

COUNCIL ACTION FORM

SUBJECT: FY 2019/20 ORGANIZATIONAL DEVELOPMENT CONSULTING CONTRACT

BACKGROUND:

Under the City Manager's leadership, for over 20 years the City's internal organization has been committed to implementing our Excellence Through People (ETP) culture development initiative. This initiative reinforces a values-driven culture that is dedicated to providing exceptional customer service to our citizens and customers at the best price, while assuring that our employees experience an enjoyable and stimulating work environment from which personal and professional growth can occur.

Since the inception of ETP in the 1990s, the City has relied heavily on current employees to help lead the initiative. While these employees performed these duties quite admirably, this assignment became more and more difficult, given that they needed to perform their permanent work assignments at the same time. Therefore, in order to continue the success of ETP, the City Manager felt it was time to designate one person whose sole responsibility would be to coordinate ETP efforts.

In FY 2018/19, the City for the first time contracted with an outside consultant to assist with the coordination of the City's ETP efforts. The City contracted with Donna Gilligan to serve as ETP Coordinator. Ms. Gilligan has extensive experience assisting organizations with their culture development efforts; and has also contributed to the development and implementation of ETP since its inception. The total paid under the FY 2018/19 contract was \$77,625.

Because the development of the City's organizational culture is a continuing journey, the City Manager's Office has identified the next steps to pursue in the City's ETP efforts. Following negotiations with Ms. Gilligan, a proposed scope of work for FY 2019/20 has been prepared, which includes:

- Prepare and facilitate a session of the existing Creating the Culture I course for formal leaders
- Develop and facilitate initial sessions of a peer discussion among mid-level managers in the organization
- Develop and deliver the first sessions of an advanced course for employees who have completed Creating the Culture
- Facilitate discussions within each City department regarding the application of the City's organizational values to each department
- Prepare the Human Resources Department to lead ETP development into the future

- Prepare and facilitate three retreats with the City's Executive Leadership Team
- Provide support for cross-departmental City teams as needed.

Each service to be delivered includes a cost not-to-exceed. The overall cost for the contract is \$70,900. The FY 2019/20 Budget includes \$70,900 for initiatives related to ETP development.

It is possible that as the year progresses, additional needs will be identified that will require change orders. Separate from this contract, Ms. Gilligan has been retained from time to time for coaching within departments, or for activities such as facilitating the City Council's goal-setting retreat. Those activities are financed from individual department budgets. Ms. Gilligan may also be separately retained for the delivery of skill-building courses for employees, which is administered through the City's Employee Development Center budget.

The City's Purchasing Policies and Procedures normally require a competitive bid process for the award of contracts of this nature in excess of \$25,000. Very few firms are able to provide expertise related to the City's unique organizational culture development efforts. Because of Ms. Gilligan's extensive expertise with the City's organizational culture, it would be inefficient to competitively bid this work to others who have no prior relationship with the City. Therefore, it will be necessary to waive the Purchasing competitive bid requirement and award a single source contract.

ALTERNATIVES:

1. Waive the Purchasing competitive bid requirement and award a single source contract with Donna Gilligan, Nevada, IA, in an amount not to exceed \$70,900 for FY 2019/20 organizational development consulting services.
2. Direct staff to conduct a request for proposals for organizational development consulting services.
3. Do not award a contract for organizational development consulting services.

MANAGER'S RECOMMENDED ACTION:

The continuing development of the City's organizational culture is an important initiative. As new employees are hired and existing employees move into positions of increasing responsibility throughout the City, a clear understanding of the City's organizational values is critical to their success. The consultant proposed to work on this initiative has a unique understanding of the City organization, employees, and the Excellence Through People organizational philosophy. It would not be advisable to use another outside resource to serve in this role at this time.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.