

CITY OF SPOKANE, WASHINGTON

REQUEST FOR QUALIFICATIONS AND QUOTATIONS

RFP NO. 3394-07

PROJECT TITLE: ORGANIZATIONAL RESTRUCTURE OF THE MIS
DEPARTMENT WITH THE DEVELOPMENT OF A REVISED
COST ALLOCATION FRAMEWORK AND COST ALLOCATION
MODEL

ISSUE DATE: APRIL 6, 2007

CLOSING DATE AND TIME: APRIL 23, 2007

CLOSING LOCATION:
Purchasing Division
City of Spokane
4th Floor - City Hall
808 West Spokane Falls Boulevard
Spokane, Washington 99201

CONTACT PERSON:

Gwen Fuller-Vernier, Spokane City Auditor, (509) 625-6492 or gfuller@spokanecity.org.

TABLE OF CONTENTS

- I. General Information1
 - A. **Background**.....1
 - B. **Purpose**1

- II. Scope of Services3
 - A. **Project One – IT Organizational Restructure**3
 - B. **Project Two – IT Cost Allocation Assessment**.....5

- III. Proposal Process8
 - A. **Schedule of Procurement Activities**8
 - B. **Inquiries**.....8
 - C. **Submission of Proposals**.....8
 - D. **Withdrawal of Proposals**.....8
 - E. **Rejection of Proposals**.....9
 - F. **Preparation of Proposal**9
 - G. **Proposal Evaluation**9
 - H. **Guarantee of Good Faith**.....9
 - I. **Budget**10
 - J. **Award of Contract**.....10

- IV. Proposal Content and Format10

- V. Contract Requirements.....12
 - A. **Contract Term**12
 - B. **Insurance**12
 - C. **City of Spokane Business License**12
 - D. **Anti-Kickback**.....13
 - E. **Nondiscrimination**13

**CITY OF SPOKANE, WASHINGTON
REQUEST FOR QUALIFICATIONS AND QUOTATIONS**

**ORGANIZATIONAL RESTRUCTURE OF THE MIS DEPARTMENT
WITH THE DEVELOPMENT OF A REVISED COST ALLOCATION FRAMEWORK
AND COST ALLOCATION MODEL**

I. GENERAL INFORMATION.

A. BACKGROUND.

The City of Spokane (the City), Washington, with a population of 192,000 and occupying 59 square miles, is located in the eastern portion of the State of Washington about twenty miles from the bordering State of Idaho. City is the county seat of Spokane County and the second largest city in the State. It has a strong mayor form of government, having converted from a council - city manager form of government three years ago.

The Management Information Services (MIS) Department provides information technology and communications services to the City of Spokane. Services provided include: desktop support, web, network and server support, geographic information systems, application development and support, database management, reprographics, mail services, IT acquisition assistance, SANS, and document management. MIS supports approximately 2,200 employees in 60 locations and maintains 85 servers and approximately 1,500 workstations and 1,700 phones.

B. PURPOSE

The department has recently been undergoing dramatic turnover in personnel and is under the same budget constraints at the City overall. This effort is to improve efficiencies and operations, in conjunction with the City Auditor's Office for a critical infrastructure department. In an effort to do more with less, increase the capacity for work products, leverage similar skills and tasks to insure cross-training and back-up for critical function.

Development of a Cost Allocation Framework and Allocation Model which overlays on the Organizational Restructure, will categorize and present costs by customer, program, and service. This will allow customers to clearly understand information technology resources and establish investment goals for resource utilization. This information is meant to provide a process for ongoing evaluation, tracking, monitoring, and reporting of resource utilization.

II. SCOPE OF SERVICES.

A. PROJECT ONE – IT ORGANIZATIONAL RESTRUCTURE.

Work Objective

Building upon the high-level organizational assessment of the current state and preferred state of the City of Spokane's MIS Department organization Proposer will: develop and provide the necessary steps to assist the MIS Department to fill the gaps and direct efforts to move from the current state to the desired state of future organization structure.

Tasks

In order to accomplish the necessary steps to move from current state to the desired state, Proposer plans to perform the following tasks:

1. Review supporting documentation
2. Project Initiation Meeting
 - a. Project Team - Proposer
 - b. City Steering Committee
 - c. Employees
3. Organizational Structure - Part 2
 - a. Develop interview questions and seek approval.
 - b. Interview MIS staff. (53 FTE's budgeted in 2007)
 - c. Conduct and facilitate workshops for functional areas related to the organizational assessment and restructure with the MIS staff. The workshops will involve those employees whose work is included within the loose coupling.

Proposer will focus the workshops to achieve two options: an organizational restructure that would not require any union negotiation and the optimal organizational restructure that may require union negotiation.

- d. Conduct and facilitate a capstone workshop(s) with the entire MIS department to validate the consensus reached in each individual workshop and to reach a consensus around the overall structure.
- e. Prepare finalized organizational structures and document roles and responsibilities.
- f. Present new organizational structure.

Deliverables

1. Final organizational restructures which will reflect:
 - a. One organizational restructure that will require no union negotiation.
 - b. One organizational restructure that would be the ideal and may require discussions with the appropriate unions.

Document Review Times

City of Spokane will provide comments to Proposer on deliverables within five workdays of receipt of each deliverable.

Proposer will incorporate City of Spokane comments into deliverables within five work days of receipt of comments.

Assumptions

1. Proposer will have access and will have reviewed all union contracts prior to workshops and interviews.
2. All appropriate staff will be available for individual interviews and pertinent workshops.
3. Proposer will create an interview and workshop schedule and City of Spokane will assign individuals to fill the time slots.
4. All data and documentation will be made available to Proposer with adequate time to review prior to the site visit.
5. A suitable location will be made available for Proposer to conduct the workshops and interviews with the City of Spokane staff.
6. All appropriate MIS staff has been notified of the department's intention to reassess the organizational structure and have been provided information regarding the process that will be utilized to develop the new organizational structure and their role in the creation of the process.
7. MIS management will be available to the Proposers throughout the site visits.
8. MIS Director will review and approve the interview and workshop schedules. Any changes made to the schedules after approval may impact the proposed project timeline and potentially the budget.
9. Work on Project 1 and Project 2 will be conducted concurrently. Both Projects will be completed within six months.
10. The Proposer, if it wishes, can schedule the Project Initiation for Project 1 and Project 2 on the same day.

B. PROJECT TWO – IT COST ALLOCATION ASSESSMENT.

Work Objective

Cost Allocation Assessments are typically comprised of **two** parts.

Part 1 consists of identifying and classifying:

- Cost Elements (i.e. hardware, software, staff, and overhead)
- IT Services (such as Desktop Services, Enterprise Services, Data Management, etc.)
- Customers (up to three levels)
- Shared and Dedicated Resources
- Options for allocating costs of IT Services across Customers

Part 2 consists of taking all of the categories and classifications identified and agreed to as a result of Part 1 and applying that to the specific financial data of the IT department line-item by line-item and running the model to develop a customized Cost Allocation Model.

Completion of Part 1 and Part 2 would result in a model that can answer the following questions:

1. What is IT spending by IT Service?
2. What is IT spending by Cost Type?
3. What is IT spending per customer (for the defined three levels)?

It can also be leveraged to demonstrate to customers that resources are being allocated appropriately and as a process for on-going evaluation, tracking, monitoring, and reporting of resource utilization.

Goal: To provide the City of Spokane's MIS Department and its customers with an understanding of IT resource utilization.

Tasks required

1. Project Initiation Meeting.

To begin the study the Proposer team will conduct pre-planning meetings (internal and/or with the City of Spokane) to review the project background, engagement approach and objectives. During this initial planning period, the team will validate logistical considerations including but not limited to workspace, completion of any required administrative paperwork, obtaining appropriate security clearance, and defining communication methods. The Proposer team will then meet with the City of Spokane cost allocation study project manager and other key project participants to address various planning considerations, including possible steering committee and/or project kick-off dates, a list and schedule of participant interviews, and a list of documents for review. Note: the steering committee referenced above would include individuals identified specifically to serve as the steering committee for this cost allocation study. In addition, the committee will review and obtain approval for the project control and status reporting methodology.

Resource constraints, scheduling conflicts and other potential project risks will be identified for development of early risk mitigation strategies. The meeting will include a discussion of the City of Spokane and Proposer expectations.

2. Steering Committee

Following the project initiation meeting, the Proposer team will schedule and conduct a one-hour steering committee meeting with key project participants, including business sponsors and other personnel that will be impacted by the study and/or its results.

At this meeting, as appropriate based on the audience, the Proposer team will review the project approach and methodology, discuss roles and responsibilities of key players, discuss key meeting/interview dates and milestones, identify resources required, and organize project logistics.

3. Data Gathering

The data collection for the cost allocation study takes place in this step. The Proposer team will obtain data through review of documents provided by the City of Spokane as well as through interviews with City staff.

This step includes:

- a. Review and validation of data and framework models developed in Part 1 of the cost allocation study.
- b. Gathering and reviewing appropriate data including inventories.
- c. Developing inventory and personnel input spreadsheets, to be completed by the City of Spokane.

Key Assumption — A key assumption within this Proposer SOW is that the City can and will provide comprehensive and detailed data regarding all components of the IT costs including costs for employees, contracts, equipment, software, configurations, etc. It is further assumed that the City can and will be able to identify services provided by the components and the customers who use the services and/or components. Therefore, Proposer's expectation is that in-depth research by Proposer to obtain the needed data and information is not required (or

included within this SOW).

4. Data Analysis and Clarification

This step includes:

- a. Review and analysis of all data collected including information gained and decisions made in interviews and meetings
- b. Conducting interviews with executive and management staff to clarify the collected data and make refinements as necessary
- c. Determine, jointly with the City of Spokane, a method to allocate non-dedicated costs to customers
- d. Review, validate, and adjust the inventory spreadsheet completed in step 3C above, which will serve as input to the cost allocation tool

5. Develop draft and final versions of the cost allocation tool once all data has been analyzed, the Proposer team will:

- a. Configure the tool to accept the data provided in the data input spreadsheet — includes validation that all data is properly accepted by the tool.
- b. Configure the tool to display the data in a variety of charts including (as appropriate) cost and personnel count to deliver services by customer, by function and/or service area, and by cost component.
- c. Review the tool output with the steering committee or other appropriate staff for appropriateness and accuracy, making adjustments as necessary.
- d. Deliver the final version of the Cost Allocation Tool.

Deliverables

1. Revised Cost Allocation Framework
2. Inventory and Personnel Data Collection Spreadsheets
3. Draft Cost Allocation Tool
4. Final Cost Allocation Tool

Document Review Times

City of Spokane will provide comments to Proposer on deliverables within five workdays of receipt of each deliverable.

Proposer will incorporate City of Spokane comments into deliverables within five workdays of receipt of comments.

Assumptions

1. Work on Part 1 of the Cost Allocation Model will occur concurrently with work on Part 2 of the Cost Allocation Model.
2. Detailed financial data exists for actual IT expenditures and related data and documentation will be made available to Proposer prior to the site visit.
3. All appropriate staff will be available for individual interviews and pertinent workshops.
4. All data and documentation will be made available to Proposer with adequate time to review prior to the site visit.
5. MIS management will be available to the Proposer throughout the site visits and at other times as appropriate.
6. Most of the work will be conducted offsite.

7. There will be a minimum of two site visits for two - four days each
 - a. The first site visit will be to conduct a Project Initiation meeting and to acquire additional information needed to complete Part 2 of the Cost Allocation Study. Appropriate staff and key decision makers will be available.
 - b. The second visit will be at completion of the Cost Allocation Study to present the Study and to train staff on its usage. Appropriate staff and key decision makers will be available.
 - c. Up to two additional visits may be required to ensure an accurate understanding of the data collected, the results of various analyses, to provide training, or for other events that may occur during the course of the project.
 - d. Most of the work will be conducted offsite.
8. Work on Project 1 and Project 2 will be conducted concurrently. Both Projects will be completed within six months.
9. The Proposer, if it wishes, can schedule the Project Initiation meeting for Project 1 and Project 2 on the same day.

III. PROPOSAL PROCESS.

A. SCHEDULE

The estimated acquisition schedule is as follows. The City reserves the right to revise this schedule.

RFQ Release Date:	April 6, 2007
RFQ Due Date:	April 23, 2007
City Council approval:	May 7, 2007
Start Date:	May 14, 2007

B. INQUIRIES.

Inquiries and other communications about this request for proposals shall be through the Spokane City Auditor. Direct communications with other management or elected officials may be grounds for rejecting a proposal. Direct inquiries to:

Gwen Fuller-Vernier
 Spokane City Auditor
 (509) 625-6492

C. SUBMISSION OF PROPOSAL.

Proposals shall be delivered to the City no later than 1:00 p.m. PDT on Monday, April 23, 2007. The City reserves the right to not consider proposals received late.

Submit THREE (3) copies of the proposal in a sealed envelope. The envelope should be marked "Organizational Restructure of the MIS Department with the Development of a Revised Cost Allocation Framework and Cost Allocation Model." Address the proposal to:

City of Spokane Purchasing Division
Fourth Floor, City Hall
808 West Spokane Falls Boulevard
Spokane, WA 99201

D. WITHDRAWAL OF PROPOSALS.

A firm may withdraw its proposal at any time prior to the submission deadline by submitting a written request for withdrawal to the City's Purchasing Division. The request for withdrawal shall be signed by the firm or an authorized agent. Modifications offered in any manner, oral or written, will not be considered after the deadline. Unless otherwise specified, no proposals may be withdrawn for a minimum of thirty calendar days after the opening date.

E. REJECTION OF PROPOSALS.

The City reserves the right to reject any and all proposals and to waive informalities or irregularities in a proposal or in the proposal process. The City reserves the right to split or make the award in any manner deemed most advantageous to the City at its sole and exclusive discretion.

F. PREPARATION OF PROPOSAL.

The City shall not be liable for any costs incurred by a firm in preparing or submitting a proposal. Proposals should be prepared simply and economically, providing a straight-forward, concise description of the firm's capabilities to satisfy the City's requirements. Submitted materials become the property of the City and will not be returned. Submitted proposals constitute public records which are subject to review and copying by a person making an appropriate request for public record.

G. PROPOSAL EVALUATION.

The City does not intend to award a contract solely on the basis of price. Evaluation criteria will include but not be limited to:

1. Qualifications of key personnel.....	25%
2. Expertise and approach to the task as described above.....	25%
3. Ability and commitment to respond to work request above, including experience with the City of Spokane.....	20%
4. Past performance and ability to work with the City of Spokane.	25%
5. Any other information having a bearing on the decision to award the contract.....	<u>5%</u>
	100%

H. GUARANTEE OF GOOD FAITH.

Proposals shall remain in effect for a minimum of sixty days from date of the submission deadline, unless extended by mutual consent.

I. BUDGET

The maximum fee for Project 1 of this contract must be \$60,000.00 or less to be considered responsive to this RFQQ. The maximum fee for Project 2 of this contract must be \$60,000.00 or less to be considered responsive to this RFQQ.

J. AWARD OF CONTRACT.

This RFQ does not obligate the City to award a contract.

The City of Spokane reserves the option of awarding this contract in any manner most advantageous for the City. More than one contract may be awarded.

Award of contract, when made, will be to the Proposer whose proposal is the most favorable to the City, taking into consideration price and the other evaluation factors. The City Council shall make the award of contract or purchase. Unsuccessful Proposers will not automatically be notified of proposal results.

IV. PROPOSAL CONTENT AND FORMAT.

Proposals shall be in the following standardized format to facilitate evaluation of their comparative merits. Proposals shall include the sections indicated below. Proposals shall be typed and shall be limited to five (5) pages, excluding project lists and resumes.

Part 1	Description of Firm(s) / Subcontracted Firm(s)
Part 2	Project Staffing
Part 3	Experience
Part 4	Scope of Work Approach
Part 5	References
Part 6	Cost Proposal
Appendices	

PART 1. DESCRIPTION OF FIRM(S) / SUBCONTRACTED FIRM(S).

This part should contain a brief history of the firm, the firm's organization, number and type of personnel, and location of office. Include a brief history for each proposed subcontracted firm, the subcontracted firm's organization, number and type of personnel, and location of office.

PART 2. PROJECT STAFFING.

Identify personnel who are anticipated to be assigned to the project. Briefly describe their roles and responsibilities. Any resumes should be limited to two pages per person.

PART 3. EXPERIENCE.

This part should contain a brief summary of other similar projects performed by the firm and subcontractors. A complete, concise and accurate description of each firm's experience which is relevant to the project should be cited. Particular emphasis should be placed on current and past projects of a similar nature.

PART 4. SCOPE OF WORK APPROACH.

1. Explain how the firm would accomplish this project within the proposed budgetary restrictions.
2. Address the scope of the work to be performed.
3. Provide an estimate of the amount of time expected be spent on behalf of the City.
4. Provide an approximate timeline from start to completion of the project.
5. State the quality and type of services to be provided.

PART 5. REFERENCES.

The proposal must include three references of similar services as covered in this RFQ. Indicate if any of the referenced projects were completed as a sub-contractor to another firm or if the responding company was the contract prime. The City reserves the right to contact any additional individuals or firms to obtain information about the firm.

PART 6. COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Consultant of least cost, but rather to the Consultant whose proposal best meets the requirements of this RFQQ.

Identification of Costs

Identify all costs including expenses to be charged for performing the services necessary to accomplish the objectives of the contract. Submit a fully detailed budget including staff costs and any expenses necessary to accomplish the tasks and to produce the deliverables under the contract. Consultants are required to collect and pay Washington state sales tax, if applicable.

Provide a distribution schedule of fees proposed. More specific details regarding progress payments will be negotiated as part of the contract.

Costs for subcontractors are to be broken out separately.

APPENDICES.

This part is to be included at the firm's option. It may contain any information the firm desires to submit to further clarify the proposal. Cross-reference to appropriate proposal sections.

V. CONTRACT REQUIREMENTS.

A. CONTRACT TERM.

The term of the contract is six months, upon notice to proceed.

B. INSURANCE.

During the term of the contract, the Consultant shall maintain in force at its own expense, each insurance coverage noted below:

- A. Worker's Compensation Insurance in compliance with RCW 51.12.020, which requires subject employers to provide workers' compensation coverage for all their subject workers and Employer's Liability Insurance in the amount of \$1,000,000;
- B. General Liability Insurance on an occurrence basis, with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this contract. It shall provide that the City, its officers and employees are additional insureds but only with respect to the Consultant's services to be provided under this contract; and
- C. Automobile Liability Insurance with a combined single limit, or the equivalent of not less than \$1,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles.
- D. Professional Liability Insurance with a combined single limit of not less than \$1,000,000 each claim, incident or occurrence. This is to cover damages caused by the error, omission, or negligent acts related to the professional services to be provided under this contract. The coverage must remain in effect for at least 2 years after the contract is completed.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without 60 days written notice from the Consultant or its insurer(s) to the City.

As evidence of the insurance coverages required by this contract, the Consultant shall furnish acceptable insurance certificates to the City at the time it returns the signed contract. The certificate shall specify all of the parties who are additional insured, and include applicable policy endorsements, the 60 day cancellation clause, and the deductible or retention level, as well as policy limits. Insuring companies or entities are subject to City acceptance and must have a rating of A- or higher by Best. Copies of all applicable endorsements shall be provided and, if requested complete copies of insurance policies shall be provided to the City. The Consultant shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

C. CITY OF SPOKANE BUSINESS LICENSE.

Persons / firms doing business with the City must have a valid City of Spokane business license if they maintain a permanent location within the City; or maintain a permanent location outside the City having an employee who solicits business from the City. Questions may be directed to the City's taxes and licenses division at (509) 625-6070.

D. ANTI-KICKBACK.

No officer or employee of the City of Spokane, having the power or duty to perform an official act or action related to this contract shall have or acquire any interest in the contract, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in the contract.

E. NONDISCRIMINATION

No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, the presence of any sensory, mental or physical disability, or use of a service animal by a disabled person.