



STAFF REPORT

DATE: February 9, 2021

DISCUSSION

TO: Honorable Mayor and City Council

AGENDA ITEM: Draft Request for Proposals for Operational Audit of Planning and Building Departments.

SUBMITTED BY: Jake Dickson, Assistant City Administrator

BACKGROUND:

The City Council budgeted for an Operational Audit of the Planning and Building Departments in 2021. A proposed Request for Proposal (RFP) is included in your packet.

ISSUE BEFORE COUNCIL:

Should the Council issue a Request for Proposals (RFP) for an Operational Audit of the Planning and Building Departments?

PROPOSAL DETAILS/ANALYSIS:

Staff is proposing that the Operational Audit include the following Scope of Services:

- Review Department staffing levels against comparable communities and industry standards, as well as future staffing needs.
 - Identify staffing needs compared to Department workloads and analyze potential for Department growth.
 - Identify likely future service demands.
 - Identify recruitment opportunities and potential for Planning and Building Department staff.
 - Identify alternatives to existing Planning and Building Department staffing model.
 - Identify professional development and training needs.
- Analyze fees charged for development and building and evaluate fees compared to similar municipalities in Minnesota, as well as the cost to provide Planning and Building Services.
- Analysis of development review, land use and building permit issuance, and inspections processes to determine whether these functions are optimally managed, coordinated, and integrated.
 - Identify options and processes for improving internal and external communications to streamline the development, permitting, and inspections processes.
- Review of technology and provide recommendations on the improvement thereof.
 - Analyze potential for digital permitting, plan review, and developmental review.
 - Identify specific services and software that can be incorporated into Planning and Building Department processes that can be implemented to enhance productivity, efficiency, transparency and level of services provided.
 - Identify opportunities to incorporate field technologies into the permitting and inspections processes to reduce delays.
- Review Code Enforcement process and provide recommendations and opportunities for efficiency and effectiveness.
- Analyze Service and Communications provided to residents, developers, contractors and other stakeholders.

- Review and analyze internal and external communications related to residential, commercial and institutional matters handled by the departments.
- Identify public and private market perceptions that are obstacles to achieving both a friendly reputation and the City's desired development standards and objectives.
- Identify emerging community development trends.
- Analyze short-term, mid-term and long-range cost implications to any recommendations.

With Council direction, Staff will bring the RFP for approval at the February 16 City Council meeting. IF approved, the RFP will be issued on February 17th. Submittals would be due in March with final selection of a firm anticipated at the May 4th City Council meeting.

FISCAL IMPACT:

\$30,000 is budgeted for the performance of this Operational Audit, though the fiscal impact is unknown until proposals are received.

ATTACHMENTS:

- RFP for Operational Audit of Planning and Building Departments



Request for Proposals

Planning and Building Department Operational Audit

City of Lake Elmo, MN

February 17, 2021

Introduction

The City of Lake Elmo is seeking proposals from qualified firms or individuals interested in conducting an audit of Planning and Building department operations and providing comprehensive analysis and recommendations to City staff and the City Council. The City is looking for expertise in evaluating its existing Planning and Building department models, providing analysis on staffing levels and staffing alternatives, development and plan review processes, permitting and inspection processes, development and building fees, and operational efficiency and effectiveness opportunities.

Proposals should be submitted by pdf in a format suitable for emailing and for printing copies. This may be emailed to jdickson@lakeelmo.org and must be received no later than 4:00 pm on March 19, 2021 to be considered.

All inquiries about the project or the request for proposal should be directed only to:

Jake Dickson
Assistant City Administrator
jdickson@lakeelmo.org
651-747-3908

All questions are to be submitted in writing (email is acceptable) and must be received by 4:00 pm on Friday, March 5, 2021. City responses/clarifications to questions will be forwarded to all firms by the end of the day on Tuesday, March 9, 2021.

The unauthorized communication with any other staff or elected official besides the listed contact is grounds for rejection of the proposal.

The City of Lake Elmo reserves the right to reject any or all proposals submitted.

Following a review and ranking of the proposals by City Staff a recommendation for award will be made to the City Council. A final decision for award of the work will be made by majority vote of the City Council following successful negotiations of the terms including costs with the preferred Consultant. The City reserves the right to award the work based on the best combination of qualifications, response to the scope of services and cost at the sole discretion and in the best interest of the City.

During the evaluation process, the City reserves the right to request additional information or clarifications from proposers.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

This Request for Proposal is only a solicitation for information. The City is not obligated to enter into a contract nor is it responsible for any costs associated with the preparation of

Proposals and interviews. Proposals received after the deadline will be disqualified from consideration. The City reserves the right to reject any and all proposals and to interview firms, which in the City's judgment, will best meet City needs.

It is anticipated the selection of a firm will be completed by May 4, 2021.

Description of the Government and Project Background

A. Principal Contact

The principal contact with the City will be Jake Dickson, Assistant City Administrator, who will coordinate the assistance to be provided by the City to the Consultant.

B. Description of Government

The City of Lake Elmo, incorporated in 1926, is a Minnesota Statutory City with an Optional Plan A form of government. It has a mayor elected at large for a four-year term and four council members also elected at large for four-year terms. As the policy-making body of the City, the City Council is responsible for the overall operation of the City; however, the City Council does not become involved in the day-to-day administration. The City Administrator is responsible for carrying out the Council's policies and for the administration of all City business.

The City encompasses approximately 25 square miles. The City has a population of approximately 10,500 and is located in central Washington County. The City has approximately 85 miles of streets, is home to Lake Elmo Regional Park in the center of the city along with over a dozen city parks throughout the community and has four recreational lakes. The city has both urban and rural areas. The significant population centers are located along I-94, the Old Village area and Tri Lakes area in the northwest corner of the city.

More information about the City of Lake Elmo can be obtained on our website at www.lakeelmo.org

C. Background Information

The City of Lake Elmo Planning and Building departments strengthen the health and vitality of the City through managing planning, development review, redevelopment, building plan review, inspection, code enforcement, housing, quality construction and high standards of design. The Planning Department operates on a \$275,407 budget and is staffed by a Planning Director and City Planner. The Building Department operates on a \$926,141 budget and is staffed by a Building Official, two (2) Building Inspectors, and a Permit Technician. The Building Official serves as the building Code Official and the Fire Code Official for the City, Building Official duties are currently performed by a contracted agency which also performs plan review and inspections.

The Building Department performed 5,739 inspections and issued 982 building permits with a valuation over \$89m in 2019. The Building Department performed 8,493 inspections and issued

1,282 building permits with a valuation over \$165m in 2020. Approximately 250 new homes are built in Lake Elmo annually. The Planning Department received and processed 34 Land Use Applications in 2020 and 47 in 2019. Planning staff issued 44 Zoning Permits in 2020 and 30 in 2019, these are City permits processed by the City Planner that do not count towards the number of Building Permits issued.

Scope of Work

The City of Lake Elmo is seeking professional services for evaluation of the administration of Planning and Building services in the City. The City of Lake Elmo is seeking to determine if the City's processes and procedure are designed and implemented to provide efficient and high quality services to residents, developers, contractors and other interested third parties.

The following scope of services describes the areas for evaluation based on best practices and the most efficient and effective delivery of services. The evaluation should include engagement with City staff, including executive staff and Planning and Building Department employees, as well as with elected officials.

- Review Department staffing levels against comparable communities and industry standards, as well as future staffing needs.
 - Identify staffing needs compared to Department workloads and analyze potential for Department growth.
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- Analyze short-term, mid-term and long-range cost implications to any recommendations.

General Requirements of Submittal

Responses to this request for proposals should include the following information in the order prescribed. Submissions must be received by 4:00 p.m. on March 19, 2021 for a proposal/response to be considered by the City:

- Cover letter and introduction including the name of the firm, address, and the name and contact information of the person(s) authorized to represent the company regarding all matters related to the proposals.
- Name and contact information of the firm's project manager that would be assigned to the project.
- A statement of qualifications of the firm and the project manager and other key team members assigned to perform the work including 1-page resumes of key individuals
- A statement of the firm's understanding of the work required and the manner in which the firm plans to approach it. Describe how the firm will approach project and implementation related to meeting deadlines, developing project layout, approach to evaluating/selecting alternatives and the firm's expectation of the City's responsibilities.
- Proposed work plan that identifies the tasks necessary to respond to the Scope of Services and to meet the project requirements as described in this RFP. A final work plan will be developed following selection of the Consultant.
- Identification of the deliverables
- References from at least three (3) clients from similarly sized and situated cities with similar projects, within the last five (5) years, that are familiar with the firm's quality of work and the firm's performance including schedule and budget control. Include the contact name and telephone number.
- Schedule: A thorough and detailed schedule should be presented outlining key milestone completion dates and proposed deliverables.
- Provide any additional information that you feel is pertinent in the City's decision on selecting a Consultant.

Fee and Timeline

Please submit the fee for your services on this project and include a timeline for these services. The consultant shall break down the fees as follows:

- Proposed cost of each scope of work listed above
- Hourly rates for all consultant employees who are expected to work on the project. These rates shall be the agreed upon rates for any additional services requested by the City of Lake Elmo above what is detailed in the RFP.
- Reimbursable costs include detail of service or item and applicable charge per unit.
- Not to exceed cost for the Project.

Completion is anticipated within approximately of 120 to 180 days of an executed agreement.

Proposal Submission Directions

Please send an electronic copy (PDF) of your responses to this Request for Proposal. Proposals are to be received at the offices of the City of Lake Elmo no later than 4:00pm on March 19, 2021. Proposals may be emailed to jdickson@lakeelmo.org or sent to:

City of Lake Elmo

Attn: RFP- Planning and Building Department Operational Audit
3880 Laverne Ave N, Suite 100
Lake Elmo, MN 55042

Please direct questions to Jake Dickson at 651-747-3908

Following the review of the received Requests for Proposals by the City, firms may be contacted for additional information or to participate in an interview process.

General Evaluation Criteria

The City of Lake Elmo will evaluate proposals based on experience performing development-related operational analyses for municipalities or other similar authorities. Proposals will be evaluated on the following criteria:

- Thoroughness and understanding of the tasks to be completed;
- Background and experience in organizational analysis and evaluation;
- Staff expertise and overall experience of personnel assigned to the work;
- Time required to accomplish the requested services;
- Responsiveness to requirements of the project;
- Recent public sector experience, preferably in a municipal setting, conducting similar studies, and;
- Cost of the Proposal.

Rights of Review

The City of Lake Elmo reserves the right to reject any or all quotes, to request additional information from any or all applicants or waive any informality in the bids as is determined to be in the best interest of the City.

Affirmative Action

The City of Lake Elmo requires affirmative action and, therefore, the contractor selected shall not discriminate under the contract against any person in accordance with federal, state, and local regulations.

Contract Execution

The contractor chosen will be required to enter into a contract with the City of Lake Elmo for the proposed work prior to commencement of any work (see attached draft contract). The contractor chosen will also be required to provide a certificate of insurance demonstrating compliance with the minimum insurance requirements. The information below is being provided as part of this request for proposals to give contractors an understanding of the City's expectations with respect to contract execution.

A. Negotiations and Contract Execution

The City reserves the right to negotiate the final terms and conditions of the contract to be executed. Should the City and contractor be unable to agree upon the entire contract, the City reserves the right to discontinue negotiations, select another contractor, or reject all of the proposals. Upon completion of negotiations agreeable to the City and the contractor, a contract shall be executed.

B. Contracting Ethics

1. No elected official or employee of the City of Lake Elmo who exercises any responsibilities in the review, approval, or implementation of the proposal shall participate in any decision, which affects his or her direct or indirect financial interests.

2. It is a breach of ethical standards for any person to offer, give, or agree to give any City of Lake Elmo employee or Council person, or for any City of Lake Elmo employee or Council person to solicit, demand, accept, or agree to accept from another person or firm, a gratuity or an offer of employment whenever a reasonable prudent person would conclude that such consideration was motivated by an individual, group or corporate desire to obtain special, preferential, or more favorable treatment than is normally accorded the general public.
3. The contractor shall not assign any interest in this contract and shall not transfer any interest in the same without the prior written consent of the City.
4. The contractor shall not accept any private client or project which, by nature, places it in ethical conflict during its representation of the City of Lake Elmo.