow the City to provide notification if an addendum to the RFP is issued or the RFP is cancelled. Those who choose not to provide contact information are solely responsible for checking the City's website for any issued addenda or a notice of cancellation.

The City of Kirkland reserves the right to reject any or all proposals, or to withhold the selection of firms for any reason it may determine, or to waive or decline irregularities in any submittal.

Interpretation or corrections of the RFP documents will be made only by written addendum, which will be mailed or delivered via e-mail to each offeror on record. The City is not responsible for any other explanations or interpretations of the RFP and/or RFP documents.

Submission Requirements

1. A summary of the firm's qualifications as they relate to the scope of work.

2. A description of similar projects performed.
3. A description of your firm's proposed approach to this project.
4. A list of personnel who would be assigned to this project and resumes and references for each especially related to the scope of work.
5. Proposed not-to-exceed fee and any related costs over and above the contract fee.
6. A list of references knowledgeable of your firm's work. Please include telephone numbers and email addresses.

All proposal submissions must be prepared in accordance with the requirements set forth in this RFP. The Submittal shall not exceed twenty (20) pages (10 double-sided sheets of paper). The front cover, the back cover, and a maximum two-page cover letter, may be in addition to the twenty (20)-page limit.

Evaluation Criteria

Proposals will be evaluated according to the following criteria, listed in order of importance:

1. Specialized experience and technical competence of the firm and its personnel considering the scope of work.
2. Recent experience and expertise with similar projects.
3. Proposed approach to accomplish the work required.
4. Proposed cost to perform the work.
5. Capacity to perform the work (including any specialized services) within the time limitations, considering the firm's current and planned workload.
6. Past record of performance on contracts with Kirkland, other governmental agencies or public bodies, and with private industry, including such factors as control of costs, quality of work, ability to adhere to schedules, cooperation, responsiveness and ability to communicate with a range of participants including elected officials, staff, members of the public and bargaining unit representatives.
7. Familiarity with types of challenges applicable to the project.

Selection Process

An evaluation team shall review the proposals, discuss, assess and rank the proposals according to the evaluation criteria. These rankings will be used to determine which firms should be contacted for an interview by the team. It is pointed out that nothing in these procedures shall be interpreted to require Kirkland to award a contract to the lowest cost proposer.

Selected firms will be invited for an interview with the evaluation team to discuss the proposal and to answer specific questions. The purpose of the interviews will be to evaluate the experience and fit of the firms and to clarify and assure understanding of the requirements of the contract.

Following interviews, references will be checked on one or more finalist firm.

The City of Kirkland reserves the right to accept or reject proposals submitted and to waive informational and minor irregularities and to request additional information required to fully evaluate a proposal.

Proposals will not be publicly opened and will be kept strictly confidential during this process. All aspects of the evaluations and any negotiations, including documentation, correspondence and meetings, will be kept confidential by the Evaluation Committee. No information regarding any proposal or its evaluation will be discussed with other companies.

Confidentiality of proposals is considered by Kirkland as an essential element of maintaining fairness during the evaluation process. However, confidentiality cannot be guaranteed under the State Public Disclosure Act, Chapter 42.17 RCW.

If a member of the public demands in writing to review portions of proposals which have been marked or identified as confidential, proprietary or business secrets, Kirkland will notify the affected proposer prior to releasing such portions. The proposer shall take such legal actions as it deems necessary to protect its interests. If the proposer has not commenced such actions within five (5) calendar days after receipt of the notice from Kirkland of a demand to review such portions of its proposal and provided Kirkland written notice of the actions, Kirkland may make such portions available for review and copying by the public as Kirkland deems necessary to comply with state law.

The proposer asserting that portions of its proposal are legally protectable shall bear all costs of defending such assertion, including indemnifying and reimbursing Kirkland for its administrative, expert and legal costs and judgments involved in defending itself in actions arising from such assertions by the proposer including (without limitation) any assessments under RCW 42.17.340(3). By submitting a proposal with portions marked confidential, proprietary, business secrets or the like, the proposer has thereby agreed to the provisions of this section, including the defense and reimbursement obligations.

Contract Requirements

The City of Kirkland Plans to use the attached City of Kirkland Professional Services Agreement. Firms with significant concerns about the sample agreement should not submit on this RFP.

The top ranked firm will be notified in writing and will be asked to meet and submit its prospective scope of services and refine its fee (to be broken down by phases). If, after negotiation and consideration, the City is unable to reach an acceptable agreement with the top-ranked firm, it will terminate negotiations with the top ranked firm and, at its sole discretion, may: enter into negotiations with the second ranked firm; withhold the award for any reason; elect not to proceed with any of the proponents; or re-solicit new Proposals.

Questions

Questions regarding the RFP process should be addressed to Barry Scott, Purchasing Agent, by email to bscott@kirklandwa.gov.

Questions regarding the scope of work, timeframe or deliverables should be addressed to Marilynne Beard, Assistant City Manager, by email to mbeard@kirklandwa.gov.

Proposed Timeline

<u>Task</u>		<u>Date</u>
RFP issued		6/28/12
Questions submitted by noon		7/10/12
Proposals due by 4:00 pm		7/19/12
Interviews	Week of	8/6/12
Consultant Selection Completed		8/17/12
Contract Execution		9/7/12
Draft Report		3/1/13
Final Report		5/1/13

SAMPLE



PROFESSIONAL SERVICES AGREEMENT

Job Name and Number

The City of Kirkland, Washington, a municipal corporation (hereinafter the "City") and _____, whose address is _____ (hereinafter the "consultant"), agree and contract as follows:

I. SERVICES BY CONSULTANT

- A. The Consultant agrees to perform the services described in Attachment _____ to this Agreement, which attachment is incorporated herein by reference.
- B. All services, and all duties incidental or necessary thereto, shall be conducted and performed diligently and completely and in accordance with professional standards of conduct and performance.

II. COMPENSATION

- A. The total compensation to be paid to Consultant for these services shall not exceed \$_____, as detailed in Attachment _____.
- B. Payment to Consultant by the City in accordance with the payment ceiling specified above shall be the total compensation for all work performed under this Agreement and supporting documents hereto as well as all subcontractors' fees and expenses, supervision, labor, supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Consultant shall be paid monthly on the basis of invoices submitted. Invoicing will be on the basis of percentage complete or on the basis of time, whichever is applicable in accordance with the terms of this Agreement.
- D. The City shall have the right to withhold payment to Consultant for any work not completed in a satisfactory manner until such time as consultant modifies such work to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a warrant is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

III. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving ten (10) days notice to Consultant in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Consultant pursuant to this Agreement, shall be provided to the City. In the event the City terminates prior to completion without cause, consultant may complete such analyses and records as may be necessary to place its files in

order. Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on the project prior to the date of suspension or termination, not to exceed the payment ceiling set forth above.

IV. OWNERSHIP OF WORK PRODUCT

- A. Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this Agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this contract or the project to which it relates, without written concurrence by the Consultant will be at the sole risk of the City.

The City acknowledges the Consultant's plans and specifications as instruments of professional service. Nevertheless, the plans and specifications prepared under this Agreement shall become the property of the City upon completion of the work. The City agrees to hold harmless and indemnify consultant against all claims made against Consultant for damage or injury, including defense costs, arising out of any reuse of such plans and specifications by any third party without the written authorization of the Consultant.

- B. Methodology, materials, software, logic, and systems developed under this contract are the property of the consultant and the City, and may be used as either the consultant or the City sees fit, including the right to revise or publish the same without limitation.

V. GENERAL ADMINISTRATION AND MANAGEMENT

The _____ for the City of Kirkland shall review and approve the Consultant's invoices to the City under this Agreement, shall have primary responsibility for overseeing and approving services to be performed by the Consultant, and shall coordinate all communications with the Consultant from the City.

VI. COMPLETION DATE

The estimated completion date for the consultant's performance of the services specified in Section I is _____.

Consultant will diligently proceed with the work contracted for, but consultant shall not be held responsible for delays occasioned by factors beyond its control which could not reasonably have been foreseen at the time of the execution of this Agreement. If such a delay arises, Consultant shall forthwith notify the City.

VII. SUCCESSORS AND ASSIGNS

The Consultant shall not assign, transfer, convey, pledge, or otherwise dispose of this Agreement or any part of this Agreement without prior written consent of the City.

VIII. NONDISCRIMINATION

Contractor shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

IX. HOLD HARMLESS/INDEMNIFICATION

Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from its negligence or breach of any of its obligations in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

X. LIABILITY INSURANCE COVERAGE

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. A failure to obtain and maintain such insurance or to file required certificates and endorsements shall be a material breach of this Agreement.

A. *Minimum Scope of Insurance*

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. Verification of Coverage

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

F. Claims-made Coverage

Any policy of required insurance written on a claims-made basis shall provide coverage as to all claims arising out of the services performed under the contract and filed within three (3) years following completion of the services so to be performed.

XI. COMPLIANCE WITH LAWS/BUSINESS LICENSE

The Consultant shall comply with all applicable State, Federal, and City laws, ordinances, regulations, and codes. Contractor must obtain a City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02.

XII. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Consultant activities except as set forth in this Agreement.

XIII. INDEPENDENT CONTRACTOR

Consultant is and shall be at all times during the term of this Agreement an independent contractor and not an employee of the City. Consultant agrees that he is solely responsible for the payment of taxes applicable to the services performed under this Agreement and agrees to comply with all federal, state, and local laws regarding the reporting of taxes, maintenance of insurance and records, and all other requirements and obligations imposed on him as a result of his status as an independent contractor. The Consultant is responsible for providing the office space and clerical support necessary for the performance of services under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance of unemployment compensation programs or otherwise assuming the duties of an employer with respect to the Consultant, or any employee of consultant.

XIV. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or added to only by written instrument properly signed by both parties hereto.

XV. ADDITIONAL WORK

The City may desire to have the Consultant perform work or render services in connection with the project other than provided for by the express intent of this contract. Any such work or services shall be considered as additional work, supplemental to this contract. Such work may include, but shall not be limited to,

Additional work shall not proceed unless so authorized in writing by the City.

Authorized additional work will be compensated for in accordance with a written supplemental contract between the Consultant and the City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

CONSULTANT:

CITY OF KIRKLAND:

By: _____

By: _____

Marilynne Beard,
Assistant City Manager

Date: _____

Date: _____