

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

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| <b>AGENDA TITLE:</b> | Authorize the City Manager to Execute a Contract with Integris LLC in the Amount of \$25,000 for Process Consulting in Support of the Financial/Human Resource System Implementation             |
| <b>DEPARTMENT:</b>   | Administrative Services Division   |
| <b>PRESENTED BY:</b> | Katherine Moriarty, Information Technology Manager   |
| <b>ACTION:</b>       | <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion<br><input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing |

**PROBLEM/ISSUE STATEMENT:**

The City is implementing a new Financial/HR system. Staff have included funding in the project to review certain processes and make appropriate changes that may be needed to better serve the City's customers and/or internal operations prior to implementing the new technology.

The City has embarked on foundational work with a consulting firm that specializes in this work and has worked with a number of local governments in providing training and guidance on continuous process improvement. In an effort to align with the City's continuous improvement values, staff is desirous of using the same consulting firm (Integris LLC) to provide assistance in the assessment of two core processes: Timecards and P-Card processing.

The scope of work defined as a part of the Finance/HR project is not within the scope of the overall City effort that has involved departments on a city-wide basis. To date, \$88,727 has been spent/encumbered with Integris through contracts for specific scopes of work each less than \$25,000. An additional \$10,000 is anticipated for work identified in the City's 18-month process improvement roadmap. With the work related to the Finance/HR system implementation, the total amount being spent with Integris, in combination with the other contract will exceed \$100,000. Staff are seeking Council approval to authorize the City Manager to contract for this defined work with Integris that exceeds \$100,000.

**RESOURCE/FINANCIAL IMPACT:**

There is no financial impact. The funding is already appropriated as a component of the Financial/HR System Implementation project approved by Council as a part of the 2017 budget.

### **RECOMMENDATION**

Staff recommends that the City Council authorize the City Manager to execute a contract with Integrus LLC in the amount of \$25,000 for process improvement consulting in support of the Financial/Human Resource System Implementation.

Approved By:        City Manager ***DT***    City Attorney ***MK***

## **BACKGROUND**

The City is implementing a new Financial/HR system. Staff have included funding in the project to review certain processes and make appropriate changes that may be needed to better serve the City's customers and/or internal operations prior to implementing the new technology.

The City has embarked on foundational work with a consulting firm that specializes in this work and has worked with a number of local governments in providing training and guidance on continuous process improvement. In an effort to align with the City's continuous improvement values, staff is desirous of using the same consulting firm (Integris LLC) to provide assistance in the assessment of two core processes: Timecards and P-Card processing.

The scope of work defined as a part of the Finance/HR project is not within the scope of the overall City effort. To date, \$88,727 has been spent/encumbered with Integris through individual contracts for specific scopes of work each less than \$25,000. An additional \$10,000 is anticipated for work identified in the City's 18-month process improvement roadmap. With the work related to the Finance/HR system implementation, the total amount being spent with Integris will exceed \$100,000. Staff are seeking Council approval to authorize the City Manager to contract for this defined work with Integris that exceeds \$100,000.

## **ALTERNATIVES ANALYSIS**

### **Alternative 1: Attempt process review with internal personnel**

If the City Council chooses to not approve this amendment and staff proceeds with this work without consulting assistance, the following is noted:

- The quality of the work will be impacted since staff do not possess the skillset to perform this work;
- The work will not align with emerging methodologies for continuous improvement efforts being developed for and used by the City;
- Allocated funding for this effort will not be expended.

### **Alternative 2: Contract with another consultant skilled at facilitating business process and continuous process endeavors**

The City may administratively select through an RFQ process a consulting entity skilled at providing support for business analysis and continuous process improvement. If this alternative is selected, the following is noted:

- A separate methodology that does not conform to the City's emerging standards for continuous process improvement will be used;
- The opportunity for working with the consultant selected for the Citywide continuous process improvement foundational work will be missed – along with a training opportunity for staff;
- The funds allocated for this effort (\$25,000) will be expended.

Alternative 3: Approve the execution of a contract with Integrus LLC (Recommended)

The Council may authorize the City Manager to execute a contract with Integrus LLC in the amount of \$25,000. If this alternative is selected, the following is noted:

- The emerging methodology that will be used by the City will be used for the assessment and improvement of the two processes identified as a part of the Finance/HR system implementation project;
- Personnel working on this effort will be trained on the methodology and will begin to prepare them to be able to facilitate other efforts in the City without consulting assistance;
- The consultant has become familiar with the City, which will improve their effectiveness in facilitating this body of work.
- The funds allocated for this effort (\$25,000) will be expended.

**DISCUSSION**

Staff is requesting that the City Manager be authorized to execute a contract with Integrus LLC in the amount of \$25,000 for process improvement consulting in support of the Financial/HR System Implementation. The scope of work for this contract is attached to this staff report as Attachment A. Process Charters for the two core processes that the City will be assessing (Timecards and P-Card processing) are attached to this staff report as Attachment B and C respectively.

**RESOURCE/FINANCIAL IMPACT**

There is no financial impact. The funding for this contract is already appropriated as a component of the Financial/HR System Implementation project approved by Council as a part of the 2017 budget.

**RECOMMENDATION**

Staff recommends that the City Council authorize the City Manager to execute a contract with Integrus LLC in the amount of \$25,000 for process improvement consulting in support of the Financial/Human Resource System Implementation.

**ATTACHMENTS**

Attachment A – Integrus LLC Scope of Work  
Attachment B – Timesheets Process Charter  
Attachment C – P-Card Process Charter

**City of Shoreline**  
**Scope of Work: Continuous Improvement Projects #1 and #2**  
**July 2017**

**Introduction**

Integrus's proposed approach to the City of Shoreline's Timesheet and P-card process continuous improvement projects can be divided into three phases—1) process walk; 2) process mapping session; 3) rapid improvement event and follow-up. More detail on each phase of the approach is below. The steps would be replicated for each project.

1. **Process walk:** The purpose of a process walk or “go to Gemba” walk is to build profound knowledge of a process by interview the subject matter experts. The team that is chartered to improve each of the processes will be invited to participate in the process walk. Individuals responsible for each step in the process share what they do at their workspaces and answer a series of questions, including how long each step takes, whether there is work waiting, what the problems are in the flow of the process, etc. Pre-work will be done with the team leader to document the process in six to eight broad steps to determine interviewees and order. At the end of each 15-minute interview, the team members meet to discuss what they've heard and gather observations and potential solutions including quick hits. This initial continuous improvement step leads to a shared understanding of the process and what the opportunities might be that is not developed by sitting in a conference room and reviewing desk manuals or policies. A briefing conversation with the project sponsor(s) will follow the end of this step. Depending on the number of steps, this will take between 1 and 1.5 days.
2. **Process mapping:** The next step of the continuous improvement project will be to map the current state in more detail. Having an understanding of the process as it stands—including where handoffs occur between work groups and individuals—is most clearly built by a group developing a swim lane map together that shows steps and responsibilities. During this phase, the team will not map out each step in minute detail but rather dig deeper into the step or steps that were determined to be poised for improvement during the process walk. Using this view of the process, the team can determine which steps add value to the customer and which do not, and then seek to eliminate or minimize those non-value-added steps and create a new flow during the rapid improvement event below. A briefing conversation will take ½ to 1 day.
3. **Rapid improvement event:** The rapid improvement event builds on the process walk and process mapping steps. During this phase, the team works together to draw out improvements to the process or the “future state” that incorporates improvements. Often, “just do it” items become apparent and can be implemented immediately. Other times, this phase will require some data gathering and other research such as looking into software capabilities. Teams separate short- and long-term actions and agree to implementation timelines and responsibilities. This step will take place in 1 day.

Depending on the complexity of the issues uncovered during the initial sessions, additional sessions may be requested by the City of Shoreline. Also, Phone follow-up by Integrus to ensure the improvements are moving along is recommended to follow in this phase.

**Deliverable**

The three-day approach will result in a map of the two processes and a plan for improving the processes. The two process project charters are attached.

**Delivery**

The two three-day sessions (one for each project as attached) will be staffed by one consultant from Integrus Performance Advisors.

**Cost**

The cost for the six days to complete phases 1-3 as noted above for each project is \$2,760 per day plus expenses (passed through at cost) including travel.

# Timecard Process Charter

## Problem Statement:

Timecards rely on a paper process that require duplicated entries by the user and payroll. Users are unable to validate against leave balances and projects.

## Goal Statement:

To gain efficiencies in approval/routing process and reduce paper time sheets and eliminate double entry process. Allow users to validate leave balances, org keys and projects.

## Scope In/Out

### In Scope:

Leave validation  
Approval validation  
Timecard calculations

### Out of Scope:

Policy updates due to business practice changes

## Business Case & Benefits:

Reducing the time to process timesheets will increase Payroll and other staff capacity. More timely and accurate timekeeping data will reduce last minute updates after the due date. Efficiencies will reduce the need for additional payroll hours for special processing.

## Timeline:

Define: Summer-Fall 2017

Measure: Summer 2018

Analyze: TBD

Improve: TBD

Control: TBD

## Team Members:

ASD - Gaylene Hill Dunphy, Nan Peterson, Stela Rajic , Jay Clark

## Dept Stakeholders

PRC - TBD

CA - Darcy Forsell

PCD – Ray Allshouse

PW – TBD

CMO – TBD

Clerks – TBD

# P-Card Process Charter

## Problem Statement:

Process is heavily manual and dependent on paper review and approval process. The whole process can take over 2 weeks from beginning to end.

## Goal Statement:

Reduce the number of calendar days from the statement received to payment. Streamline the review and approval process. Eliminate duplicate data entry. Improve the ability for staff to search P-Card transaction records.

## Scope In/Out

### In Scope:

- Purchase
- Bank Statement review
- Approval
- Data entry into system
- Payment

### Out of Scope:

- P-Card training
- P-Card policies

## Business Case & Benefits

Reduced cycle time increase staff capacity. Quicker payment times increases the rebate. Improved search and reporting would improve customer experience and reduce demand on ASD staff.

## Timeline

Define: Summer-Fall 2017

Measure: Summer 2018

Analyze: TBD

Improve: TBD

Control: TBD

## Team Members:

ASD - Nan Peterson, Janet Bulman, Monica Rehnstrom, Jay Clark

## Dept Stakeholders:

PRC - Lynn Gabriel

CA - Darcy Forsell

PCD - Matt Brophy

PW – TBD

CMO – TBD

Clerks – TBD

Police - TBD