



Request for City Council Committee Action From the Department of Public Works

Date: May 12, 2003
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means Committee

Subject: Request approval to contract with Deloitte & Touche LLC to assist with business planning in Public Works

Recommendation:

That the State of Minnesota RFP process be used as a substitute for the City RFP process in order to select Deloitte & Touche LLC to provide business planning services to Public Works and that the proper City Officers be authorized to enter into the contract with an estimated expense of up to \$200,000 using existing funds.

Previous Directives:

Prepared by: Trudy Gayer Moloney, Director, Administration, Public Works (673-3478)
Approved by: Klara A. Fabry, City Engineer, Director of Public Works

Presenters: Klara A. Fabry/Trudy Gayer Moloney

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

The Department would like to undertake an aggressive approach to business planning. The work will be coordinated with Finance's Business Planning office and the city-wide initiative. The business planning process will require a tremendous amount of time and effort because of the size and complexity of the Public Works Department. Furthermore, the Department recognizes that it needs to increase its assets, projects, issues, financial and workforce management planning and analysis capabilities. Therefore, the use of an outside consultant to assist the

Department in meeting these goals is critical to successfully completing the business planning process in a timely fashion.

The State of Minnesota completed a RFP process that includes business planning. The Department would like to use the State's RFP process in lieu of the City's RFP process. Public Works would also like to contract with Deloitte & Touche LLC, one of the responders to the State's process. Deloitte & Touche LLC's proposal to Public Works is attached.

The Department received approval to proceed with using the State's RFP process from the Permanent Review Committee at its May 8, 2003 meeting.

Funding for the consultant will come from all divisions within Public Works within existing appropriations as this is a critical department-wide initiative.

Public Works Business Planning Proposal

from Deloitte Touche

May 12, 2003

This statement of work describes specific efforts related to helping the City of Minneapolis' Department of Public Works conduct business planning. General assistance includes gathering and analyzing organizational information about functions, budgets, assets and staffing, facilitating sessions with management and business line participants, and documenting session results including business direction, performance indicators and service priorities.

Specifically, services provided will include the following:

Phase 1: Preparation and Analysis

Key activities and related assumptions will include:

- Confirming the project objectives and approach during a discussion with the City's assigned project manager and sponsor
- Finalizing a workplan, including interviews and workshops needed to develop business plans, and allocating responsibilities between the consultants and City resources
- Reviewing documentation (previous budgets, key performance measures, system documentation, key management reports) compiled by the Public Works Department and extracting key insights into the issues, challenges and opportunities to be addressed through the business planning process
- Interviewing Public Works management to determine their business priorities and obtain their strategy preferences and related business information requirements
- Summarizing interview results into a short list of insights around which to build discussion during the business line workshops
- Prepare a detailed workshop agenda and confirm it with management;
- Prepare and distribute pre-reading material for workshop participants that will include an overview of the planning process, the insights and perspectives that will be explored and any preparatory requirements. This material will help to prepare participants and make the most effective use of the limited workshop time.

Phase 1 Deliverables:

- Detailed work steps for completing a business plan for the Minneapolis Department of Public Works
- Detailed guide to facilitated sessions for business line management
- Outline for final business plan

Phase 1 Assumptions:

- Business plan elements will be discussed and agreed upon before proceeding to Phase 2

Phase 2: Conduct Business Line Workshops

Key activities and related assumptions will include:

- Developing business line SWOT (strengths, weaknesses, opportunities and threats) Analysis based on current conditions, key objectives and goals through interviews and document reviews
- Outlining possible priority issues and related key performance indicators based on the input gathered from documents and interviews
- Conducting workshops with business line representatives to identify business line missions that align with the Department's priority issues that align with the Department's, performance indicators and prioritized services/activities (for each business line)
- Consolidating business line missions, goals, performance indicators and prioritized services/activities into one document
- Gathering feedback on the consolidated business line missions, goals, performance indicators and prioritized services/activities
- Assessing the degree of alignment amongst Departmental staff around the items being discussed (potentially using OptionFinder, an on-line voting system – use to be determined by the team through phase 1).
- Scheduling and conducting follow-up sessions to provide managers with feedback and agree on any changes

Phase 2 Deliverables:

- Summarization of Departmental strengths, weaknesses, opportunities and threats – including identification of priority issues for the Department and for each business line

- Consolidated business plan containing sections for each business line. Each section will then contain document mission, goals, prioritized services/activities and associated performance indicators – or the agreed upon contents negotiated and accepted in Phase 1 Business Plan Outline deliverable

Phase 2 Assumptions:

- The Department’s Project Manager is able to easily access and share materials that would provide insight into strengths, weaknesses, challenges and opportunities for Departmental business lines
- The Department has a mission, vision and goals to which it aspires – these materials provide a comprehensive basis for working with business lines to develop congruent and complimentary strategic direction (mission, goals, priority services/activities and performance indicators)

Phase 3: Identifying Business Requirements for Tools to Facilitate Managing to Measureable Results

Key activities and related assumptions will include:

- Identifying and assessing managing processes and tools
- Identifying business requirements for managing and measuring success of priority services/activities in goal attainment
- Validating business requirements with Departmental management
- Working with Departmental management to prioritize business requirements
- Assisting the Public Works Departments in transforming business requirements into resource plans and high-level budgets for management tools

Phase 3 Deliverables:

- Documented business requirements for measuring and managing operations to meet envisioned goals and attaining measurable results

Phase 4: Perform Information Technology “Fit/Gap” Analysis

Key activities and related assumptions will include:

- Comparing prioritized business requirements to existing system functionality and processes
- Working with to-be-defined City subject matter experts in the various technologies and processes needed to evaluate existence of priority business functions on an as-needed basis
- Documenting requirements met and unmet by existing systems and managing processes
- Documenting and assessing the impact of gaps between business requirements and existing systems functionality and managing processes
- Defining alternative solutions for gaps (quick-hit opportunities and work-arounds, as well as, longer-term solutions)
- Facilitating discussions to gain consensus on alternative solutions and next steps for addressing gaps
- Documenting decisions about next steps needed to close gaps

Phase 4 Deliverables:

- Report containing gap assessment results and agreed upon gap closure steps

Phase 4 Assumptions

- Validated and prioritized business requirements provide the primary basis for identifying and assessing gaps. The business requirements identified in Phase 3 serve as the ideal against which to assess current processes and tools.
- Gap closure strategies described in the deliverable are the documented decisions obtained through meetings or sessions with Departmental management

Phase 5: Define Implementation Plan

Key activities and related assumptions will include:

- Develop a workplan and timeline for implementation gap closure strategies
- Outline preliminary resource requirements to fulfill the implementation plan
- Finalize implementation plans with Public Works management.

Phase 5 Deliverables:

- Implementation Roadmap containing work steps, estimated timeframes, and estimated costs and other resources. The Roadmap will describe how the Department can attain the managing capabilities described by the business requirements.

Phase 5 Assumptions

- Workplans, timelines and resources contained in Implementation Plan will be estimates, derived by working with Departmental and City management
- Assumptions influencing estimated timelines, work steps, costs and resources will be documented in the deliverable – keeping assumptions updated following acceptance of the Phase 5 deliverable will be the Department's responsibility

Timing and Professional Fees for all Five Phases

Our timing and professional fees for this project are based upon our current understanding of the project requirements, scope, and timing. The refinement of the fee estimate would be performed once additional scoping and planning has been performed with key management. We have also shown separately the fee estimates by phase to allow you to evaluate the level of effort and assistance required through the life of the project.

ESTIMATED FEES	PROJECT PHASE	TIMELINE	FEE ESTIMATE
	Preparation and Analysis	1.5- 3 weeks	\$23,300 - \$34,900
	Business Planning	1.5 - 3 weeks	\$27,000 - \$40,500
	Business Requirements	1 – 2 weeks	\$18,800 - \$28,100
	Fit/Gap Analysis and Define Alternatives	3.5 – 4.5 weeks	\$44,300 - \$66,400
	Roadmap Development	1.5 - 3 weeks	\$18,600 - \$27,800
	Total Estimate	9 – 15.5 WEEKS	\$132,200 - \$197,700

General Project Assumptions

- The Department's Project Manager has the authority to accept deliverables
- City review of draft deliverables and related feedback can be completed within 3 business days
- City acceptance of deliverables indicates satisfaction with product and content, and no expectation for revisions or other rework
- Deloitte is not expected to revise or otherwise rework deliverables if specific feedback is not provided within agreed upon timeframes
- The Department's Project Manager will ensure that staff identified for interviews and/or work sessions participate as expected
- The Department will own all deliverables resulting from this project while Deloitte will be able to apply the methods used to obtain deliverables in other situations of its choosing and retains ownership of all Deloitte & Touche technology.
- The City agrees that implementation of the Department of Public Work's Business Plan is not within the scope of this work – an accepted business plan in no way makes Deloitte liable for failure to implement the plan.

Resource Types Matrix
(Submitted in May 2002 State of MN RFP)

Resource Type	Rate		
	Max	Min	Average
Application Development: Provide support for business applications, software and/or development tools.	\$350	\$150	\$200
Business Analyst: Provide analysis and develop functional requirements for application development related projects.	\$350	\$150	\$200
Client/Server (Distributed) Applications Specialist: Develop/support distributed applications.	\$350	\$150	\$200
Computer Security Specialist: Develop/Support security software, data, administration, tools, for the implementation and/or maintenance of computerized security.	\$350	\$150	\$200
Computer Systems Operations Specialist: Run the operation of small, medium or large computers and associated peripherals.	\$350	\$150	\$200
Contract Manager: Manage Contracts	\$350	\$150	\$200
Cost Estimator: Develop cost estimations based on project plans and system designs.	\$350	\$150	\$200
Courseware Developer: Develop technology-enabled content that provides a learning event on a topic or subject. Courseware technology includes the content and functionality required to view and navigate a learning session.	\$350	\$150	\$200

