

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the City Manager to Execute Additional Contracts with Integris LLC in an Amount up to \$85,000 for Citywide Process Improvement Consulting and Training including Support Related to the Financial/Human Resource Software System Implementation
DEPARTMENT:	Administrative Services Division
PRESENTED BY:	Katherine Moriarty, Information Technology Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City has embarked on foundational work with a consulting firm that specializes in continuous process improvement and has worked with a number of local governments in providing training and guidance in this specialized area. In an effort to develop standards and staff competency in the tools and techniques used in continuous process improvement, staff is desirous of using the same consulting firm (Integris LLC) to provide assistance.

Originally, the work defined for 2017 was less than the threshold requiring Council approval. However, the implementation of the City's new Financial/HR system yielded opportunities for process improvement that would guide system implementation. The Council, on August 14, authorized the City Manager to execute a contract for this work, but the staff report did not reflect the entirety of the work anticipated for 2017 and 2018. As such, this authorization will allow the full scope of work to move forward for the next 18 months.

Staff have included funding in both the Financial/HR system project budget and the allocation for the City's professional services budget for this effort. Staff is requesting Council pre-authorization for the City Manager to execute contracts with Integris up to an additional \$85,000 to cover this work.

To date, \$113,727 has been spent/encumbered with Integris through contracts for specific scopes of work; with each contract less than \$25,000. SMC 2.60.070 requires contracts to purchase services greater than \$50,000 to be authorized by the City Council. Staff is seeking Council approval to pre-authorize the City Manager to execute additional contracts with Integris for work relating to continuous process improvement in an amount not to exceed \$85,000. This amount is in addition to contracts previously authorized and should provide adequate contract authority for 2017 and 2018.

Work that will continue over the next 18 months includes specific process improvement process walks, leadership training – Leading in a Lean/Continuous Improvement

Environment, and Phase 2 of Core Process Mapping which will include Planning & Community Development, Parks, and Community Services Departments.

ALTERNATIVES ANALYSIS

Alternative 1: Attempt process review with internal personnel

If the City Council chooses to not approve this request 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 will be expended.

Alternative 3: Approve the execution of contracts with Integris LLC (Recommended)

The Council may authorize the City Manager to execute contracts with Integris LLC not to exceed the amount of \$85,000 (in addition to the contracts in the amount of \$113,727 already executed). 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 processes as part of the Financial/HR system implementation and the Citywide continuous process improvement effort;
- 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 will be expended.

In order to facilitate Alternative 3, the City would execute independent contracts based on the scope of work for each component of Integris's work. Attachment A provides an example of the scope of work, Attachment A being for the initial process review - Contract Routing, which will be included with all future Integris contracts.

RESOURCE/FINANCIAL IMPACT:

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

RECOMMENDATION

Staff recommends that the City Council pre-authorize the City Manager to execute additional contracts with Integris LLC in an amount not to exceed \$85,000 for citywide process improvement consulting and training including support related to the Financial/Human Resource Software System Implementation.

Approved By: City Manager *DT* City Attorney *JA-T*

ATTACHMENTS

Attachment A – Integris LLC Scope of Work

Attachment B – Contract Routing Process Charter

City of Shoreline
Scope of Work: Continuous Improvement Citywide Project #1
Contract Routing
August 2017

Introduction

Integris's proposed approach to the City of Shoreline's contract routing 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. Please note that these timeframes are rough approximations and may shift during the three-day engagement.

1. **Process walk:** The purpose of a process walk or “go to Gemba” walk is to build profound knowledge of a process by interviewing 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 are 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. This step in the process is estimated to 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 is estimated to take 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 Integris 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 contract routing process and a plan for improving the processes. The contract routing project charter is attached.

Delivery

The three-day process improvement session will be staffed by one consultant from Integris Performance Advisors.

Cost

The cost for the three 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.

Contract Review Process Charter

Problem Statement:

Approval for standard boilerplate contracts take longer than necessary, have frequent errors and often require rework. This engagement seeks to identify and understand the issues that delay approval, and cause rework.

Goal Statement:

Boilerplate contracts are routed for approval within X days 80% of the time and with without return to the requester 80% of the time. (Improve time and reduce defects)

Scope In/Out

In Scope:

Procurement method used
Approval Authority Levels
Routing method (Electronic vs Manual)
Budget Review
Scope Creation
Required attachments (W-9, Insurance, etc.).

Out of Scope:

Contracts where boilerplate is modified

Business Case & Benefits:

Contracts are a critical component of the City's procurement and risk management process. Improving the quality and cycle time of contract approval will protect the city from risk, and allow departments to deliver services more efficiently.

Timeline:

Define: Fall 2017

Measure: Fall/Winter 2017

Analyze: 12/31/2017

Improve: TBD

Control: TBD

Team Members:

ASD – Janet Bulman, Sara Lane

CAO – Margaret King (or Julie Ainsworth-Taylor)

Dept Stakeholders

Budget - Rick Kirkwood

CA - Darcy Forsell

PW – Engineering (TBD)

Parks – Susana Villamarin

CMO – Alex Herzog

PCD – Joanne Dillon

ASD – Katie Moriarty