

**PUBLIC WORKS & ENGINEERING DEPARTMENT ORGANIZATIONAL ASSESSMENT
SCOPE**

Dated: 8/28/24

**Between City of Lake Elmo, Minnesota and
Baker Tilly Advisory Group, LP**

To: Nicole Miller, City Administrator, City of Lake Elmo
From: Caitlin Humrickhouse, Principal, Baker Tilly Advisory Group
Allison LeMay, Senior Manager, Baker Tilly Advisory Group
RE: City of Lake Elmo, Minnesota - Public Works & Engineering Department
DATE: August 27, 2024

This Scope of Work is attached by reference to the City of Lake Elmo, Minnesota (the “Client”, or “City”) agreement signed **DATE** (the “Agreement”) between the City and Baker Tilly Advisory Group, LP (and relates to services to be provided by Baker Tilly).

Project Goals and Objectives

Baker Tilly will partner with the Public Works and Engineering Department to develop a roadmap for a future organizational structure and staffing needs to meet expanded service levels as the community grows.

Scope of work

The Public Works and Engineering Department organizational assessment scope includes:

- Assess the current organizational structure, staffing levels, and position responsibilities’ ability to meet future needs as the community grows
- Identify process and resource (technology, external vendors, etc.) improvements to support a scalable operating structure
- Identify key metrics to inform future staffing level needs

Below we have outlined the suggested project approach. We will work closely with the project sponsor and internal team to align the tasks and milestones with your needs and perspectives.

Project Approach

The Public Works and Engineering Department oversees the infrastructure planning, design, construction, operations, city streets maintenance, drinking water, sanitary sewer, and stormwater systems. Baker Tilly will perform the following services in support of a Public Works and Engineering Department Organizational Assessment:

Phase 1—Project planning and management

This step includes those tasks necessary to solidify mutual understanding of the project scope, objectives, deliverables and timing as well as ensuring that appropriate client and consultant resources are available and well-coordinated.

1.1—Confirm scope, objectives and timing

This task includes a planning and coordination meeting with the project sponsor at the City. The following subtasks will be completed:

- **Finalize project design**—The first study activities will be to:
 - Identify communication channels and reporting relationships/responsibilities of project staff

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- Assign key responsibilities
- Review and confirm study timelines
- Review and confirm products to be delivered including expectations regarding the form and level of detail

These meeting(s) will also help establish the desired working relationship between the City and the consulting team. This will include day-to-day interactions with the staff responsible for managing services provided under the contract.

- **Review work plan**—The proposal objectives, scope and approach will be reviewed as well as consultant assignments and specific schedules for the project tasks. We will also prepare “Information Requests” listing key documents to be collected and will identify individuals for interviews.
- **Arrange logistics/administrative support**—Matters to be addressed include schedules for interviews and data collection, workspace and support requirements, specific dates for status reports, contact persons, any remaining contractual matters, etc.

1.2—Develop stakeholder outreach and engagement plan

Based on information developed through the initial kickoff meetings, the Baker Tilly team will draft and review a plan for the engagement and involvement of the project sponsor and other specific stakeholder interests and groups. The engagement plan will list the various internal stakeholder interests and groups, suggest engagement methods for each, identify those accountable for completion of the proposed engagement activities, propose a tentative implementation schedule, and conclude with execution activities.

Key activities

- Conduct virtual project kick-off meeting
- Develop project schedule and key milestones
- Confirm list of stakeholders and engagement approach
- Identify, schedule and invite participants in collaboration with City HR staff

Phase 2—Assessment of current operations service delivery model

After the project is fully mobilized, we will begin our assessment of the department operations service delivery model with a keen eye toward City-wide goals and values. The purpose of this task is to collect all information needed to evaluate the functions and the organizational structure to be reviewed in this study. Information collection techniques will include interviews, document accumulation and consultant observations.

2.1—Review background information

- City budget, strategic plan, and capital improvement plan
- Department strategic plans if available
- Organizational structure
- Staffing levels by position for the department
- Position descriptions

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- Department service technology
- Relevant policies and procedures or employee handbooks
- Key performance indicators and operating metrics
- Diversity, Equity and Inclusion initiative documentation
- Collective bargaining agreements
- Previous studies conducted in the last three years
- Other relevant information

2.2—Conduct interviews

Your project team is comprised of both public sector generalist and subject matter experts. The project managers only work with the public sector, and are generalists familiar with techniques that work in many settings to increase effectiveness and efficiency. Our subject-matter specialists are former practitioners who know the demands specific to your department. Each of our team members and the overall project leadership have a wide range of experience and expertise allowing us to look at the department from different perspectives. Our team members strengthen our ability to create solutions uniquely designed for the individual project.

Baker Tilly will develop the department project interview schedule with the department project sponsor in Phase One. The general structure and approach we propose include:

- Begin with one-on-one meetings with the two supervisors and department director to discuss department and division priorities, staffing challenges, gaps in services or skillsets, and daily responsibilities.
- 4 hours of focus group meetings based on operations functions with staff to understand how work is distributed, workflows, and technology usage.

Focusing on strategic goals and priorities, questions will inquire about structure, processes, culture, employees and other stakeholders. Discussion scope will be confirmed with the City and may include:

- Primary functions, responsibilities and skills
- Policy and process implementation at the department level
- Communication methods
- Hand-offs within the department and other departments
- Service needs met and unmet (with a focus on key performance indicators)
- Role-based system access
- Shadow system usage (including excel spreadsheets)

2.3—Document gap analysis of initial observations

Using the information gained from prior tasks, the consultant team will analyze information collected and develop a set of initial observations to be discussed with the project sponsor. Observations will focus on opportunities to:

- Programs and service adjustments needed to better align with strategic goals
- Identify gaps in programs, policies, and services and associated staffing or structure needed to meet strategic goals

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- Resources needed to meet results-based metrics and other performance measures
- Incorporate management and employee feedback from surveys

The consultant team will discuss the initial observations with the project sponsor to solicit feedback from the observations and discuss the direction and focus of the recommendation development. During this meeting, the project team will also come to consensus with the project sponsor to identify high priority items for detailed recommendation development.

Key activities and deliverables

- Develop project introduction memo to distribute prior to interviews and focus groups
- Review of all data provided
- Conduct on-site individual and focus group meetings
- Conduct virtual follow-up meetings as needed
- Documentation of gap analysis initial observations
- Meeting to discuss initial observations

Phase 3—Future state analysis and reporting

3.1—Best practice research and operating analysis

Baker Tilly will assess the City's current measures of effectiveness, efficiency, and workload. We will seek to determine if changes are needed either to the process, staffing resources, or reporting lines available to meet the desired metrics. Additional best practice research will be conducted to consider industry standards and metrics commonly used as staffing benchmarks, as well as the department work plans. Steps and resources used may include:

- Analyze service delivery metrics
- Analyze scheduling
- Assess in-source and out-source opportunities
- Identify technology capabilities and functionality gaps
- Identify employee technical skills needed for responsibility realignments
- Aggregate service delivery challenges and needs
- Identify communication strategy needs
- Research industry best practices. Common resources include:
 - International City/County Management Association
 - American Public Power Association
 - American Public Works Association

3.2—Comparative community benchmarking (optional)

Baker Tilly will work with the City to establish up to six mutually agreed upon benchmark communities to develop and issue a custom-built survey to solicit program and operating statistics for comparative efficiency and effectiveness. Dependent on the priorities set during project initiation, the survey may include:

- Budgeted FTE
- Filled FTE

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- Center lane miles maintained
- Traffic signals serviced
- Square feet of facilities
- Acres maintained
- Residential and commercial accounts
- Fuel type generation vs. capacity
- Public records act requests
- Key performance indicators used
- Outsourced services and vendors used

3.3—Preliminary organizational structure design

In the context of our understanding of the City's service delivery processes, we will analyze department staffing and workflow, workload and the distribution of tasks, and skill level needs. The goal of this analysis will be to determine optimal staffing to maintain services while keeping costs as low as possible. Recommendations may include suggestions to reassign, combine, or add positions.

Baker Tilly will prepare preliminary organizational structure recommendations and meet with the department sponsor to review and solicit feedback. The purpose of the meeting is to incorporate the information from the initial observations meeting into a visual structure. Discussion during this stage will focus on validating how functions and responsibilities are divided and prioritization for additional staffing or new positions. While these items will be discussed during the initial observation stage, we find that creating this step to visually see the structure and make adjustments is helpful prior to developing the draft report.

3.4—Prepare and issue report

Baker Tilly's consulting team operates under the principal of "no surprises." We make no final recommendations without our client's active involvement and input. While always maintaining our independence and objectivity, we have built-in feedback loops to ensure that we have our facts straight and that both the consulting team and the client understand the ramifications of our recommendations and proposed solutions to identified challenges.

Baker Tilly will prepare a draft report to include the consulting team's observations and recommendations. Final report will include:

- Organizational structure recommendations down to the position and full-time equivalent counts
- Primary roles and responsibilities for new or restructured positions
- Observations and recommendations related to processes and technology as it relates to staffing and efficiency
- Evaluation metrics and benchmarks to guide self-evaluation of future needs

We will review the corrective action plan with the project sponsor and make any edits as needed prior to issuing a final report.

Key activities

- Best practice research
- Comparable community survey analysis (optional)

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- Issue draft organizational structure
- Conduct remote draft organizational structure meeting review with project sponsor
- Draft report development
- Conduct remote draft report meeting review with project sponsor
- On-site presentation to leadership (as requested)

Project Staffing

We plan to staff this engagement with the following resources:

Caitlin Humrickhouse, Principal

Engagement Partner

Caitlin Humrickhouse leads the Baker Tilly Public Sector Advisory practice and specializes in providing consulting services that support governmental entities in their efforts to ensure the resources available (people, processes, and technology) are utilized in the most efficient manner. She has overseen numerous governmental organizational structure and service delivery projects similar to the City's project including project for Independence, MO; Moorhead, MN; Apex, NC; Rock County, WI; and others.

Caitlin will provide project oversight and support project deliverable development.

Allison LeMay, Senior Manager

Senior Project Manager

Allison brings a deep understanding of public sector needs with over 15 years of experience in organization and operational assessments, strategic workforce planning and human capital management in the non-profit and public sector. She serves on the Board for the Central Regions International Public Management Association – HR through which she has public sector HR certification and is the former chair of the Association of Local Government Auditors (ALGA) DEI Tools Committee where she developed frameworks for local governments to apply a DEI lens to all internal audit projects.

Allison will serve as a relationship manager for the City to ensure all expectations are met or exceeded, participate in project meetings and contribute to deliverables.

Woody Battle, Manager

Project Manager

Woody works exclusively with public sector organizations to develop strategic plans, align operations to strategy and manage organizational structure and risk. Woody leverages experience with organizational restructuring and operational audits of public sector organizations, as well as private sector experience in fortune 500 supply chain consulting. Woody will lead interviews, data management and analysis, reporting, in-person facilitation, and provide logistical support.

Woody will be the project manager and main point of contact for this engagement. His responsibilities will be to monitor the scope, budget, and timeline to ensure all objectives are achieved.

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Paul Woodard

Subject Matter Expert

Paul has over 40 years of experience in the public sector, specifically in local government. His career has included leadership roles as an assistant village engineer, city engineer and director of public works. In these roles Paul has coordinated and supervised activities including solid waste and recycling, engineering, streets, fleet, landfill, buildings, sewer and water utility district, parks, planning, building inspection and stormwater utilities. His responsibilities have included planning and implementing capital improvement programs and supervising the engineering and preparation of plans and specifications, cost estimates, bidding and construction inspection for capital improvement projects. He has worked extensively with city administrators and managers, councils, boards and commissions and led efforts in capital planning, contract negotiations, and department mergers.

Project Timeline

The project timeline is outlined below. We will discuss the best course of action for each task with the project team. The project will commence upon the receipt of all signed documents herein. We anticipate the below timeline, provided the agreement is signed and returned by **September 23, 2024**. This schedule incorporates prolonged phases to accommodate the holiday season.

Project Management and Planning:	Sep 23 – Oct 21
Information Gathering and Field Work Meetings:	Oct 21 – Nov 4
Initial Observations:	Nov 5 – Nov 18
Research and Analysis:	Nov 19 – Dec 16
Discussion and Prioritization:	Dec 17 – Jan 10
Final Report:	Jan 13

Any deviation from this timeline will be mutually discussed with the client. Additionally, this timeline is dependent upon receiving accurate data and timely information from the Client's stakeholders and the availability of stakeholders for interviews.

Project Fees

The **not to exceed fee** for this project is **\$34,700, which is a fully burdened quote inclusive of fees and expenses.**

OPTIONAL FEE – We recommend an optional Comparable Cities Analysis, which will increase the not to exceed fee by \$3,000, to a project fee of \$37,700.

Project Fee Breakdown

	Fees
Planning	\$7,700
Gather Information and Fieldwork	\$6,200

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Review and Analysis	\$10,300
Reporting	\$9,000
Total fees	\$33,200
Travel	\$1,500
Total	
OPTIONAL – Comparable Cities Analysis	\$3,000
Optional Total hours and fees	\$37,700

Our approach will include tailoring schedule, staffing, and fees to your needs upon selection of Baker Tilly as your service provider. We will bill monthly and plan to discuss billing/budget during our periodic status meetings to ensure there is alignment on budget expenditures.

In the event circumstances and/or engagement objectives change, we will obtain specific authorization from you prior to incurring any additional fees. Billing will be rendered monthly and payment shall be made within 30 days of receipt.

If additional work is requested and authorized by the Client that is outside of the scope of services, Client will be notified and it will be invoiced at our standard hourly rates or an additional scope will be agreed upon.

We are pleased to have this opportunity to be of service the City of Lake Elmo, Minnesota. Please indicate your acceptance of this agreement by signing in the space provided below and returning this engagement letter to us. If you have any questions, please do not hesitate to call Caitlin Humrickhouse at 312.729.8098 or caitlin.humrickhouse@bakertilly.com.

Sincerely,



Caitlin Humrickhouse, Director
Baker Tilly Advisory Group, LP
+1 (312) 729 8098
caitlin.humrickhouse@bakertilly.com

Signature Section:

The services and terms as set forth in this Scope of Work are agreed to on behalf of the Client by:

Name: _____

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Title: _____

Date: _____