

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 AGREEMENT

2 **29142**

3 THIS AGREEMENT is made and entered, in duplicate, as of June 3, 2005
4 for reference purposes only, pursuant to a minute order adopted by the City Council of the
5 City of Long Beach at its meeting held on June 1, 2004, by and between PUBLIC
6 RESOURCES MANAGEMENT LLC, a California limited liability company, whose business
7 address is 1380 Leadhill Boulevard #106, Roseville, California 95661 ("Consultant"), and
8 the CITY OF LONG BEACH, a municipal corporation ("City").

9 WHEREAS, the City requires specialized consulting services requiring unique
10 skills to be performed in connection with City-wide Fee Study of Planning, Code
11 Enforcement, Environmental Health, Public Works-Engineering, Police and Fire ("Project");
12 and

13 WHEREAS, City has selected Consultant in accordance with City's
14 administrative procedures and City has ascertained that Consultant and its employees are
15 qualified, licensed, if so required, and experienced in performing such specialized services;
16 and

17 WHEREAS, City desires to have Consultant perform said specialized
18 services, and Consultant is willing and able to do so on the terms herein;

19 NOW, THEREFORE, in consideration of the mutual terms covenants, and
20 conditions in this Agreement, the parties agree as follows:

21 1. SCOPE OF WORK OR SERVICES.

22 A. Consultant shall furnish specialized services more particularly set forth in
23 Exhibit "A", attached hereto and incorporated herein by this reference, in accordance with
24 the standards of the profession, and City shall pay for said services in the manner
25 described below, not to exceed \$198,000.00, at the rates or charges described in
26 Exhibit "A".

27 B. Consultant may select the time and place of performance hereunder
28 provided, however, that access to City documents, records, and the like, if needed by

1 Consultant, shall be available only during City's normal business hours and provided that
2 milestones for performance, if any, are met.

3 C. Consultant has requested to receive regular payments. City shall pay
4 Consultant in due course of payments following receipt from Consultant and approval by
5 City of invoices showing the services or task performed, the time expended (if billing is
6 hourly), and the name of the Project. Consultant shall certify on the invoices that
7 Consultant has performed the services in full conformance with this Agreement and is
8 entitled to receive payment. Each invoice shall be accompanied by a progress report
9 indicating the progress to date of services performed and covered by said invoice,
10 including a brief statement of any Project problems and potential causes of delay in
11 performance, and listing those services that are projected for performance by Consultant
12 during the next invoice cycle. Where billing is done and payment is made on an hourly
13 basis, the parties acknowledge that such arrangement is either customary practice for
14 Consultant's profession, industry, or business, or is necessary to satisfy audit and legal
15 requirements which may arise due to the fact that City is a municipality.

16 D. Consultant represents that Consultant has obtained all necessary
17 information on conditions and circumstances that may affect performance hereunder and
18 has conducted site visits, if necessary.

19 E. **CAUTION:** Consultant shall not begin work until this Agreement has been
20 signed by both parties and until Consultant's evidence of insurance has been delivered to
21 and approved by the City.

22 2. TERM. The term of this Agreement shall commence at midnight on
23 June 1, 2004, and shall terminate at 11:59 p.m. on May 31, 2005, unless sooner
24 terminated as provided in this Agreement, or unless the services to be performed
25 hereunder or the Project is completed sooner. City shall have an option to renew for one
26 additional period of twelve months by giving notice to Consultant and both parties shall sign
27 an amendment extending the term.

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3. COORDINATION AND ORGANIZATION.

A. Consultant shall coordinate performance hereunder with City's representative, if any, named in Exhibit "B", attached hereto and incorporated herein by this reference. Consultant shall advise and inform City's representative of the work in progress on the Project in sufficient detail so as to assist City's representative in making presentations and in holding meetings for the exchange of information. City shall furnish to Consultant information or materials, if any, described in Exhibit "C" attached hereto and incorporated herein by this reference, and shall perform any other tasks described therein.

B. The parties acknowledge that a substantial inducement to City for entering this Agreement was and is the reputation and skill of Consultant's key employee Bradley Wilkes. City shall have the right to approve any person proposed by Consultant to replace that key employee.

4. INDEPENDENT CONTRACTOR. In performing services hereunder,

Consultant is and shall act as an independent contractor and not an employee, representative, or agent of City. Consultant shall have control of Consultant's work and the manner in which it is performed. Consultant shall be free to contract for similar services to be performed for others during this Agreement provided, however, that Consultant acts in accordance with Section 9 and Section 11 of this Agreement. Consultant acknowledges and agrees that a) City will not withhold taxes of any kind from Consultant's compensation, b) City will not secure workers' compensation or pay unemployment insurance to, for or on Consultant's behalf, and c) City will not provide and Consultant is not entitled to any of the usual and customary rights, benefits or privileges of City employees. Consultant expressly warrants that neither Consultant nor any of Consultant's employees or agents shall represent themselves to be employees or agents of City.

5. INSURANCE. As a condition precedent to the effectiveness of this

Agreement, Consultant shall procure and maintain at Consultant's expense for the duration of this Agreement from insurance companies that are admitted to write insurance in California or from authorized non-admitted insurance companies that have ratings of or

1 equivalent to A:VIII by A.M. Best Company the following insurance:

2 (a) Commercial general liability insurance (equivalent in scope to ISO
3 form CG 00 01 11 85 or CG 00 01 11 88) in an amount not less than One
4 Million Dollars (\$1,000,000) per each occurrence and Two Million
5 Dollars (\$2,000,000) general aggregate. Such coverage shall include but not
6 be limited to broad form contractual liability, cross liability, independent
7 contractors liability, and products and completed operations liability. The
8 City, its officials, employees and agents shall be named as additional
9 insureds by endorsement (on City's endorsement form or on an endorsement
10 equivalent in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85), and
11 this insurance shall contain no special limitations on the scope of protection
12 given to the City, its officials, employees and agents.

13 (b) Workers' Compensation insurance as required by the Labor Code
14 of the State of California and employer's liability insurance in an amount not
15 less than One Million Dollars (\$1,000,000).

16 (c) Professional liability or errors and omissions insurance in an
17 amount not less than One Million Dollars (\$1,000,000) per claim.

18 (d) Commercial automobile liability insurance (equivalent in scope to
19 ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an amount
20 not less than Five Hundred Thousand Dollars (\$500,000) combined single
21 limit per accident.

22 Any self-insurance program, self-insured retention, or deductible must be
23 separately approved in writing by City's Risk Manager or designee and shall protect City,
24 its officials, employees and agents in the same manner and to the same extent as they
25 would have been protected had the policy or policies not contained retention or deductible
26 provisions. Each insurance policy shall be endorsed to state that coverage shall not be
27 reduced, non-renewed, or canceled except after thirty (30) days prior written notice to City,
28 and shall be primary and not contributing to any other insurance or self-insurance

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1 maintained by City. Consultant shall notify the City in writing within five (5) days after any
2 insurance required herein has been voided by the insurer or cancelled by the insured. If
3 this coverage is written on a "claims made" basis, it must provide for an extended reporting
4 period of not less than one year, commencing on the date this Agreement expires or is
5 terminated, unless Consultant guarantees that Consultant will provide to the City evidence
6 of uninterrupted, continuing coverage for a period of not less than three (3) years,
7 commencing on the date this Agreement expires or is terminated.

8 Consultant shall require that all contractors and subcontractors which
9 Consultant uses in the performance of services hereunder maintain insurance in
10 compliance with this Section unless otherwise agreed in writing by City's Risk Manager or
11 designee.

12 Prior to the start of performance, Consultant shall deliver to City certificates
13 of insurance and required endorsements for approval as to sufficiency and form. In
14 addition, Consultant, shall, within thirty (30) days prior to expiration of the insurance
15 required herein, furnish to City certificates of insurance and endorsements evidencing
16 renewal of such insurance. City reserves the right to require complete certified copies of
17 all policies of Consultant and Consultant's contractors and subcontractors, at any time.
18 Consultant shall make available to City's Risk Manager or designee all books, records and
19 other information relating to the insurance coverage required herein, during normal
20 business hours.

21 Any modification or waiver of the insurance requirements herein shall only
22 be made with the approval of City's Risk Manager or designee. Not more frequently than
23 once a year, the City's Risk Manager or designee may require that Consultant,
24 Consultant's contractors and subcontractors change the amount, scope or types of
25 coverages required herein if, in his or her sole opinion, the amount, scope, or types of
26 coverages herein are not adequate.

27 The procuring or existence of insurance shall not be construed or deemed
28 as a limitation on liability relating to Consultant's performance or as full performance of or

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1 compliance with the indemnification provisions of this Agreement.

2 6. ASSIGNMENT AND SUBCONTRACTING. This Agreement
3 contemplates the personal services of Consultant and Consultant's employees, and the
4 parties acknowledge that a substantial inducement to City for entering this Agreement was
5 and is the professional reputation and competence of Consultant and Consultant's
6 employees. Consultant shall not assign its rights or delegate its duties hereunder, or any
7 interest herein, or any portion hereof, without the prior approval of City, except that
8 Consultant may with the prior approval of the City Manager of City, assign any moneys due
9 or to become due the Consultant hereunder. Any attempted assignment or delegation
10 shall be void, and any assignee or delegate shall acquire no right or interest by reason of
11 such attempted assignment or delegation. Furthermore, Consultant shall not subcontract
12 any portion of the performance required hereunder without the prior approval of the City
13 Manager or designee, nor substitute an approved subcontractor without said prior approval
14 to the substitution. Nothing stated in this Section 6 shall prevent Consultant from
15 employing as many employees as Consultant deems necessary for performance of this
16 Agreement.

17 7. CONFLICT OF INTEREST. Consultant, by executing this Agreement,
18 certifies and shall obtain similar certifications from Consultant's employees and approved
19 subcontractors that, at the time Consultant executes this Agreement and for its duration,
20 Consultant does not and will not perform services for any other client which would create
21 a conflict, whether monetary or otherwise, as between the interests of City hereunder and
22 the interests of such other client.

23 8. MATERIALS. Consultant shall furnish all labor and supervision,
24 supplies, material, tools, machinery, equipment, appliances, transportation, and services
25 necessary to or used in the performance of Consultant's obligations hereunder, except as
26 stated in Exhibit "C", if any.

27 9. OWNERSHIP OF DATA. All materials, information and data prepared,
28 developed, or assembled by Consultant or furnished to Consultant in connection with this

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1 Agreement, including but not limited to documents, estimates, calculations, studies, maps,
2 graphs, charts, computer disks, computer source documentation, samples, models,
3 reports, summaries, drawings, designs, notes, plans, information, material, and
4 memorandum ("Data") shall be the exclusive property of City. Data shall be given to City,
5 and City shall have the unrestricted right to use and disclose the Data in any manner and
6 for any purpose without payment of further compensation to Consultant. Copies of Data
7 may be retained by Consultant but Consultant warrants that Data shall not be made
8 available to any person or entity for use without the prior approval of City. Said warranty
9 shall survive termination of this Agreement for five (5) years.

10 10. TERMINATION. Either party shall have the right to terminate this
11 Agreement for any reason or no reason at any time by giving fifteen (15) calendar days
12 prior notice to the other party. In the event of termination under this Section, City shall pay
13 Consultant for services satisfactorily performed and costs incurred up to the effective date
14 of termination for which Consultant has not been previously paid. The procedures for
15 payment in Section 1.B. with regard to invoices shall apply. On the effective date of
16 termination, Consultant shall deliver to City all Data developed or accumulated in the
17 performance of this Agreement, whether in draft or final form, or in process.

18 11. CONFIDENTIALITY. Consultant shall keep the Data confidential and
19 shall not disclose the Data or use the Data directly or indirectly other than in the course of
20 services provided hereunder during the term of this Agreement and for five (5) years
21 following expiration or termination of this Agreement. In addition, Consultant shall keep
22 confidential all information, whether written, oral, or visual, obtained by any means
23 whatsoever in the course of Consultant's performance hereunder for the same period of
24 time. Consultant shall not disclose any or all of the Data to any third party, nor use it for
25 Consultant's own benefit or the benefit of others except for the purpose of this Agreement.

26 12. BREACH OF CONFIDENTIALITY. Consultant shall not be liable for
27 a breach of confidentiality with respect to Data that: (a) Consultant demonstrates
28 Consultant knew prior to the time City disclosed it; or (b) Is or becomes publicly available

1 without breach of this Agreement by Consultant; or (c) A third party who has a right to
2 disclose does so to Consultant without restrictions on further disclosure; or (d) Must be
3 disclosed pursuant to subpoena or court order.

4 13. ADDITIONAL COSTS AND REDESIGN. A. Any costs incurred by the
5 City due to Consultant's failure to meet the standards required by the Scope of Work or
6 Consultant's failure to perform fully the tasks described in the Scope of Work which, in
7 either case, causes the City to request that Consultant perform again all or a part of the
8 Scope of Work shall be at the sole cost of Consultant and City shall not pay any additional
9 compensation to Consultant for such re-performance.

10 B. If the Project involves construction and the scope of work or services
11 requires Consultant to prepare plans and specifications with an estimate of the cost of
12 construction, then Consultant may be required to modify the plans and specifications, any
13 construction documents relating thereto, and Consultant's estimate, at no cost to City,
14 when the lowest bid for construction received by City exceeds by more than ten
15 percent (10%) Consultant's estimate. Said modification shall be submitted in a timely
16 fashion to allow City to receive new bids within four (4) months of the date on which the
17 original plans and specifications were submitted by Consultant.

18 14. AMENDMENT. This Agreement, including all exhibits, shall not be
19 amended, nor any provision or breach hereof waived, except in writing signed by the
20 parties which expressly refers to this Agreement.

21 15. LAW. This Agreement shall be governed by and construed pursuant
22 to the laws of the State of California (except those provisions of California law pertaining
23 to conflicts of laws). Consultant shall comply with all laws, ordinances, rules and
24 regulations of and obtain such permits, licenses, and certificates required by all federal,
25 state and local governmental authorities.

26 16. ENTIRE AGREEMENT. This Agreement, including all exhibits,
27 constitutes the entire understanding between the parties and supersedes all other
28 agreements, oral or written, with respect to the subject matter herein.

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1 17. INDEMNITY. Consultant shall indemnify and hold harmless the City,
2 its Boards, Commissions, and their officials, employees and agents (collectively in this
3 Section "City") from and against any and all liability, claims, demands, damage, causes of
4 action, proceedings, penalties, loss, costs, and expenses (including attorney's fees, court
5 costs, and expert and witness fees) (collectively "Claims" or individually "Claim"). Claims
6 include allegations and include by way of example but are not limited to: Claims for
7 property damage, personal injury or death arising in whole or in part from any negligent act
8 or omission of Consultant, its officers, employees, agents, sub-consultants, or anyone
9 under Consultant's control (collectively "Indemnitor"); Consultant's breach of this
10 Agreement; misrepresentation; willful misconduct; and Claims by any employee of
11 Indemnitor relating in any way to worker's compensation. Independent of the duty to
12 indemnify and as a free-standing duty on the part of Consultant, Consultant shall defend
13 City and shall continue such defense until the Claim is resolved, whether by settlement,
14 judgment or otherwise. Consultant shall notify the City of any claim within ten (10) days.
15 Likewise, City shall notify Consultant of any claim, shall tender the defense of such claim
16 to Consultant, and shall assist Consultant, as may be reasonably requested, in such
17 defense.

18 18. AMBIGUITY. In the event of any conflict or ambiguity between this
19 Agreement and any exhibit, the provisions of this Agreement shall govern.

20 19. COSTS. If there is any legal proceeding between the parties to
21 enforce or interpret this Agreement or to protect or establish any rights or remedies
22 hereunder, the prevailing party shall be entitled to its costs and expenses, including
23 reasonable attorneys' fees and court costs (including appeals).

24 20. NONDISCRIMINATION. In connection with performance of this
25 Agreement and subject to applicable rules and regulations, Consultant shall not
26 discriminate against any employee or applicant for employment because of race, religion,
27 national origin, color, age, sex, sexual orientation, AIDS, HIV status, handicap, or disability.
28 Consultant shall ensure that applicants are employed, and that employees are treated

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1 during their employment, without regard to these bases. Such actions shall include, but
2 not be limited to, the following: Employment, upgrading, demotion or transfer, recruitment
3 or recruitment advertising, layoff or termination, rates of pay or other forms of
4 compensation, and selection for training, including apprenticeship.

5 It is the policy of City to encourage the participation of Disadvantaged,
6 Minority and Women-owned Business Enterprises in City's procurement process, and
7 Consultant agrees to use its best efforts to carry out this policy in the award of all approved
8 subcontracts to the fullest extent consistent with the efficient performance of this
9 Agreement. Consultant may rely on written representations by subcontractors regarding
10 their status. City's policy is attached as Exhibit "D" hereto. Consultant shall report to City
11 in May and in December or, in the case of short-term agreements, prior to invoicing for final
12 payment, the names of all sub-consultants engaged by Consultant for this Project and
13 information on whether or not they are a Disadvantaged, Minority or Women-owned
14 Business Enterprise, as defined in Section 8 of the Small Business Act (15 U.S.C.
15 Sec. 637).

16 21. NOTICES. Any notice or approval required hereunder by either party
17 shall be in writing and personally delivered or deposited in the U.S. Postal Service, first
18 class, postage prepaid, addressed to Consultant at the address first stated herein, and to
19 the City at 333 West Ocean Boulevard, Long Beach, California 90802 Attn: City Manager.
20 Notice of change of address shall be given in the same manner as stated herein for other
21 notices. Notice shall be deemed given on the date deposited in the mail or on the date
22 personal delivery is made, whichever first occurs.

23 22. COPYRIGHTS AND PATENT RIGHTS.

24 A. Consultant shall place the following copyright protection on all
25 Data: © City of Long Beach, California ____, inserting the appropriate year.

26 B. City reserves the exclusive right to seek and obtain a patent or copyright
27 registration on any Data or other result arising from Consultant's performance of this
28 Agreement. By executing this Agreement, Consultant assigns any ownership interest

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1 Consultant may have in the Data to City.

2 C. Consultant warrants that the Data does not violate or infringe any patent,
3 copyright, trade secret or other proprietary right of any other party. Consultant agrees to
4 and shall protect, defend, indemnify and hold City, its officials and employees harmless
5 from any and all claims, demands, damages, loss, liability, causes of action, costs or
6 expenses (including reasonable attorneys' fees) whether or not reduced to judgment,
7 arising from any breach or alleged breach of this warranty.

8 23. COVENANT AGAINST CONTINGENT FEES. Consultant warrants
9 that Consultant has not employed or retained any entity or person to solicit or obtain this
10 Agreement and that Consultant has not paid or agreed to pay any entity or person any fee,
11 commission, or other monies based on or from the award of this Agreement. If Consultant
12 breaches this warranty, City shall have the right to terminate this Agreement immediately
13 notwithstanding the provisions of Section 10 hereof or, in its discretion, to deduct from
14 payments due under this Agreement or otherwise recover the full amount of such fee,
15 commission, or other monies.

16 24. WAIVER. The acceptance of any services or the payment of any
17 money by City shall not operate as a waiver of any provision of this Agreement, or of any
18 right to damages or indemnity stated in this Agreement. The waiver of any breach of this
19 Agreement shall not constitute a waiver of any other or subsequent breach of this
20 Agreement.

21 25. CONTINUATION. Termination or expiration of this Agreement shall
22 not affect rights or liabilities of the parties which accrued pursuant to Sections 7, 10, 11,
23 16, 18, 21, and 27 prior to termination or expiration of this Agreement.

24 26. TAX REPORTING. As required by federal and state law, City is
25 obligated to and will report the payment of compensation to Consultant on
26 Form 1099-Misc. Consultant shall be solely responsible for payment of all federal and
27 state taxes resulting from payments under this Agreement. Consultant's Employer
28 Identification Number is [REDACTED] If Consultant has a Social Security Number rather

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1 than an Employer Identification Number, then Consultant shall submit that Social Security
2 Number in writing to City's Accounts Payable, Department of Financial Management.
3 Consultant acknowledges and agrees that City has no obligation to pay Consultant
4 hereunder until Consultant provides one of the aforesaid Numbers.

5 27. ADVERTISING. Consultant shall not use the name of City, its officials
6 or employees in any advertising or solicitation for business, nor as a reference, without the
7 prior approval of the City Manager or designee.

8 28. AUDIT. City shall have the right at all reasonable times during the
9 term of this Agreement and for a period of five (5) years after termination or expiration of
10 this Agreement to examine, audit, inspect, review, extract information from, and copy all
11 books, records, accounts, and other documents of Consultant relating to this Agreement.

12 29. NO PECULIAR RISK. Consultant acknowledges and agrees that the
13 services to be performed hereunder do not constitute a peculiar risk of bodily harm and
14 that no special precautions are required to perform said services.

15 30. THIRD PARTY BENEFICIARY. This Agreement is intended by the
16 parties to benefit themselves only and is not in any way intended or designed to or entered
17 for the purpose of creating any benefit or right for any person or entity of any kind that is
18 not a party to this Agreement.

19 IN WITNESS WHEREOF, the parties have caused this document to be duly

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executed with all formalities required by law as of the date first stated herein.

PUBLIC RESOURCES MANAGEMENT LLC, a
California limited liability company

May 14, 2005

By J Bradley Wilkes
Managing Member
J Bradley Wilkes
(Type or Print Name)

"Consultant"

CITY OF LONG BEACH, a municipal corporation

6.2, 2005

By M. J. ...
City Manager

"City"

This Agreement is approved as to form on 5/18, 2005.

ROBERT E. SHANNON, City Attorney

By R. E. Shannon
Senior Deputy

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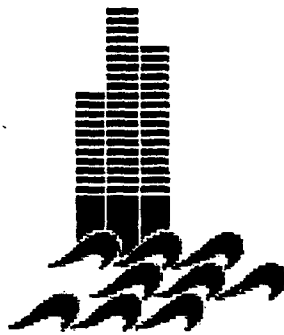


PUBLIC RESOURCE MANAGEMENT GROUP

STATEMENT OF QUALIFICATIONS AND PROPOSAL

TO PROVIDE
USER FEE SERVICES TO:

THE CITY OF
LONG BEACH



FEBRUARY 23, 2004

PRM

PUBLIC RESOURCE MANAGEMENT GROUP

February 23, 2004

City of Long Beach
David Gonzalez
Administrative Services Bureau Manager
333 West Ocean Boulevard, 6th Floor
Long Beach, CA 90802

RE: User Fee Study

Dear Proposal Committee,

Public Resource Management Group (PRM) is pleased to submit this proposal for a citywide User Fee Study. By way of introduction, PRM was started in 2002 with the belief that to be successful, a company must focus its attention on a limited number of services, hire only the best people, and provide them with the best tools. We believe that PRM is accomplishing these three criteria.

The goal of this PRM proposal is to provide the city with the confidence that PRM has a high level of interest in this project, has the very best people to provide this service, and that the tools and proposed budget will be at a level that will allow us to complete the project in a professional manner.

Overview:

PRM is a relatively new firm, started in 2002. While the firm is new, its consultants are not. We have grown from a one person firm 18 months ago, to a firm of 12 professional consultants – all focused on the full cost analysis of local government. Some of our key staff members have been involved in this field for over 15 years. Many of them have experience working with the city of Long Beach while with their previous employer. As an example, Ms. Erin Payton our proposed project manager, provided departmental user fee calculations to the city of Long Beach while with David M. Griffith and Associates Ltd. (DMG) a number of years ago. Our key team members and respective years of experience are:

Brad Wilkes (21 Years)
Erin Payton (17 Years)
Dick Hazeltine (25 Years)
Brad Burgess (15 Years)
Eric Parish (13 Years)

During the past eight months, our firm has been selected 10 out of 11 times on citywide user fee studies that have conducted competitive bidding processes. We are now the largest firm consulting firm in the West focused solely on the cost analysis of local government services. We believe our success is directly related to the quality of people we have been able to attract. While other consulting firms have lost staff, we have added staff. As PRM adds solid professionals, our credibility and strength increase. This strength, along with 100% client satisfaction, gives potential clients the confidence necessary to select



PRM. This has recently proven true when several large agencies such as San Francisco, Denver, Spokane and Sacramento selected PRM over their previous provider. In most cases, PRM replaced another consulting firm that had supplied cost accounting services on an annual basis for over 15 years.

There are several keys to success for this consulting project.

Communication:

PRM prides itself on being able to effectively communicate to the client the sometimes confusing world of direct and indirect costs. This ability stems from our long experience providing these services to California local government and our confidence in the accuracy of our work. It is our experience that the success of a complex cost analysis project is dependent on 60% the ability to present and communicate results and 40% on the technical ability of the consultant. In all our projects for larger agencies we recommend and provide several "workshops" and presentations to city staff – both general fund and enterprise fund managers, city councils and outside interested groups. Recently we have won projects for several large agencies primarily due to our interest and ability to communicate results. Examples include the cities mentioned above: Denver (600,000 pop), Sacramento (450,000), Spokane (250,000), San Francisco (700,000) and the counties of Riverside and San Mateo.

Technical Accuracy:

To be confident in one's presentation of results, it is essential that one have confidence in the data. PRM is extremely confident that we will be able to provide your city with a state-of-the-art study. Most of our senior managers have a background preparing county government related cost studies. This is an important background because these studies are audited on an annual basis by the State Controller's Office.

Naturally, this auditing process causes our staff to be very mindful of all the generally accepted accounting guidelines that guide the calculation of direct and indirect costs. In addition to our county government background, PRM senior managers have personally prepared more city government cost plan/user fee studies than any other team in the Western United States. PRM has the unique combination of solid training – steeped in the demanding world of county cost analysis, and years and years of experience preparing cost allocation and user fee analysis for California city governments.

Proposal:

This project for Long Beach will be complex and challenging. First, to prepare a solid study that can withstand scrutiny from the public and inspire confidence with city staff and decision makers, the project must be carefully planned and executed. This will require a consulting firm that clearly understands the challenges in Long Beach and will be able to plan a strategy to address each challenge. Specifically, the project must have a realistic schedule and budget. If either is shortchanged, the project's success will be at risk. PRM has developed a solid proposal that addresses the concerns and challenges of which we are aware of. We have developed several options for the city to consider. The project plan for the first option is to complete as many user fee departments as possible within a 4 month period of time. Option two, would be a thorough project that could extend over a one year period. Option three would be a combination approach of option one and two. This option would focus our resources on the high revenue potential departments while scheduling other RFP tasks to extend over a longer period of time. Our proposal is aimed at providing the city with the following results:



- ◆ Solid direct cost analysis of general fund user fee services
- ◆ An analysis of recommended fee increases developed by city staff, management and the PRM
- ◆ An analysis of the increased revenue resulting from the fee increase recommendation, and an analysis of the remaining general fund subsidy of each fee or fee category
- ◆ A comparison of selected fees charged by other cities
- ◆ A communication plan that addresses the concerns of the public, elected officials, city staff and enterprise fund managers
- ◆ Option for a 4 month study
- ◆ Option for a 12 month study

PRM has 100% client satisfaction. We welcome reference calls to any of our clients. Thank you very much for the opportunity to participate in the process. We would welcome an opportunity to discuss our proposal with you in person if our proposal is selected for further consideration.

As requested by the city, the enclosed proposal is written as a statement of qualification first and a proposal second. Our goal is to provide the city with enough information about our team and approach to encourage further discussion that would lead to a final project approach, timeline and budget.

Sincerely,



J Bradley Wilkes
Public Resource Management Group



TABLE OF CONTENTS

SECTION

Cover Letter

Executive Summary

Project Approach

I

Budget and Timeline

II

Requirements for Services

III

Description of Project Team

References

Letters of Recommendation

Attachment A:

Required Statements and Information



EXECUTIVE SUMMARY



Executive Summary

Public Resource Management Group (PRM) is a firm focused on the analysis of the full cost of governmental services. This includes the development of OMB A-87 and full cost allocation plans, indirect cost rates, the full cost of providing user fee and SB 90 claiming services and other related cost and revenue enhancement consulting services. As a focused, California based company, PRM's business model facilitates providing excellent service and quick response at professional fees that reflect a low overhead structure.

Its principal consultant and owner has a long history of providing professional consulting services to local government in California. Mr. Brad Wilkes began working with local governments in California in 1982 as a front-line consultant with DMG. Since that time, he has prepared hundreds of cost allocation plans, user fee calculations and indirect cost rate studies. When he left DMG-Maximus he was the company's Director for all consulting projects, staff members and offices in the Western States.

The City of Long Beach's (City) RFP presents a complex opportunity. The services requested are challenging and require not only technically sound consultants, but ones who have the stature required to make presentations to a diverse group of City staff and managers. Because of the competing factors such as the city's size and the complexity of the tasks within the RFP versus the limited project budget and timeline, PRM proposes to team with Matrix Consulting Group. Our combined teams of professionals give the City the best opportunity of getting the maximum results accomplished in a short period of time.

The PRM team of local government consultants represents the most experienced individuals available in the Western United States. Between our proposed project team members, we have completed hundreds of cost of service studies for city governments. PRM will conduct a thorough analysis of the full cost of city services as requested in the RFP. In addition, we would like to draw particular attention to the following areas of focus:



1. Communication Plan:

PRM believes the success of this project will hinge on the consultants' ability to communicate results. To address the importance of this factor, PRM recommends the development of a communication plan. This plan can be fine tuned for the unique nature of Long Beach, but in general, our plan includes the following broad steps:

Step One: Do not wait to introduce the study until the project's completion. There is too much to digest if communication waits until the end of the project. PRM has been successful in laying the groundwork for the underpinnings of the project by conducting a "Full Cost of Governmental Service – Workshop 101". This presentation reviews the principles of direct and indirect costs. We review what role the City's cost allocation plan plays in this study and how the cost plan concept was developed by the federal government and its historic role in calculating the support costs of government. We walk the audience through how to read a cost plan, how it calculates "overhead" allocations to enterprise funds and how its numbers flow into a user fee study. The PRM software is linked, so that the flow of data from the cost plan and the user fee study is seamless and easier to understand than the City's current cost plan and user fee documents.

Step Two: With the groundwork laid in step one, our staff fans out across the City and meets individually with City staff. Detailed data is gathered and the financial calculations are begun. It is imperative that a solid understanding of the process be developed upfront before the results are developed, and later presented. These individual meetings solidify what was presented in step one, and are meant to inspire confidence in staff member's minds that PRM is well qualified to prepare this study.

Step Three: Presentation of interim results. When the project has preliminary results, PRM has found it helpful to provide a presentation to interested parties. This is part of the "no-surprises" approach to consulting to which PRM adheres. This allows decision makers the opportunity to prepare themselves for the final results and reduces the chances of having staff, managers and elected officials being caught off guard.

Step Four: Presentation of final results. It is our experience, that this may require two presentations. The first would be a presentation of the results and then a follow-up meeting may be required to answer questions and re-present the project given questions and concerns brought up in the first meeting.

This is an outline to the communication plan PRM believes will be vital to the success of this project. However, our long career has taught us that you can not plan for everything. Even the best plans sometimes go awry. Our long history in providing these services to local governments gives us the confidence that will be able to address any surprises that will inevitably arise.



In addition to our standard references, the following are clients who selected PRM over other firms because of the value they placed on our ability to communicate and present project results. Please feel free to call any of these clients to ask specifically about our presentations and workshops.

Roseville
Mr. Russ Branson
Finance Director
rbranson@roseville.ca.us
916-774-5317

Burbank
Ms. Jennifer Kaplan
Budget Office
jkaplan@ci.burbank.ca.us
818-238-5500

Sacramento
Ms. Reina Schwartz
Budget Director
rschwartz@cityofsacramento.org
916-808-7195

Riverside County
Mr. Mike Alexander
Chief Accountant

malexander@co.riverside.ca.us
909-955-3800

San Mateo County
Mr. Bob Adler
Assistant Controller
badler@co.sanmateo.ca.us
650-969-4777

La Mirada
Mr. John DiMario
Asst. City Manager
jdinario@cityoflamirada.org
562-943-0131

Spokane County Washington
Ms. Downs Paul
Budget Office
dpaul@spokanecounty.org
509-477-5799

2. Project Strategy – Technical Approach and Plan:

The city of Long Beach is in the same budget position many of our other clients are in. City governments in California are faced with budget shortfalls and are looking to user fees as a source of increased revenue. The sooner the fee analysis is complete, the sooner the City can realize the benefit of increased revenue. However, the complexity of the study conflicts with the short timeline of 4 months. The challenges are:

- ◆ The study must be technically sound
- ◆ The study must have the confidence of staff, policy makers, elected officials and the public
- ◆ The study encompasses all user fees within the city
- ◆ The RFP requires extensive fee comparisons, best practices and an analysis of enterprise funds
- ◆ *The timeline for the study is short*

The PRM strategy leverages our strengths and faces these challenges head on. Our project team size, experience and ability to team with Matrix Consulting places PRM in a unique



position to tackle this large project within a limited timeline. Our strategy is built around, 1) focusing the large PRM staff in the areas that require our technical background by dividing the City user fee departments into "sectors" with a PRM team of consultants assigned to each sector, and 2) assigning the management consultants at Matrix Consulting the RFP's stated tasks that center around fee comparisons, process improvement and enterprise fund issues. While other firms are limited by their pool of experienced consultants, and must approach this project in a linear fashion, department-by-department, RFP task-by-RFP task, PRM does not. Our approach allows us to capitalize on the size and experience of our project staff in a manner which allows the completion of the project in a parallel manner.

The PRM team consists of consultants who have broad backgrounds, and the assignments will be made to play to their own particular strengths and interests. For example, Patrick Dyer, on our staff, has a great deal of strength with park and recreation departments, whereas Mike Adams' strength lies in the development-related departments. While both have broad user fee experience, the PRM plan places PRM staff in departments where they feel particularly strong. Our overall project manager, Ms. Erin Payton, has both the length of experience in this field, combined with the unique knowledge gained from providing these same services for Long Beach during the last time the city conducted user fee studies in the 1990s while she was a member of DMG. While other firms will struggle with just putting bodies on this project, the overall size of the PRM project team and our project approach allows our firm the luxury of placing our specialists in their own areas of specialty.

PRM user fee staff will be able to maximize the number of fees reviewed during the short project timeline by assigning Matrix staff the responsibility for fee comparisons, best practice issues, potential process improvement ideas and enterprise fund issues. By sectioning off these tasks, PRM staff will be freed up to focus on the technical aspects of the fee calculations. This team approach (both of the PRM staff and the inclusion of the Matrix staff) will work together to ensure that maximum benefit will occur to the city even with the challenging short timeline. PRM's approach allows our team to complete the user fee analysis, department-by-department in a parallel manner, while allowing Matrix staff to focus on the other RFP-required tasks. Due to their limited pool of experienced staff, other firms must approach this project in a more linear manner, one department at a time.

The PRM project plan includes eight PRM staff members and three staff members from the Matrix Consulting firm. Two of our proposed project staff members reside within miles of Long Beach City Hall. Project team members, Mr. Mike Adams and Ms. Nicky Cass live in Fountain Valley and Costa Mesa, respectively. Their proximity will facilitate our on-site visits and presentations.

Our approach does several things for the city. First, by utilizing Matrix Consulting staff for then non-technical aspects of the project, PRM staff will be able to focus on the development of the full cost of user fee services. Secondly, the size and experience of PRM staff will provide the city the best opportunity to complete the study in as a rapid manner as possible. These two factors working together will allow the city to begin to reap the benefits of the increased revenue generation from user fees sooner than with any other approach.

3. User Fee Analysis:

PRM software is extremely flexible. The software has a variety of features. These features allow the user to select the degree of complexity they desire. For example, when developing the analysis for a particular user fee service, the user can select an option that details every step in the service and provides for a "per minute" time estimate for each step, all adding up to a "total time per service." The other option would be a more summary look at the service where the user bypasses the "step – by – step" analysis and enters in just the total time per service. Our interview approach and the design of our software, is designed to minimize one of the key concerns in user fee studies – "garbage in, garbage out." A study such as this will meet several challenges. Department managers, elected officials and the public must be convinced the study is as accurate as possible. Many firms believe it is the City's responsibility to provide accurate raw data. While this may be true, PRM believes we are partners in this effort and we have developed a process during the interview and data collection stages which enables us to fine tune the accuracy of data going into the study calculations.

4. User Fee Comparisons and Enterprise Fund Analysis:

As cost consultants, we believe the City should base its decisions on the cost calculations produced in the study. However, we understand that the elected officials and policy makers in the City have other considerations as well. As the RFP stated, comparisons to other local governments are a key piece of data necessary for the city to make informed decisions. PRM has developed a sound process to complete the requested comparison study.

PRM proposes a unique approach to this portion of the study by having our Matrix Consulting team partners conduct these RFP requested tasks. Matrix staff has years of experience working with local agencies across the country. No other cost accounting firm could approach this part of the study as well as could Matrix. Matrix Consulting is a professional management consulting firm that specializes in improving local government operations. Matrix is positioned to provide any level of detail and analysis in these subject areas. The project budget and timeline will be the only restrictive factors. By focusing the technical skills of PRM cost accounting staff on the user fee related issues and focusing the management studies staff of Matrix on non-technical aspects of the proposal, the City benefits both in the quality and the quantity of work completed.

For example, our combined client list includes the largest agencies in the West. We have worked with these agencies for years. Several have employed the enterprise fund concept in unique ways. For example, the county of Spokane has moved all building inspection and planning department services from the general fund into an enterprise fund. Likewise, the



county has required all information technology service to also operate as an enterprise fund. With our contacts in these agencies, our staff will have the ability to obtain in-depth information about the strengths and weaknesses of these actions.

In addition, PRM is currently completing the development of a statewide user fee database. Over 200 city fee schedules (mostly planning departments) have been gathered, and a centralized user fee database is being developed for fee comparisons. Therefore, in addition to the requirements mentioned in the RFP, PRM will also have a wealth of information built into our database available for additional information. The database will enable comparisons to be made by county, population size, fee title, etc. Comparisons can be drawn to provide the city with an "unscientific" look at how their fees compare. As cost analysts, we know that comparisons should be made carefully, but we also know through experience that city decision makers (such as city council members) need such comparisons to provide a certain "unscientific comfort" level as they approach fee increase decisions.

5. New Fees:

The statewide user fee database, combined with our team's experience in all areas of city user fee services (such as parks, recreation, police, fire, planning, city clerk, library, building, engineering, public works, etc.), PRM will be able to assist in identifying new areas of fee opportunity. In addition, PRM will review the cost allocation process to ensure all areas of general fund support costs are being recovered.

6. Fee Study and Cost Plan Workshops:

PRM offers as a part of our standard use fee study project two additional "workshops" for city decision makers. Our experience has shown that city management and the city council will be better prepared to make fee increase decisions if an introductory workshop has been held in advance of the final presentation of the study results. This "Full Cost Analysis 101" workshop describes the process of full cost calculation. This presentation is balanced to provide enough high level detail to give the decision makers a sound understanding of how costs will be calculated - leaving time for questions if more detail is requested. PRM clients have found this process to be critical in the understanding and acceptance of study results.

In summary, the project proposed is a wide ranging study of all the general fund user fee funded services in the City. The PRM project team has the varied background and experience to address all the areas of concern expressed in the city's RFP. PRM considers this RFP a premier opportunity to work with the City of Long Beach. It also offers a chance to tackle a challenging project and build a solid foundation of full cost analyses that will benefit the City for years to come.



I. PROJECT APPROACH - SCOPE OF SERVICES



I. Project Approach - Scope of Services

As PRM approaches this project for the city of Long Beach, we are guided by three overriding goals, 1) producing the most technically sound project possible, 2) managing the project in a professional manner to ensure as much "buy-in" as possible by City departments and, 3) producing management reports that are professionally presented, informative and useful. Our project approach supports these objectives.

A. Project Approach:

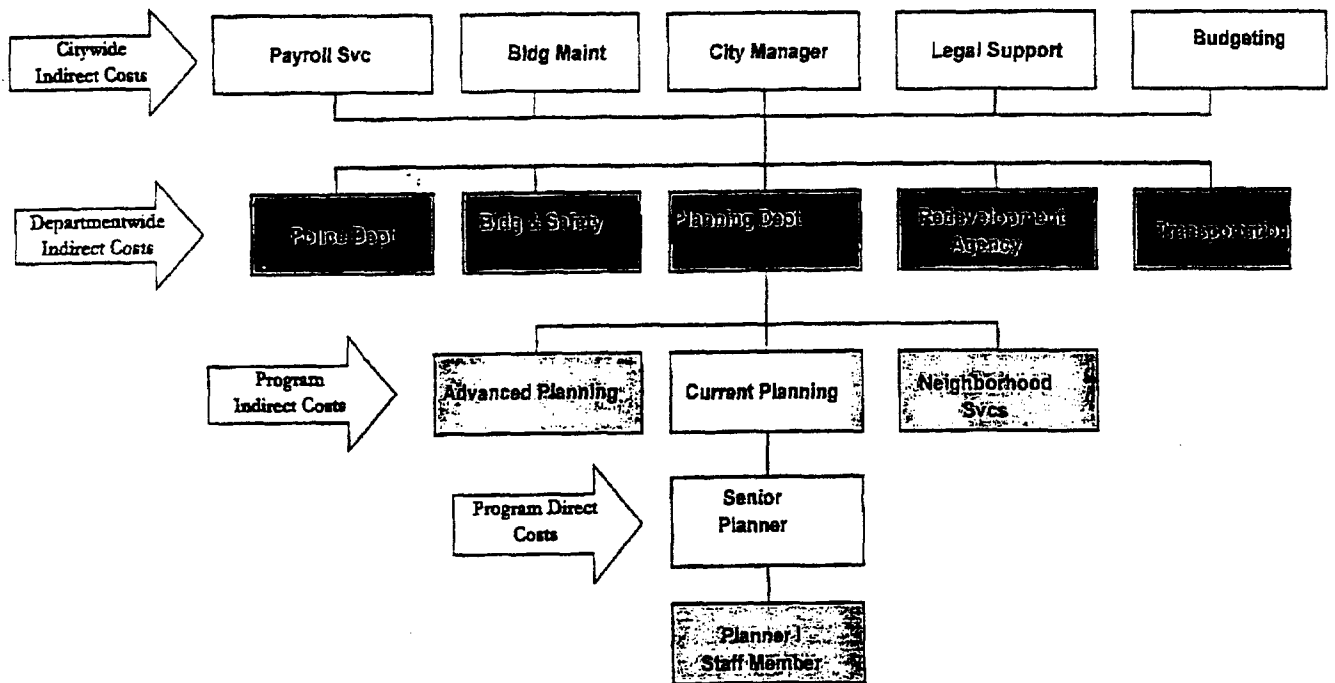
1. Introduction

The steps required to calculate the full cost of services involve the calculation of 1) indirect cost and 2) direct cost. The chart below provides an overview of the calculation process. Each example of indirect and direct cost is illustrated. Indirect costs are broken into three levels.

The first level illustrates costs to support the entire City government structure or "citywide" indirect costs. In the example below, a citywide cost such as payroll service to planning department staff is labeled a citywide indirect service (*yellow squares*). Department-wide support services, or the second level of indirect costs, are those that support staff only in one department (*dark blue squares*). Finally, the third level of indirect costs are those accounted for within the program itself (*light blue squares*). This level includes costs such as: clerical support, certain supply and services, etc. Finally, the direct cost is solely the cost of the service provided by the planner within a planning department who directly interacts with the customers/citizens (*green and gray squares*).

The chart below illustrates the three levels of indirect versus direct cost:





PRM uses federally approved guidelines and generally accepted indirect costing methods to identify and calculate these levels of costs. The *cost allocation plan* is used to allocate citywide indirect costs throughout the city government structure. The review of the City's cost allocation plan is the first step in calculating the full cost of city services. This document will be key to all other cost calculations made in the study. Departmental and program *indirect cost rates* are also calculated to determine the level of departmental indirect costs used to support a direct city service. Once the indirect costs are calculated, the data is integrated into the PRM user fee software and combined with the direct cost analysis to form a full cost calculation.

The steps involved in a full cost of services study include:

1. Review the City's current Cost Allocation Plan. Review the following:
 - a. Costs allocated – ensure all indirect costs are being allocated for use in a user fee study (*this is key, because a typical cost plan may not be designed for the allocation of all costs required in an accurate user fee study.*)
 - b. Allocation base selection
 - c. Allocations of indirect cost to enterprise funds
 - d. Allocations of indirect costs to user fee services
 - e. Allocations of indirect costs to facilities and fields
2. Development of a User Fee Study
 - a. Evaluation of Existing Fee Structure - Identification/Inventory of all user fee related services
 - i. Calculation of the direct cost of each user fee service
 1. Salary cost of direct staff supplying service
 2. Fringe benefits
 3. Direct services and supplies

- ii. Consideration of Community Needs and Socio-Economic Factors
- b. Overhead, Indirect and Capital Costs - Full Cost Identification
 - i. Integrate indirect cost data from the cost allocation plan
 - ii. Integrate direct cost data
 - iii. Subsidy Analysis
- c. Evaluate Existing Procedures of Fee Administration
- d. Develop a comparison of fee levels among other selected cities.
- e. Public Input and Policy Recommendations

B. Work Plan:

The RFP tasks A, B, C, D and E will all be addressed in a parallel manner. The work plan below integrates all the requirements requested by the RFP in a linear format. However, the PRM strategy calls for these steps to begin in a parallel manner – all being completed as the same time. The extent and detail of each task will be determined by the final budget and timeline agreed upon by the City.

Project Introductory Meeting

To ensure a successful start, PRM recommends holding an introductory meeting with key staff members that include both general fund departments and non-general fund departments. Of course, PRM will look to City staff for guidance for the purpose and content of the meeting and for a list of invitees. PRM considers an initial meeting designed to review the project's overall goals and objectives vital to a successful outcome. Agenda items for the introductory meeting could include:

- An explanation of the cost plan and user fee analysis process
- The purpose of a full cost study
- How other cities use full costing
- Example summary reports produced by the project
- Questions and answers
- Etc.

Data Review

As soon as possible, lists of basic data requirements will be developed. They include: lists of selected staff salary levels, benefit cost detail, operational budgets, transaction statistics, etc. PRM will work with the City to develop and gather needed data in the most efficient way. Once this basic data is acquired, the cost plan review and user fee rate calculations will be developed.

Task A and B:

Cost Allocation Plan Review – Overhead, Indirect and Capital Costs:

As mentioned earlier, the City's current full cost allocation plan will be reviewed for several purposes. First, the cost plan must include a certain level of detail that allows for city overhead costs to be

included in the user fee study. Citywide overhead is typically allocated in the cost plan, but departmental, divisional and program overhead may not be. All layers of indirect cost should be included in the user fee study. If all layers are not addressed in the cost plan, PRM will take steps to prepare the necessary allocations for any missing layers of cost. As in all of PRM's user fee studies, all layers of indirect costs will be addressed and identified as part of the normal operation of the PRM process and software.

User Fee Direct Cost Analysis:

The PRM approach will address all the tasks listed in the city's RFP, however, PRM will work with the City to devise a work plan to narrow our focus to the areas of greatest return, given the City's limited time frame and budget.

- a) User Fee Inventory: Working with City staff, an inventory of all current user fee charges will be developed. This list will include all general fund services provided to the public for which fees are charged. The objectives of the inventory are to identify all general fund user fee charges matched to the departments which supply the services. In some cases, more than one department will participate on a particular service. Information such as the following will be reviewed:

- fee history
- fee type (regulatory, fines, etc.)
- rate increase history
- revenue history
- fee purpose
- # of units completed each year
- departments providing service

The same process will be used for other revenue sources as described in the RFP.

- b) Departmental Interviews: With information from the fee inventory, each department supplying user fee services will be interviewed. Using the PRM interview forms, the following data will be gathered:

- Staff members providing service
- Amount of time:
 - Required to complete one unit of the service
 - Per year spent supplying the service
- Activity statistics such as:
 - # completed per year
 - # completed last fiscal year
 - estimated # of units completed in the coming fiscal year



The key statistics needed from a departmental interview are individual staff estimates of time spent providing each service and the number of units completed on an annual basis. The attached PRM interview form provides an example of the data needed. In each department interview, 100% of each staff member's time is identified to ensure no service, user fee related or not, is excluded from the full cost analysis.

(Optional – Building Department Nexus Study — this option is shown here for informational purposes only):

Traditionally, city building departments have depended on the Uniform Building Code (UBC) rate tables to establish building inspection and plan check fees. A fee study can review the revenue generation of these tables and recommend general increases and/or adjustments to the UBC rate factors depending on the total cost of the building department. Several PRM clients have requested that PRM conduct a more thorough "Nexus" study that develops a new method and basis for charging fees. This nexus method makes a firm connection between hours and cost of service that some feel is lacking in the traditional UBC table method. We are currently conducting this analysis for both the cities of Roseville and Whittier. Because the process is more detailed and time consuming, we offer it on an optional basis. If the City of Long Beach desires this approach, PRM will be pleased to develop a process for it. This current PRM proposal assumes the City will maintain their current structure of building inspection fees and that the fee study will calculate the full cost of services rather than taking the time and budget to completely re-do the structure of charging.

- c) Financial Analysis: Once the basic time and workload transaction data is gathered from the departmental interviews, salary data, departmental service and supply cost data is entered into the PRM user fee software. This departmental data is integrated with the indirect cost data developed within the PRM cost allocation plan module. The direct costs and indirect cost of each fee is calculated and displayed for review. PRM will work with City departments to understand the community needs and the socio-economic factors of each programs potential fee increase. These factors will be used as key issues in the development of fee increase recommendations.
- d) User Fee Management Reports: All the financial, transaction and comparison data is reported in the final management reports. Each department is provided an opportunity to review the cost/revenue data at least two separate times. This ensures that the raw data is as accurate as possible, resulting in a more reliable final report.

Task C:

Evaluate Existing Procedures of Fee Administration

- a) During Departmental Interviews Information Related to This Task Will Be Developed: For several decades in California, particularly since the passage of Proposition 13, there has been increased use of non-tax related revenue sources, such as user fees, a marked rise in the use of enterprise funds, and other non-general fund sources of revenue. In this task the PRM/Matrix



project team will review in as much detail as the project budget and timeline allows all issues listed in the RFP.

As an example, our team will develop a project plan to address each bullet point. For example, given our relationships with most of the largest cities in the state, we will be able to provide in depth data related to the creative use of enterprise fund operations. For example, in response to decreased federal funding and state "takeaways", cities have increased the range of services provided through enterprise funds to include parks and recreation, fire prevention, planning and building, and other services. In completing this particular step, we would accomplish the following:

- Document the types of enterprise funds utilized by the City of Long Beach;
- An assessment of how the use of the existing enterprise funds could improve fee recovery methods (for example, is the general fund fully recovering its costs for user and regulatory fees charged and administered by these enterprise funds);
- Conduct a survey of other cities including the ten largest cities in California to document the types of enterprise funds utilized by these cities, any changes in the enterprise fund structure over the past several years, and the sources of revenue for these enterprise funds;
- A comparison of the types of enterprise funds in use in these cities to those in Long Beach;
- The documentation of the types and amount of fees that Long Beach would have to charge to establish comparable enterprise funds including consideration of indirect cost allocation (in instances in which these cities are utilizing enterprise funds for services that are funded by the general fund in Long Beach);
- The documentation of the amount of revenue that would be generated if these services in Long Beach were "enterprised" and the extent of relief that would be provided to the general fund.

The product of this step would be the documentation of how existing enterprise funds could improve existing fee recovery methods, possible new applications of enterprise funds for the City of Long Beach, and the financial impact in terms of additional revenue that could be generated and the extent of relief that would be provided to the general fund.

Task D:

Conduct Comparisons to Other Jurisdictions.

In this task, the project team would assist departments to identify services that benefit specific end users; determine how existing fees and fines compare to neighboring jurisdictions,



comparable jurisdictions in terms of population, neighboring and other large cities in California; identify and recommend any new fees and fines that are utilized in these other cities and not in Long Beach; and conduct a comprehensive study of best practices and existing user and regulatory fee policies.

In accomplishing this task, we would :

a) Meet with Appropriate Departmental Managers to Document the Services these Departments Provide and the Specific End Users that Benefit from These Services: In these meetings, the project team would accomplish the following:

- Develop an understanding of the scope of the services provided by each department, and document workloads and service levels for each function.
- Develop an understanding of key performance indicators for these services and the end users that benefit from these services.
- Develop an understanding of current fees for these services.

In discussing the end users of the service with these departmental managers, the project team would want to differentiate the nature of the end user and who benefits from the service. For example:

- The user fee cost recovery should consider the citywide versus special nature of the service. User fees are appropriate for services that are of special benefit to easily identified individuals or groups.
- The concept of service recipient versus service driver should also be considered in identifying the end users that benefit from these services. For example, it could be argued that the applicant for a planning permit is not the sole beneficiary of the City's development review efforts; the neighbors of this proposed development also benefit from these services. This, in some instances, has mitigated full cost recovery for Planning Department services in some cities.

The product associated with completion of this step would be summary descriptions of each department's services and the end users that benefit from these services. These descriptions would be structured to provide a baseline summary of information valuable for later analysis.

b) Compare the Types and Amounts of Fees and Fines Charged by Long Beach Compare versus Other Jurisdictions: The purpose of this task is to evaluate the fees and fines charged by the City of Long Beach to other jurisdictions. These jurisdictions would include neighboring jurisdictions such as Cerritos, Torrance, etc.; jurisdictions of comparable size such as Oakland, Fresno, Santa Ana, etc.; and the largest ten cities in California (excluding duplicates from the previous data collection). We would also encourage that cities in California that are known to

use effective fee recovery policies and structures be included in this survey. This step would consist of the following components:

- Select and refine a set of comparison cities, services, and fees for use in evaluating the user fees charged by the City of Long Beach. This list would be shared with the City of Long Beach and revisions to this set of comparison cities, services, and fees revised as necessary.
- Collect the fine and fee cost recovery policies and procedures developed by these cities.
- Discuss the processes utilized by these cities to update the fees and fines charged by these cities (such as whether this is administered centrally by the Finance Department).
- Discuss the cost recovery policies adopted by the City (such as whether the City has adopted policies that result in less than full cost recovery for some services, what services were selected for less than full cost recovery, the basis for that policy, and the extent of cost recovery selected for those services. This discussion would include what costs these fees are intended to recover (such as indirect costs).
- Document the extent of cost recovery for these services.
- Document the indirect cost allocation charge utilized by these cities and the indirect cost allocation percentage utilized.
- Document the fines and fees being charged by these cities that are not being charged by Long Beach. The City of Fremont, California, for example, has begun charging fire inspection fees for non-State mandated inspections such as "B" occupancies (a building or structure, or a portion thereof, for office, professional or service-type transactions, including storage of records and accounts; eating and drinking establishments with an occupant load of less than 50).

The product of this step would be a comparison of the cost recovery policies and procedures in practice in the City of Long Beach versus these comparison cities, the extent of cost recovery for the selected services for Long Beach compared to these cities, the fees and fines charged by Long Beach compared to these cities, the effectiveness of the fine and fee policies and procedures in Long Beach in comparison to these cities, and whether any of these cities are charging fees and fines that are not being charged by the City of Long Beach.

- c) Conduct a Comprehensive Study of Best Practices for User and Regulatory Fees: The application of "best practices" analysis for user and regulatory fees in California today provides a timely juncture to identify opportunities for improvement in cities, particularly given recent "takeaways" by the State. The content and characteristics of its use, however, can mean many things depending on the consulting firm and the needs of the organization. Best

practices for some consulting firms has meant nothing more than general comparative analysis to arrive at where a city stood with respect to its competitors or neighbors. In our studies, best practices have meant a more structured approach to comparing the practices of a city with the leaders in a given field. As a result, we propose to accomplish the following in completing this particular step.

- We will utilize the detailed list of "best practices" for user and regulatory fees that we have developed for previous clients. These best practices will be customized to fit the circumstances of Long Beach as appropriate. The examples of these best practices include such examples as City Council adopted user and regulatory fee policies and procedures, a City Council adopted fee table that includes all of the user and regulatory fees charged by the City, annual updating of these fees, the documentation of the full costs of service delivery as the basis for these fees, an efficient and effective fee collection system, etc.
- We will then conduct a diagnostic assessment of how well the City of Long Beach meets these, and will consist of the following:
 - A definition of the best practice (such as City Council adopted user and regulatory fee policies and procedures).
 - A description of the current performance in Long Beach against these benchmarks.
 - Identification of those user and regulatory fee practices in Long Beach in which the current delivery approach met or exceeded the best practices selected and require no further study.
 - Identification of those user and regulatory fee practices in which the practices of Long Beach represent potential improvement opportunities for the City.
 - A description of the next step(s) which the City should take to meet those best practices in user and regulatory fees.
- We will also use this detailed list of "best practices" for user and regulatory fees as the basis for comparison of Long Beach against the ten largest California cities and other relevant cities in California.

The results of this step will be a comparison of the actual performance of Long Beach against these detailed list of "best practices" for user and regulatory fees and against the comparison California cities utilized previously.

Several products will be generated by this task. These products include the following:

- (1) How the user and regulatory fees charged by Long Beach compare to other cities;



- (2) The identification of fees and fines that are charged by these other cities that are not charged by Long Beach, recommendations regarding whether these fees should be charged by the City of Long Beach, and the estimated annual revenue that would be generated if Long Beach charged these fees;
- (3) A comparison of the user and regulatory fee practices utilized by Long Beach in comparison to "best practices"; and
- (4) How the user and regulatory fee practices utilized by Long Beach compare to other cities in California, particularly for cities that are recognized as effective practitioners in the application of user and regulatory fees.

Task E:

Public Input and Policy Recommendations:

Early in the PRM proposal we stated that the success of a project like this is dependent on both the technical ability of the consulting firm, and even more importantly, upon the firm's ability to communicate project results. Even the most technically accurate project will be shelved if the results are not communicated in an understandable manner. PRM understands this principal and designs its entire project around being able to communicate results to city staff, city decision makers, elected officials and the public. The communication plan described in the executive summary addresses this task.

PRM begins by ensuring the basic groundwork is built by beginning the project with an introductory workshop. This workshop discusses and illustrates definitions, processes and methods of indirect and direct costs. Throughout the project PRM will issue status reports, provide interim presentations and will ensure that all communication, both written and verbal, will be designed for the non-accountant.

Step one of the project will be to design a communication plan that provides for a wide distribution of information to all the stakeholders in the project. Feedback from these informed stakeholders will be essential for the project's policy recommendations.

II. Budget and Timeline



II. Budget and Timeline:

PRM has been successful providing the best level of service for reasonable prices. PRM has developed this proposal using the following three assumptions – all of which affect the price of the study.

1) Using only experienced staff: The price proposed below is based on using only experienced team members. Our entire project team will be on-site working. We do not list senior staff and then send inexperienced staff to do the on-site work.

2) Ensure that the project is successful: PRM has a good understanding of the problems that face Long Beach. We have experience with the City's past cost allocation plan and user fee study. We have designed a project that addresses all these underlying problems - our proposed study includes:

- ◆ A solid timeline and corresponding project budget
- ◆ A project team of only experienced staff
- ◆ A project team of eleven people
- ◆ A communication plan that addresses the keys to project acceptance:
 - Reliable numbers
 - An understanding of the project allocation and accounting principles
 - Selected fee comparisons with other agencies
 - Confidence in the consultant and the process

3) Our proposal is built with the idea expressed during the RFP bidder's conference that the final project plan, budget and timeline will be developed in concert with further discussions with the City before a final contract is established. The PRM proposal is a statement of qualifications and a presentation of the resources we are able to employ to



address the concerns, goals and objectives outlined in the City's RFP. We look forward to fine-tuning our approach through further discussions with the City. The professional fees below reflect our professional fees and do not include travel and project-related expenses such as report production.

We will be pleased to negotiate our prices to reflect the final goals and objectives of the City. For proposal purposes our professional fees are:

Option I – Four Month Timeline:

PRM proposes to apply our project plan to address all general fund fee areas in the City. We will pay particular attention to the "high return" user fee services such as planning, building and certain programs within engineering, fire and police. PRM will work with City staff to develop a final list of services to review. This option will focus most of our project resources on the technical calculation of the full cost of services represented by our final list. For example, the project will provide detailed full cost calculations for user fee activities within the following departments:

- ◆ Planning
- ◆ Building
- ◆ Public Works
- ◆ Engineering

A more broad, full cost calculation will be made for the user fee services within these departments:

- ◆ Police
- ◆ Fire
- ◆ Park and Recreation
- ◆ Library
- ◆ Others

Secondarily, the project will have a limited focus on Matrix Consulting staff on developing fee comparisons and the evaluation of existing procedures of fee administration.

The proposed project budget will be in keeping with the budget of \$100,000 as requested by the City.

Option I – Menu:

Task A and B:	\$75,000
Task C:	\$10,000
Task D:	\$10,000
Task E:	\$ 5,000



Option II – 12 Month Timeline:

PRM proposes, as a second option to consider, a more thorough and in-depth project. This project will address each RFP task in detail and will require a full 12 months and a budget of \$150,000 to \$180,000. The project plan will be as follows:

- ◆ A full communication plan
- ◆ Detail user fee calculations for all general fund user fees in the City
- ◆ A complete evaluation of fee administration and procedures
- ◆ A comprehensive comparison of fees with 10 largest cities in the state
- ◆ An integration of the in-house fee studies which the City's non-general fund departments have completed
- ◆ A complete program of public input and policy recommendations

Option II – Menu:

Task A and B:	\$125,000
Task C:	\$ 20,000
Task D:	\$ 25,000
Task E:	\$ 10,000

Option III – Combination Approach :

PRM would like to recommend a third approach. This approach combines options one and two. The strategy of this approach is designed to provide the City with the data necessary to increase user fees in the high impact fee areas as soon as possible, while allowing enough time to thoroughly complete the other requirements in the RFP. Each task in the RFP will be rated for its relative impact on the discussion related to increasing user fees and generating revenue back to the general fund. Each task will be further rated for a determination of how to focus our project resources. PRM will again leverage our team's size and experience to ensure maximum analysis is completed in the shortest period of time.

For example in tasks A and B, most of the focus of the study during the first few months will be on the development of the full cost analysis of user fee services. Departments will be broken into three categories indicating high potential, medium potential and low potential revenue departments. Once these rates are completed our project teams will apply a project timeline and budget to each task – focusing on the high impact areas first.

The results of this approach will be to provide the City with enough data to significantly raise fees and begin to realize the benefits of increasing general fund revenue, while completing the remaining areas of the study in a professional manner.



III. REQUIREMENTS FOR SERVICES

**PROJECT TEAM
REFERENCES**



III. Requirements for Services

The project will be conducted by a team of professionals from two California-based firms – Public Resource Management Group (PRM) and Matrix Consulting. Mr. Brad Wilkes, President of PRM will be designated as project lead. Matrix Consulting will participate in the non-technical fee calculation areas such as RFP tasks C and D. Ms. Erin Payton, senior manager with PRM, will be the project manager. Ms. Payton has prepared hundreds of California city user fee studies over her 17 year career. While with DMG in the 1990s she completed the City of Long Beach's last major user fee study. Ms. Payton has the unique combination of 17 years of experience and the personal knowledge of the City's operations.

Matrix Consulting brings added strength to the PRM team. "Typical" fee studies focus most attention on the calculation of full cost. Project timelines and budget usually allow for a "typical" project plan. The RFP for this project is not typical. The added emphasis on fee administration, enterprise fund operations, extensive fee comparisons with other cities, the request for best practice ideas and questions about process improvement make this project atypical. This, combined with the expansive size of the City of Long Beach, juxtaposed against a limited short term budget and timeline, requires a creative approach to ensure that the City leverages its budget and timeline to maximize project results.

The PRM team will include eight professional consultants. The Matrix team will add three professional consultants to this project. Together, our proposal team will equal 11 persons. PRM's ability to bring a team of 11 seasoned consulting experts is unique among consulting firms. No other firm can offer such a large and experienced staff. No junior level or entry level staff will be assigned to this project.

PROJECT TEAM AND FIRM QUALIFICATIONS:

PRM is extremely well qualified to complete this study. Our staff has completed more of these types of projects than has any other team. While the firm is new, our staff is not. Together, our team has



completed hundreds of user fee projects in the State of California. In just the past year, we have completed projects for Los Altos, Campbell, Whittier, La Mirada, Roseville, Placer County, Sacramento, and Dixon. Our growth rate has been excellent and is an independent testament to the quality of our work. We have grown from a 1 person company to a team of 12, within 18 months. Our client list has grown from 1 client in October of 2002 to over 35 current clients. While other consulting firms have lost clients and staff, PRM has grown. Our enthusiasm and dedication to meeting or exceeding our client's expectations has made PRM an attractive place to work. We believe our clients benefit from our success in attracting only the very best professionals that enjoy providing these professional services.

In addition to the experience our staff has gained during their PRM employment, all PRM staff have extensive experience providing user fee services earlier in their careers. Ms. Payton and Mr. Wilkes have provided user fee services for many of the largest cities in the State. Examples include: San Francisco, Fresno, Sacramento, Long Beach, San Jose, Stockton, and others.

The RFP has requested several references. Almost all consulting firms can list at least a few references that will be positive. However, PRM recommends that bidding firms supply a list of all recent clients of the consulting team (not just of the firm) and that Long Beach randomly call a number of them for references. There is no better way to confirm a team's ability to follow through on what is written in a proposal. In this way, the consulting firms will not have control of who is called. This would be a truer representation of each firm's ability to meet client's expectations. As such, PRM has provided the name of each of our recent and current clients. Please feel free to contact any of our clients and ask specifically about our customer service and our ability to meet schedules. A list is provided on page 33 – in our reference section of the proposal.

A. Project Management:

The consultants offered on our project team, are all senior level consultants. Together our team will serve both as management and as on-site consultants. We will have no junior level consultant working on the Long Beach project.

We will be responsible for project schedules, on-site interviews, data management, document preparation and presentations. Mr. Wilkes has served as a project consultant, manager, senior manager, vice president and regional director for David M. Griffith and Associates, Ltd. (DMG) and DMG-Maximus. He has participated, managed, and led hundreds of consulting engagements – many similar to the project requested by the City of Long Beach.

B. Experience:

A sample of the agencies to which PRM has provided cost accounting services include:

*City/County of San Francisco
City of Campbell, California
City of Sacramento, California
City of Burbank, California*

*City of Culver City, California
City of Concord, California
City of Watsonville, California
City of Stockton, California*



City/County of Kauai, Hawaii
City of Los Angeles, California
County of Sacramento, California
Counties of Glenn, Inyo, Lassen, Mono
and Marin California
City of Portland, Oregon

County of Clackamas, Oregon
County of Pierce, Washington
City of Provo, Utah
County of Salt Lake, Utah
City of Tacoma, Washington
City Gresham, Oregon

Ms. Payton, our project manager has a similarly impressive personal list of clients. Below is a sample of the 205 cost accounting-related projects she has completed over the last 17 years:

<i>Alameda</i>	<i>Long Beach</i>	<i>San Fernando</i>
<i>Brentwood</i>	<i>Los Gatos</i>	<i>San Francisco</i>
<i>Burbank</i>	<i>Manhattan Beach</i>	<i>San Jose</i>
<i>Calistoga</i>	<i>Menlo Park</i>	<i>San Luis Obispo</i>
<i>Camarillo</i>	<i>Milpitas</i>	<i>San Mateo</i>
<i>Campbell</i>	<i>Mission Viejo</i>	<i>Santa Clara</i>
<i>Colfax</i>	<i>Modesto</i>	<i>Santa Monica</i>
<i>Compton</i>	<i>Moorpark</i>	<i>Santa Paula</i>
<i>Concord</i>	<i>Morgan Hill</i>	<i>South San</i>
<i>Culver City</i>	<i>Morro Bay</i>	<i>Francisco</i>
<i>Darville</i>	<i>Ontario</i>	<i>St. Helena</i>
<i>Dixon</i>	<i>Orange</i>	<i>Stockton</i>
<i>El Centro</i>	<i>Oroville</i>	<i>Suisun City</i>
<i>El Segundo</i>	<i>Palo Alto</i>	<i>Sunnyvale</i>
<i>Emeryville</i>	<i>Pasadena</i>	<i>Temecula</i>
<i>Fairfield</i>	<i>Pinole</i>	<i>Torrance</i>
<i>Fresno</i>	<i>Placer County</i>	<i>Watsonville</i>
<i>Grover Beach</i>	<i>Rancho</i>	<i>Wheatland</i>
<i>Hercules</i>	<i>Cucamonga</i>	<i>Whittier</i>
<i>Hermosa Beach</i>	<i>Redondo Beach</i>	<i>Woodland</i>
<i>Lathrop</i>	<i>Richmond</i>	
<i>Lompoc</i>	<i>Sacramento</i>	

In keeping with the request made by City staff during the RFP bidders conference, only limited resume data is included in this proposal. We have included six of our PRM and Matrix team members in the resume section of the proposal, the additional resumes are available upon request.



Mr. Brad Wilkes

PRM Project Director

Mr. Wilkes specializes in governmental cost of service studies. He has a 20 year background in local government consulting focusing on cost allocation development, user fee rate calculations, indirect cost rate calculations, information technology, operations reviews, and cost of services for state and local governments. He is the former Regional Director for all DMG-Maximus consulting offices in the Western United States. His areas of expertise include state and local OMB A-87 cost allocation plans and user fee analyses, information technology requirement and cost-benefit studies, project management, and rate and service cost analyses. During his consulting career, Mr. Wilkes served as a consultant, manager, senior manager, vice president, regional director and board member of DMG and DMG-Maximus, both national management consulting firms. Mr. Wilkes received his B.A. from Brigham Young University, and his M.B.A. from California State University.

Representative Experience

- 1982-1985: As a consulting staff member, Mr. Wilkes was responsible for approximately 20 annual cost allocation plans, user fee and indirect cost rate calculations for city and county governments in California, Oregon and Washington. As a team member, Mr. Wilkes participated in data gathering efforts, departmental interviews, and document preparation.
- 1985-1987: As a consulting manager and senior manager, Mr. Wilkes was responsible for all phases of a consulting project. Responsibility for client management and project scheduling were added to the day-to-day responsibilities of project work.
- 1987-1992: As a vice president, Mr. Wilkes became responsible for project staff, project scheduling, and project management. During this time, Mr. Wilkes was responsible for over 100 annual cost allocation plan and indirect cost rate projects.
- 1992-2002: DMG-Maximus Regional Director for all consulting offices in the Western States. Duties included the direction of 90 employees, five consulting offices, and over 400 annual individual consulting engagements.
- 1982-2002: Each year during this 20 year period, Mr. Wilkes continued to participate in all phases of consulting projects. In addition to his management responsibilities, he consistently maintained a list of local government clients for whom he completed cost allocation plan and indirect cost rate projects. By maintaining a continuous exposure to on-site client work, Mr. Wilkes maintained all the consulting skills needed to complete any cost analysis related consulting project.
- 2002- Present: Owner of Public Resource Management Group (PRM) currently completing cost of service projects for several California public agencies.

Ms. Erin Payton

PRM Senior Manager

Ms. Payton has been performing governmental cost of service studies since 1985. She has a background in local government consulting focusing on cost allocation development, and user fee rate calculations. She was formerly a Senior Manager at Maximus Inc. Ms. Payton received her degree from UC Santa Barbara.



Representative Experience

- ◆ 1995-2002: As a senior manager with DMG-Maximus and Maximus Ms. Payton was responsible for the management of all complex cost allocation and user fee related projects She participated in all levels of service – project design, on-site interviewing and data gathering, computer modeling, and all levels of presentations.
- ◆ 1990-2002: As a senior member of DMG, DMG-Maximus and Maximus, Ms. Payton continued to service her cost allocation clients while taking on the additional responsibilities of training new consultants, product development and other managerial duties.
- ◆ 2003: As the first person to join the PRM team, Ms. Payton has completed several cost allocation plans and user fee studies. She is the most experienced cost analyst in the western united states - having completed hundreds of cost plan and user fee studies for local governments

Mr. Richard Hazeltine

PRM Senior Manager

Mr. Hazeltine specializes in governmental cost of service studies. He has over a 30 year background in local government; focusing on A-87 cost allocation development, user fee rate calculations, indirect cost rate calculations, State mandated cost reimbursement, Federal and State grant recovery, and cost of services for local governments. He is the former SB 90 Operations Director for MAXIMUS. His areas of expertise include local agency OMB A-87 cost allocation plans, departmental indirect cost rates and State mandated cost claims (SB 90). During his career, Mr. Hazeltine served as a Supervising Analyst with the California State Controller's Office and Project Manager, Senior Manager, and Director of SB 90 Operations for DMG, DMG-MAXIMUS, and MAXIMUS. Mr. Hazeltine received his B.S. from California State University, Northridge.

Representative Experience

- ◆ 1973-1980: As a supervising staff analyst in the California State controller's Office, Mr. Hazeltine was responsible reviewing and approving approximately 15 annual A-87 cost allocation plans for the larger county governments in California. Mr. Hazeltine also specialized in Property Tax and other financially related legislative issues, such as Prop 13, AB 8, the Gann Limit, SB 90, etc., affecting California local agencies rather drastically in the late '70's.
- ◆ 1980-1981: As a project manager for DMG, Mr. Hazeltine prepared and obtained approval for about 10 county cost allocation plans and learned the private consulting business.
- ◆ 1982-1983: As a founding partner for California Cost Systems, Mr. Hazeltine prepared and obtained approval for about 25 California counties.
- ◆ 1984-1998: As a manager again for DMG and DMG-MAXIMUS, Mr. Hazeltine was responsible for a number of large agency cost allocation and user fee studies.
- ◆ 1998-2004: As a senior manager and director of operations, Mr. Hazeltine was responsible for county, city and special district SB 90 mandated cost claiming, with a specialty in the county claiming area. He also was responsible for certain Federal (SCAAP grant) and City Appropriations Limitations work.
- ◆ Current: As a senior manager with PRM, Mr. Hazeltine is focused on cost recovery for our city and county clients.



Ms. Nicolie J. Cass

PRM Project Staff

Ms. Cass is a graduate in Managerial Economics from University of California, Davis. She has specialized in city, county and special district governmental cost analysis. She has experience in working with cost allocation plans, indirect cost rate proposals, user fee studies and State Controller Reports. As a former senior consultant with Maximus, Ms. Cass gained a broad base of experience working for state and local governments throughout California, Nevada, Oregon and Colorado. She was used as a trainer for other consultants during her tenure at Maximus. Ms. Cass has a strong commitment to the accuracy of her work and pride in her ability to research, question and develop concise analysis for her clients.

Ms. Cass is expert at the preparation of complex cost allocation plans and cost of service analysis.

Representative Experience

April 2003- present: PRM Group: Ms. Cass is a project staff leader. She has responsibility for cost allocation plans, Indirect cost rate proposals, and User Fees in such places as Sacramento (including their fire district), Los Gatos, Dixon, Campbell, Whittier and the California counties of San Mateo, Riverside, Lassen and Plumas. She also works with team members to develop the most effective and productive, value added cost services to our clients.

July 2001-April 2003: Maximus, Inc: Ms. Cass was made a senior consultant after her first year with Maximus which was considered early for new consultant. During her tenure Ms. Cass received letters of recognition from clients for her outstanding service. Her client base included cost plan analysis for multiple government entities including Orange County, Riverside County, Nevada County, Marin County, and Cities such as Oakland, San Clemente, Sacramento, Elk Grove, Mission Viejo, San Mateo, Denver, Colorado and the State of Nevada. She also did State Controller Reports for a total of 43 clients.

Mr. Gary Goelitz

Vice President, Matrix Consulting Group

Mr. Goelitz has over twenty-six years of experience as a consultant and local government analyst. Prior to joining the Matrix Consulting Group, Mr. Goelitz was a Director in the Management Studies practice of MAXIMUS, responsible for west coast management studies. Before that, Mr. Goelitz was the Manager of the Internal Audit Division of Washoe County (Nevada), where he conducted performance audits of many County services. Mr. Goelitz was also a management analyst for Chula Vista (CA) Beverly Hills (CA), Fremont (CA), and Phoenix (AZ). He is based in our Palo Alto, California office.



ROBIN G. HALEY

Senior Manager, Matrix Consulting Group

Robin Haley is a Senior Manager in the Matrix Consulting Group. Prior to joining the Matrix Consulting Group, Mr. Haley was a Manager with a large national consulting firm. While his experience extends to all governmental functions, he specializes in the analysis of costs of local government services, and analysis of maintenance operations, parks and recreation as well as planning and community development functions.

Completed Indirect Cost Allocation Plans and User Fee Studies in Numerous Governmental Agencies. Mr. Haley analyzed governmental services and allocated indirect costs to user agencies in accordance with OMB Circular A-87. Additionally, Mr. Haley determined the costs of functions within specific agencies in order to establish fees for service. These clients have included:

- Gainesville (GA)
- Fulton County (GA)
- Cobb County (GA)
- Jefferson County (AL)
- Mobile County (AL)
- Nashville-Davidson County (TN)
- Knox County, (TN)
- Chattanooga (TN)
- Jackson (MS)



PROJECT TEAM AND FIRM QUALIFICATIONS:

PRM has 100 percent client satisfaction. To underscore how confident we are about our client service, we have requested, and have received positive letters of recommendations from all PRM clients. The attached letters represent a sample of the ones we have received. PRM would also like to include the following project synopsis. These projects are described because they each have an aspect that relates well with the requirements stated in the RFP.

The projects include a large county project which requires great communication and management skills (County of Spokane), a large complex cost analysis project (City of Sacramento), and finally, user fee projects that attest to PRM's determination and commitment to meeting project schedules and providing client service (Cities of Campbell, La Mirada and Whittier).

County of Spokane Washington:

This is the fourth largest county in the state of Washington. It is a full service-county which faces budget, organizational and political issues. PRM was selected to replace its traditional cost plan consultant in order to bring a fresh look at challenges that were facing the county. The PRM contract was initially designed to address just the traditional citywide cost allocation plan. Once the initial meetings were held with the county, additional responsibilities were added. All the PRM contract additions centered on the calculation of full cost, with the goal of finding alternative methods that could be used to increase revenue to the general fund. Jail rate calculations, low security holding facilities rates, departmental indirect rate calculations, etc. were all added to the PRM list of responsibilities. In addition, charging issues related to county services being provided to the city of Spokane, the newly incorporated Spokane Valley City also presented challenges to the county. PRM was asked to assist in the full cost analysis of these county supplied services to these city governments within the county. Since the beginning of the project, PRM has met with over 15 county departments and senior county financial officials in an effort to explain the full cost calculation process and develop strategies that will ensure that the county is recovering as much cost as possible from services it provides to outside agencies and to non-general fund operations. PRM was able to establish a sense of trust and confidence with the county in a very short period of time which led to PRM becoming an integral part of the county's strategy to increase general fund revenue in a very tight budget year.

City of Sacramento:

This project is highlighted to show PRM's ability to handle one of the most complicated cost allocation plan projects in the country. The city of Sacramento cost plan has over 45 central service departments and hundreds of cost plan functions and allocation bases. The cost plan printout is over 1,100 pages. PRM recently completed the city's cost plan after interviewing over 90 individuals spread over the 45 central service departments. PRM held citywide cost plan workshops to address the negativity that had developed across the city as related to the previous cost plan process. PRM was selected by Sacramento after having a previous cost plan consultant for over 15 years in a row. The Sacramento project is an example of the



power of the PRM software, our communication style and our determination to tackle a very difficult project which was surrounded with built-up confusion and discouragement.

City of La Mirada:

The city of La Mirada is a full service city. They had particular concern related to facility and field use and rental. PRM provided added service and attention to areas not usually addressed in fee studies. The full cost of facility, field and theatre use was analyzed in conjunction with the citywide cost of service analysis. Several city council workshops and presentations were made and the project was enthusiastically received by all levels of staff and managers within the city.

Cities of Campbell and Whittier:

These projects are highlighted to represent our determination to meet project schedules. Both cities requested user fee full cost studies for fees charged by their general funds. The projects included cost allocation plan development and the analysis of the direct costs of user fee related services. In both cases the demands for increased general fund revenue required the cities to request the studies be completed in two to three months. Most citywide user fee projects take 5 to 6 months. But in order to meet the new fiscal year starting in July, both cities requested the very aggressive completion schedule. PRM worked with the city finance departments and created strategies to meet the schedule. City departments were broken up into groups with teams of PRM consultants assigned to different groups. This allowed PRM to complete all the department full cost analysis in parallel instead of the linear approach typically employed. Both cities were pleased with PRM's ability to tackle difficult obstacles and to develop solutions by thinking outside the norm.

Reference Letters Attached

Please feel free to contact any PRM client, as we have 100% client satisfaction. The following are a sample of PRM references:

Mr. Bob Peirson
Finance Director
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA 93101

Ms. Gretchen Conner
Finance Director
City of Campbell
70 North First Street
Campbell, CA 95008-1436
408-866-2111

John DiMario
Assistant City Manager
City of La Mirada
13700 La Mirada Blvd.
La Mirada, CA 90638
562-943-0131

Mr. Rod Hill
Finance Manager
City of Whittier
13230 Penn Street



Whittier, CA 90602

Jennifer Kaplan
Management Service Department
City of Burbank

275 E. Olive Ave.
Burbank, CA 91502
818-238-5500

Client References:

PRM Clients (please call any city finance director or county auditor on the list below for a reference:

California Only

Campbell
La Mirada
Burbank
Salinas
Whittier
Santa Barbara
San Clemente
San Francisco

Sacramento
Roseville
Stockton
Redding
Los Gatos
Ojai
Oxnard
Dixon

Orange County
Glenn County
Calaveras County
Placer County (Asst. CAO)
San Mateo County
Lassen County
Marin County
Monterey County

In addition, PRM has recently been selected in recent cost plan/user fee RFP processes in the cities of:

Cupertino (Aarti Shrivastava, City Planner, 408-777-3308)
Pittsburg (Marie Simons, Finance Director, 925-252-4848)
La Mesa (Carol McLaughlin, Asst. to the City Manger 619-667-1162)
Chino Hills (Judy Landcaster, Finance Director, 909-364-2640)
Folsom (Nav Gill, Finance Director, 916-355-7347)
Emeryville (Debbie Yamamoto, Finance Department, 510-596-4326)





S P O K A N E C O U N T Y

OFFICE OF COUNTY COMMISSIONERS

June 10, 2003

Riverside County

RE: Reference letter for Public Resource Management Group

To Whom It May Concern:

I am writing to recommend Brad Wilkes, owner of Public Resource Management Group (PRM). Spokane County is currently in the first year of a four year contract with PRM to produce:

- A full cost allocation plan
- An OMB A-87 cost allocation plan
- A federal and non-federal jail rate
- A booking rate
- A Geiger Center Correction booking and housing rate
- Detailed Sheriff and Spokane City Police analysis of a shared, joint use, County owned Public Safety Building

New to the County this year, PRM is also calculating 15 Departmental Indirect Rates so that the county can include the full cost of contracting with a newly incorporated city in our county. After 10 years of contracting with another consulting firm, and since PRM is new to our county, we had originally contracted with PRM to provide only countywide cost allocation plan services. After our initial meetings with PRM, it was clear that Brad's varied background would provide us with a resource that our previous cost plan consultant did not provide and that could be used in many areas that have been a concern to us. We then increased the scope of our contract to include all the areas described above.

Spokane County is located in eastern Washington along the Washington/Idaho border and has a total population of approximately 425,600, the fourth most populated county in the State. Spokane County's annual budget is approximately \$312 million.

The County's Full Cost Plan and OMB A-87 Cost Plan are fairly routine, as we have been doing them for years. However, the plans will be reviewed by state authorities and must adhere to the rules and principles of OMB -87 and the state of Washington.

The County negotiated service contracts with the new City in the fall of 2002, for services to be provided upon their incorporation April 1, 2005. County staff attempted to include departmental indirect costs in the contracts, but after meeting with Brad last

week, we discovered that we had not included all indirect costs. What pleased us is how quickly Brad understood what each department did and instantly pointed out what indirect costs we had overlooked! We are thrilled at the prospect of recovering more of our costs in the 2004 contract with the new city.

County staff has debated for months what rate to charge new city inmates for the Jail Holding Facility located in the new city. Brad figured it out within an hour to all County staff's satisfaction.

Our Geiger Corrections Facility (a minimum security facility) has been close to operating in the red for several years, the Booking and Housing Rate computed by County Staff has just not covered costs. Again, Brad figured out two cost components we were overlooking, which will increase our booking and housing rates for 2004.

In addition to Brad's background, and his understanding of County business and indirect and direct costs, he is very personable and easy to work with. One key for our county is having the ability to understand and explain "indirect costs" to county departments. PRM takes the time to explain these complex issues in a manner that even non-financial departments can understand. This increased level of communication has improved our cost plan process greatly. I highly recommend Brad and his firm PRM for your County's indirect cost plans.

Sincerely,



Marshall Farnell
Director of Administrative Services
Spokane County



DEPARTMENT OF
FINANCE
FINANCE ADMINISTRATION

CITY OF SACRAMENTO
CALIFORNIA

SACRAMENTO CITY HALL
701 J STREET
ROOM 215
SACRAMENTO, CA
95811-2086

June 12, 2003

RE: Reference Letter for Public Resource Management Group

PH: 916-608-1240
FAX: 916-808-0755
TDD (ONLY): 916-264-7227

To Whom It May Concern:

The City of Sacramento has prepared cost allocation plans for many years. The issues that surround the process of full cost analysis have always been complex and are often contentious as well. As we approached our cost allocation plan contract process this past year, we placed a high priority on the ability for the cost plan consultant to not only be strong technically, but to have the ability to work collaboratively to communicate and explain the full cost analysis process to both financial and non-financial departmental staff.

Traditionally, cost plan allocations have been met with concern and skepticism by most department managers. This concern has largely been centered on the lack of communication and understanding of the process by department staff throughout the city. Through our RFP process, we determined that Public Resource Management Group (PRM) and Brad Wilkes represented a great opportunity to expand the traditional, technically viewed, cost allocation process - to one which manages and communicates results as well.

PRM has conducted citywide workshops and individual meetings with over 40 City departments in an effort to increase the understanding of the cost plan process. These meetings have been extremely successful in that effort. PRM's communication style and willingness to meet throughout the city have been valuable in this effort. In addition, Brad and his staff have been creative and enthusiastic partners in making improvements to the City's cost plan process and outcome.

Based on PRM's technical background, their high level of service and ability to manage and communicate complex project goals and results, we have recently expanded the scope of the PRM contract to include additional areas of indirect cost analysis. We may also include the development of user fee rates in the PRM contract as well.

Based upon our recent experience with PRM, I highly recommend Brad Wilkes and his firm to you.

Sincerely,


Regina J. Schwartz
Budget, Policy and Strategic Planning Manager
City of Sacramento



City of Whittier

19290 Penn Street, Whittier, California 90602-1772
(562) 945-8200

June 10, 2003

To Whom It May Concern:

The City of Whittier recently entered into a consulting contract with Public Resource Management Group (PRM), for cost allocation plan services and the development of full cost recovery for general fund user fees. PRM was selected in a competitive bidding process that included several firms.

As a finance manager of several different Southern California cities I have had opportunity to work with many financial consulting firms. While I have worked with PRM only a short time I have found the PRM staff to be very professional and responsible. In our current project, there is a very short project time line, and this demanding schedule requires PRM to accomplish an entire study in half the time that other cities have required. PRM has embraced this challenge and has worked very hard to accomplish it. This attitude is already showing results. For example, in my previous city, another consulting firm took over 6 months to prepare a cost plan - a process PRM has already completed in one month.

While the demands have been great, city staff have expressed no negative feedback regarding the consultant's need for rapid turnaround of data. This is a testament to the skill of the PRM consultants. The entire PRM team is comprised of senior staff. As such, my concerns are lessened when I anticipate their interactions with city staff, the completion of the aggressive schedule and the quality of the work. This is very important since the project will report some potential controversial results. Enterprise fund managers may question the cost plan allocations, city residences may question rate increases, City Council members may question study results, etc. The best way to address all these concerns is to have a solid, professional group of consultants providing the service. Even the best consultant will be challenged to not only provide the technical underpinnings for the project, but his/her ability to communicate a somewhat confusing topic will also be challenged. With Mr. Wilkes' long background in this field and his ability to attract excellent staff, we are confident that PRM will be able to support the study and ease it through to completion.

I recommend PRM as you approach your indirect cost rate study. A recommendation that includes both the technical ability of PRM, but even more importantly, the ability of PRM staff to conduct a professional and well managed project.

Sincerely,

Rod Hill, City Controller

KB
6/10/03



Finance
311 Vernon Street
Roseville, California 95678-2649

June 11, 2003

County of Riverside

On August 16, 2002, the City of Roseville contracted with Public Resource Management Group. The contractor developed a Full Cost Allocation Plan, OMB A-87 Cost Allocation Plan and various Departmental Indirect Cost Rates. Completion date of the agreement was December 2, 2002. Public Resource Management Group completed all work on time.

The City of Roseville had a need to have a high level of communication between the consultant and the departments so our departments would understand and accept the results. Brad Wilkes conducted individual and group meetings with all interested parties. The City of Roseville staff was very impressed with his knowledge, availability, and willingness to meet with staff as requested. Brad was always very responsive and did an excellent job in explaining the plans and rates.

Please feel free to contact me with additional questions.

Sincerely,

Carol Norris
Budget/Payroll Manager
916-774-5317



CITY OF CAMPBELL

Finance Department

June 10, 2003

To Prospective PRM Clients:

We have been asked to provide a letter of reference regarding the firm of Public Resource Management Group (PRM). During the period from February, 2003 through April, 2003 PRM provided us with an OMB A-87 cost plan, a full cost plan, a user fee study and related software necessary for in-house staff to perform the annual updates. Although we had a number of proposals, we selected PRM due to their unique familiarity with the City of Campbell and having an Excel-based user fee model that appeared to be user friendly. Previous firms we've used had more cumbersome proprietary software that was difficult to utilize.

Our RFP required a very aggressive time schedule and deadline in order to meet our budgetary calendar approximating a two-month period in which to complete the entire process. Our previous study took more than twice that long to complete. During this time, PRM was very organized and coordinated meetings with all of the City's departments. At the same time, they provided Finance (the coordinating department) with periodic status reports as to what was pending and who was responsible for providing the necessary data. Of course, the City was committed to also providing quick turnaround on requested data and effectively worked together with PRM to jointly follow-up with departments to ensure the timeframes were met. PRM was committed to meet our deadline, which they did, and did so very professionally. They met and presented their work to Executive staff and the City Council and responded timely to any questions or issues that were brought before them.

To summarize, PRM did an outstanding job with our project, demonstrated they have a solid understanding of the user fee and cost plan process and displayed a commitment to completing the job as scheduled. As a result of the project, PRM recommended many user fee enhancements that will be effective July 1, 2003. In short, the PRM team of Brad Wilkes and Erin Payton met and in some instances exceeded our expectations.

If you have any questions, feel free to call me at 408-866-2111 or my Accounting Manager, Jesse Takahashi at 408-866-2113 who was also very involved in this project.

Sincerely,

Gretchen E. Conner
Director of Finance

c: Jesse Takahashi, Accounting Manager

g:cjt

ATTACHMENT A

REQUIRED STATEMENTS AND INFORMATION

REQUIRED STATEMENTS AND INFORMATION

1. Public Resource Management Group (PRM).

Owner: J Bradley Wilkes
1380 Lead Hill Blvd. #106
Roseville, CA 95661
Tele: 916-677-4233
Fax: 916-677-2283

2. PRM – Names, titles and years providing cost analysis services to city government:

J Bradley Wilkes (owner – 21 years)
Bradley Burgess (VP – 15 years)
Eric Parish (VP – 13 years)
Erin Payton (Sr. Manager – 17 years)
Dick Hazeltine (Sr. Manager – 25 years)
Patrick Dyer (Manager – 5 years)
Nicky Cass (Manager – 3 years)
Mike Adams (Manager – 3 years)
Carole Hazeltine (Manager – 12 years)
Steve Fisher (Manager – 15 years)

3. PRM began business in 2002.

Firm Size: 12 employees all focused on cost analysis i.e., cost allocation, user fee studies, cost of services studies, etc.
History: PRM was started by Mr. J Bradley Wilkes after 20 serving as a front line consultant, manager, senior manager, vice president, senior vice president, Board of Director Member and finally, as director of all consulting services, offices, engagement, staff at DMG and DMG-Maximus in the Western United States.
Clients: PRM has grown in just 18 short months to include 35 clients in California in 8 States. Our contract values exceed \$2 million and we have 12 staff members.

4. Personnel: 12. Grown from a one person firm to a firm of 12 in 18 months.
5. PRM is a sole proprietorship moving to a LLC.
6. Our annual dollar amount of work has risen from \$10,000 to over \$1 million in 18 months.
7. PRM has had no contracts with the City of Long Beach. However, over the past 20 years Mr. Wilkes and Mr. Burgess had the overall responsibility for the annual cost allocation plan, SB 90 claiming effort and various departmental user fee



studies conducted with the city by our previous firm – DMG and DMG-Maximus. This list of contracts number well over 50.

8 and 9. Principal Contact: J Bradley Wilkes

PRM
1380 Lead Hill Blvd. #106
Roseville, CA 95661
916 677 4233
916 759 0740 (cell)

10. Representative Listing of PRM Cost of Service Clients:

Cities of:

Sacramento
La Mesa
La Mirada
Campbell
Concord
Martinez
Glendale
Dixon
Burbank
Los Gatos
Glendale
Oxnard
Pittsburg
Redding
Roseville
San Francisco
Santa Barbara
Seaside
Visalia
Stockton
Whittier
Denver Co.
Salem Or.
Spokane Wa.

Counties of:

Riverside
Orange
San Francisco
Inyo
Lassen
Marin
Monterey
Plumas
Glenn
Santa Barbara
Spokane Wa.
Coconino Az.

11. References: (2003 – present)

(Project descriptions are located in the proposal.)

Mr. Bob Peirson
Finance Director
or Jill Taura
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA 93101

Ms. Gretchen Conner
Finance Director
or Jesse
City of Campbell
70 North First Street
Campbell, CA 95008-1436
408-866-2111

John DiMario
Assistant City Manager
or
City of La Mirada
13700 La Mirada Blvd.
La Mirada, CA 90638
562-943-0131

Mr. Rod Hill
Finance Manager
or John Wong
City of Whittier
13230 Penn Street
Whittier, CA 90602

Jennifer Kaplan
Management Service Department
or Justin Hess
City of Burbank
275 E. Olive Ave.
Burbank, CA 91502
818-238-5500

12. See above #11.

13. We are registered as a qualifying small business enterprise in the city of Sacramento.



Attachment B

CITY'S REPRESENTATIVE

The consultant shall coordinate performance hereunder with the City's representative as named below.

Rosie Bouquin, Utility Customer Services Officer
Elsa Castaneda, Administrative Analyst
David Nakamoto, Acting City Treasurer

Attachment C

INFORMATION AND MATERIALS

The City shall furnish to the Consultant information or materials as described in the Statement of Qualifications and Proposal (Attachment A) including but not limited to the City's Cost Allocation Plan, User Fee Inventory, and Department and manager interviews.

**CITY OF LONG BEACH
DIVERSITY OUTREACH PROGRAM**



Adopted by City Council on September 9, 2003

CITY OF LONG BEACH DIVERSITY OUTREACH PROGRAM

1. PURPOSE AND SCOPE

It is the policy of the City of Long Beach to utilize Disadvantaged, Minority, Woman, Disabled Veteran, and Long Beach Business Enterprises (DBE, MBE, WBE, DVBE, and LBBE) in all aspects of contracting relating to construction, materials and services, professional services, land development-related activities and leases and concessions. This policy applies to all departments reporting to the City Manager (and strongly recommended for adoption by Non-City Manager departments) who may, by their authority, award contracts in the above-referenced areas. The City is fully committed to encouraging the participation of DBEs, MBEs, WBEs, DVBEs, and LBBEs in all phases of procurement and contracting activity.

The City of Long Beach, through the City Council, will take all responsible steps to ensure that DBEs, MBEs, WBEs, DVBEs, and LBBEs have the maximum opportunity to compete for and perform City contracts.

MEASURABLE OBJECTIVES

The Diversity Outreach Program furnishes the foundation for implementing processes to offer contracting opportunities for Minority Business Enterprises (MBE), Woman Business Enterprises (WBE), Long Beach Business Enterprises (LBBE), Disadvantaged Business Enterprises, and Disabled Veteran Business Enterprises (DVBE) consistent with Federal, State and local laws. The City of Long Beach Diversity Outreach Program is for use by all departments that procure goods and services.

This Program incorporates the MBE/WBE/DBE, Buy Long Beach and USDOT DBE Programs. The following represent the measurable performance objectives of the Diversity Outreach Program:

- **INFORM BUSINESSES ABOUT CONTRACTING OPPORTUNITIES**
Provide MBEs, WBEs, LBBEs, DBEs, and DVBEs with information regarding contracting opportunities that is both timely and reliable. Develop proactive methods of communication to keep local area businesses and community residents informed about upcoming opportunities. Enhance current systems of communications that provide accurate and easily accessible information.
- **ESTABLISH RELATIONSHIPS WITH BUSINESS ORGANIZATIONS**
Establish cooperative relationships with business organizations and community groups interested in the success of MBEs, WBEs, LBBEs, DBEs and DVBEs. Develop and coordinate a network of existing resources to assist with the outreach effort. Participate in meetings and events, and encourage the exchange of information and ideas. Increase the City's visibility in the business community. Proactively address their concerns, and seek to mutually resolve identified issues.

- **IDENTIFY QUALIFIED LOCAL BUSINESSES TO COMPETE FOR CITY CONTRACTS**

Implement aggressive outreach techniques to identify local businesses interested in participating in the Diversity Outreach Program. For example, visit local businesses to obtain first hand knowledge of existing firms, talk with local business leaders to obtain guidance on contacting firms presently working in the area, attend trade and other meetings, etc. Increase the number of qualified bidders that can provide the goods and services required by the City. Increased competition promotes lower prices, reduces cost, and stretches taxpayer dollars.

- **DEVELOP STRATEGIES TO MAXIMIZE SMALL BUSINESS PARTICIPATION**

Encourage the creation of contracts, aimed specifically at small local firms (i.e., single trade contracts). Identify portions of the work that can be accomplished apart from the large project, or smaller individual projects, to increase the likelihood of small business participation in City contracts. Identify barriers that may inhibit small businesses from gaining equal access to City contracts, and develop strategies to minimize or eliminate those barriers. The Diversity Outreach Officer coordinates with the Purchasing Division and department representatives in an effort to increase the use of MBEs, WBEs, LBBEs, DBEs, and DVBEs.

- **ENSURE BUSINESS COMMUNITY INVOLVEMENT THAT REPRESENTS THE DIVERSITY OF LONG BEACH**

Develop and implement a reporting system to continually track MBE, WBE, LBBE, DBE, and DVBE outreach and participation. Review procurement reports to track whether these groups are participating in contracting opportunities. Tailor outreach strategies so that all these groups have equal access to City contracting.

2. **DEFINITIONS**

The following definitions apply to this program:

- a. As defined by Section 8 (a) of the Small Business Act 15 U.S.C. paragraph 637 (a), "Disadvantaged Business Enterprise" means a small (underlining added) business concern that is (1) at least 51 percent owned by one or more socially and economically disadvantaged individual(s), or, in the case of any publicly-owned business, at least 51 percent of the stock is owned by one or more socially and economically disadvantaged individuals, and (2) the management and daily business operations of which are controlled by one or more socially and economically disadvantaged individuals who own it. Those groups which are considered socially and economically disadvantaged are citizens of the United States who are African Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, and Subcontinent Asian Americans.

- b. "Minority" means the following groups: African Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, and Subcontinent Asian Americans.
- c. "Disabled Veteran" means a California resident that was disabled as a result of participating in the United States military.
- d. "Minority Business Enterprise" means a business which is at least 51 percent owned, managed and operated by one or more minorities, or in the case of a publicly owned business, at least 51 percent of the stock must be owned, and the business managed and operated, by minorities.
- e. "Woman Business Enterprise" means a business which is at least 51 percent owned, managed and operated by one or more women, or in the case of a publicly owned business, at least 51 percent of the stock must be owned, and the business managed and operated, by women.
- f. "Disabled Veteran Business Enterprise" means a business which is at least 51 percent owned, managed and operated by one or more disabled veterans, or in the case of a publicly owned business, at least 51 percent of the stock must be owned, and the business managed and operated, by disabled veterans.
- g. "Long Beach Business Enterprise" means those businesses whose principle place of business is located within the City limits and that hold a Long Beach business license.

3. PRIMARY GOAL

The primary goal of the Diversity Outreach Program shall be to contract with DBEs, MBEs, WBEs, DVBEs, and LBBEs for a reasonable and equitable amount of business, and create an environment of inclusion for City procurement and contracting.

4. DEPARTMENT RESPONSIBILITIES

Coordination is key to the City's outreach activities. Pursuant to the Diversity Outreach Program, each department is responsible for furnishing assistance to the Diversity Outreach Division. This assistance includes conducting outreach activities, as well as verifying MBE/WBE/DBE status, and producing MBE/WBE/LBBE/DBE/DVBE participation and diversity outreach reports. The Diversity Outreach Division will develop standardized outreach procedures and record keeping requirements to be adopted by all departments, and tailor the procedures for departments with unique needs.

The City Manager will assign to each department head or designee the responsibility for assisting the Diversity Outreach Division with implementation of the Diversity Outreach Program on a day-to-day basis. To effectively implement this stated policy, the

following Program responsibilities will be incorporated into the body of each individual department plan, and are outlined below.

- Assist the Diversity Outreach Division to develop information on contracting and bidding procedures, along with timely dissemination of contract and bid information to both MBE/WBE/LBBE/DBE/DVBEs and business organizations.
- Provide the Diversity Outreach Division with information regarding MBE/WBE/LBBE/DBE/DVBEs that contact the department and indicate an interest in doing business with the City.
- Participate in business conferences, trade fairs and other outside activities related to the development of MBE/WBE/LBBE/DBE/DVBE contractors, vendors and consultants, as requested by the Diversity Outreach Division.
- Provide projected department needs for goods and services to MBE/WBE/LBBE/DBE/DVBEs, conduct pre-award and post-award conferences to discuss awarding procedures (if applicable), and allow unsuccessful bidders/proposers to view successful bids/proposals of similar contracting opportunities.
- All departments involved with the bidding and/or negotiation of contracts shall maintain such records and provide such reports as are necessary to ensure compliance with this policy.
- All ITBs, RFQs, RFPs, and construction notices will encourage the use of MBE/WBE/LBBE/DBE/DVBEs, and will state that the bidder is encouraged to meet the City's objectives.
- All City departments are required to coordinate outreach activities to eliminate duplication of effort.

5. STAFF REPORTS

Staff reports shall be prepared for the City Council covering the activities relating to the efforts undertaken by all City departments and the Diversity Outreach Division to implement the Diversity Outreach Program. The report shall be prepared on a quarterly basis and shall be due ninety (90) days after the end of each quarter.

6. ANNUAL REVIEW

There shall be an annual review of this program by the Diversity Outreach Division and the Personnel and Civil Service Committee.

7. DIVERSITY OUTREACH PROGRAM COMPONENTS

In addition to the policy, definitions, objectives, and responsibilities referenced above, the Diversity Outreach Program also contains the following components that help to create an environment of inclusion in City procurement and contracting.

Small Business Development

Small businesses may require specialized assistance to take advantage of contracting opportunities with the City. Moreover, the City endeavors to identify small business strategies and programs to promote the development and growth of local small businesses. To maximize City contract opportunities for small businesses, the Diversity Outreach Division will form a partnership with the Community Development Department to coordinate outreach activities and assistance when appropriate.

The Community Development Department and the Diversity Outreach Division share several similar objectives. Where as the Community Development Department focuses on assisting small business of all types, the Diversity Outreach Division focuses on helping those businesses that can provide the goods and services required by the City. When appropriate the following activities will be coordinated between the two departments.

Technical Assistance

Staff from each department procuring goods and services will be available to assist local companies interested in conducting business with the City. Each department will maintain up-to-date information about contracting opportunities that can be forwarded to local businesses, or provide a name and telephone number of the person and/or department interested businesses may contact. Representatives from each department will be available to participate in Educational Seminars and Local Business Workshops to educate local businesses about various aspects of doing business with the City.

Educational Seminars

Educational Seminars provide small business owners with training to strengthen the management of their businesses. This training enhances business skills such as proposal writing, invoicing, marketing, etc. Instructors for these seminars can be recruited from various resources at no cost to the City.

Technical Assistance Resource Referral System

Many small businesses require assistance in meeting contracting requirements such as bonding, financing and insurance. In addition, small businesses require assistance with general business requirements such as working capital, accounting, and financial planning. The Technical Assistance Resource Referral System identifies existing resources, which provide small business assistance (i.e. Small Business Development

Centers). MBEs, WBEs, LBBEs, DBEs, and DVBEs requiring assistance to perform City work are referred to local assistance programs.

Bid Packaging Strategies

Strategies for packaging contracting opportunities are developed to encourage small business participation. Bid packaging strategies utilize information obtained from local business surveys conducted to determine interest, availability, and capacity, as well as, City needs and community input.

Diversity Outreach Steering Committee

The Diversity Outreach Officer coordinates various outreach activities with the City's Diversity Outreach Steering Committee (Committee). The purpose of the Committee is to provide advice and guidance regarding enhancement and modification of policy, process, and procedure to facilitate involvement of MBE/WBE/LBBE/DBE/DVBEs. The Committee is made up of representatives from every City department, and meets on a bi-monthly basis.

The Diversity Outreach Officer provides the Committee with updated information on an ad-hoc basis concerning the following:

- Functional Telephone Lists of Business Organizations
- MBE/WBE/LBBE/DBE/DVBE Participation Reports
- Diversity Outreach Event Calendar Updates
- Project Look-Ahead Schedules
- Directory of certified MBE/WBE/DBE/DVBEs
- Other information as requested

The Diversity Outreach Division is responsible for coordinating the compilation of MBE/WBE/LBBE/DBE/DVBE participation reports. Analysis of these reports may identify contracting trends with respect to MBE/WBE/LBBE/DBE/DVBEs. This information is periodically shared with the Committee to stimulate a collaborative effort to identify and respond to deficiencies in local small business participation. This collaborative approach helps determine appropriate corrective measures to increase participation and/or target outreach. The goal is to promote local economic development and report meaningful levels of MBE/WBE/LBBE/DBE/DVBE participation that represents the diverse business community of Long Beach.

Diversity Outreach Program Reporting

The purpose of Diversity Outreach Program Reporting is to keep all stakeholders informed of the level of diverse involvement in City procurement and contracting programs. The reports, which summarize MBE/WBE/LBBE/DBE/DVBE participation, are as follows:

MBE/WBE/LBBE/DBE/DVBE Contract Awards

The Diversity Outreach Officer keeps track of the dollar amounts awarded to prime contractors through periodic data downloads from the City's Advanced Purchasing and Inventory Control System (ADPICS), and summarizes MBE/WBE/LBBE/DBE/DVBE participation through this reporting mechanism. Applicable data fields are included in the City's database to collect, organize, and report MBE/WBE/LBBE/DBE/DVBE participation.

Ad-hoc Reports

The Diversity Outreach Officer prepares ad-hoc reports as requested by the Mayor, City Council, and City Staff to report all aspects of Diversity Outreach Program implementation, outreach activities, and participation. The Purchasing Division can sort the purchasing database by various vendor, department and status codes to produce various reports, as requested.

Ad-hoc reports can be created to illustrate MBE/WBE/DBE/DVBE/LBBE contract award participation by department, commodity code or other criteria as requested.

8. FUNCTIONAL OUTREACH

Functional Outreach is the essence of an effective diversity outreach program. It includes the essential components necessary to provide a foundation for increasing access for small businesses, encouraging participation of local contractors/vendors/consultants, and addressing community concerns in a proactive manner.

Long Beach Business Bi-Monthly Networking Meetings

The Diversity Outreach Officer conducts networking meetings for a variety of reasons. The meetings provide a forum for MBEs, WBEs, LBBEs, DBEs, and DVBEs to receive information regarding contract opportunities, and for giving feedback to City representatives regarding the outreach effort and other concerns. At each meeting, a different City department representative gives a presentation concerning their department operation and need for goods and services. In addition, the meeting benefits attendees in the following ways:

- Allows businesses the opportunity to network with City representatives and with each other
- Promotes business to business commerce in Long Beach
- Provides a medium for the exchange of various types of information

City of Long Beach Web Page

The City's Web Page is a mode of communication that reaches contractors, vendors, and consultants with access to the Internet. Possible uses for the Internet include on-line

bidding, downloadable forms and applications, and vendor registration. The following information will be made available as part of the program:

- Public Notices for meetings, outreach events, educational workshops, and local business workshops related to contract opportunities (Diversity Outreach Program Event Calendar).
- Schedule of upcoming contract opportunities with bid/proposal due dates, including a brief description of the required scope of services.
- Relevant telephone numbers, and/or e-mail addresses.
- Technical Assistance Resource Referral List.
- Procurement Telephone 24 Hour Hotline Number.
- Applicable City department contacts and telephone numbers.

The Web Page may also be utilized as a tool to solicit survey information from interested businesses. Surveys may be set up on the web page to provide businesses an avenue to report their interest in City contracting opportunities. Business responses will be analyzed to determine the needs of targeted outreach.

Project Look-Ahead Schedules

City departments are required to produce an annual schedule of projected needs for goods and services. These schedules of projected needs are provided in an easy to read format that furnish the necessary and timely information required to assist businesses participate in City projects. Project Look-Ahead Schedules are updated on a quarterly basis by each department, as pertinent information becomes available and include, at a minimum, the following information:

- Description of required goods or services
- Pre-Bid/Proposal meeting dates (if available)
- Estimated advertising date for ITB or RFP (if available)
- Project cost-estimate (if applicable)
- Contact Name (if applicable)
- Project Name/Location

Bid, Advertise, and Award

The City uses all means available to inform MBEs, WBEs, LBBEs, DBEs, and DVBEs of bid advertisements (including their appearance in the news media). Formal contracting opportunities over \$100,000 are advertised in a newspaper of daily general circulation. Formal bids as well as all purchases over \$10,000 are also advertised on the Purchasing website.

The designated City department or Purchasing Division representative is responsible for providing the Diversity Outreach Officer with a copy of the prepared advertisement that represents the Invitation to Bid/Request for Proposal at the time the notice is approved for advertisement by the affected City department. The Diversity Outreach Officer incorporates the notice in its bid/proposal information packages prepared for outreach purposes.

It is the City's policy that all proposal and bid documents incorporate language that encourages suppliers to utilize MBEs, WBEs, LBBEs, DBEs, and DVBEs. This language requests prime contractors to provide partnering and subcontracting opportunities to MBEs, WBEs, LBBEs, DBEs, and DVBEs that translates into meaningful levels of participation.

Pre-Bid/Proposal Meetings

Pre-Bid/Proposal meetings introduce vendors/contractors to policies and contractual requirements for working on City contracts. To encourage contractors, vendors, and consultants to subcontract work to MBEs, WBEs, LBBEs, DBEs, and DVBEs, the Diversity Outreach Officer or his/her designee participates in these meetings. Interested bidders/proposers are reminded of the City's diversity objectives and emphasis is given to the City's commitment to maximize the participation of these firms. The City representative conducting the meeting provides the Diversity Outreach Officer with a copy of the Meeting Sign-In Sheets to assist with the identification of firms interested in doing business with the City.

Recognition Programs

Recognition Programs encourage City Departments and Prime Contractors to participate in the City's Diversity Outreach Program. The Diversity Outreach Officer will publicly recognize departments that take extra effort to encourage MBEs, WBEs, LBBEs, DBEs, and DVBEs to participate in the City's procurement opportunities. In addition, Prime Contractors will also be publicly recognized for their extra efforts in attracting MBE/WBE/LBBE/DBE/DVBE subcontractors.

Business/Vendor Fairs

Business/Vendor Fairs provide an opportunity to reach numerous suppliers, contractors, consultants and business organizations in a face-to-face setting. The Diversity Outreach Officer and City staff attend business organization and community group events to disseminate contract opportunities, and establish networking relationships to attract bidders/proposers. These events provide businesses an opportunity to present products and services to the public and network with representatives from local public agencies. Networking events represent a significant opportunity to meet several objectives of the Diversity Outreach Program:

- Educate and inform local businesses and organizations about the City's plans, goals, and objectives.
- Establish relationships with community groups and business organizations.
- Disseminate information regarding the contracting process and upcoming opportunities.
- Generate community interest in doing business with the City.
- Coordinate the City's outreach effort with Business Organizations, Community Groups, and Chambers of Commerce.

The Diversity Outreach Officer and City staff participates in business/vendor fairs throughout the Los Angeles/Orange County area to establish cooperative relationships with business organizations. Maintaining a monthly calendar assists in scheduling City staff participation in these events. The Diversity Outreach Program Event Calendar is updated regularly. The Diversity Outreach Officer coordinates plans to participate at outreach events with City staff.

Local Business Workshops

The Diversity Outreach Officer facilitates Local Business Workshops periodically at different locations throughout the Long Beach area. The objective of Local Business Workshops is to provide a vehicle to promote City programs on a large scale and generate interest and support in the business community, as well as educating businesses about how to do business with the City. All stakeholders are invited to participate in these events.

Workshops benefit the financial community, business community, and local residents by giving them an opportunity to learn about City contracting opportunities. Another purpose of the Local Business Workshop is to illustrate the City's commitment to maximize opportunities for local businesses. Participants include representatives from local businesses, business organizations, and financial institutions.

Workshops inform participants about how to compete successfully for City contracts. A question and answer period is held at the end of each workshop to clarify subjects discussed. Workshop topics include:

- Construction contracting and requirements
- Professional Services contract award process and requirements
- Purchasing/Purchase Order process and requirements
- Bonding and Insurance Requirements
- Bidding/Proposing and Invoicing

Informational Materials

The following outreach materials are all designed to assist interested businesses participate in City contracting opportunities:

- Project Look-Ahead Schedules
- Telephone numbers for relevant contacts
- Purchasing Division address and telephone number
- Purchasing Hotline Telephone Number
- Relevant City internet addresses

City Bidding, Proposal, and Other Procurement Processes

The processes utilized by the City to procure goods and services are explained thoroughly by representatives from the Purchasing Division, as well as, other applicable departments. The following City materials will be made available to participants:

- "How to do business with the City" Pamphlet
- Boilerplate contract language including insurance requirements
- Project Look-Ahead Schedules
- Other useful information which will assist local businesses (i.e., information regarding bonding and financial requirements)

9. OTHER OUTREACH

Other Outreach is directed towards specific businesses or business organizations through meetings, events and various forms of communication (mail, facsimile, e-mail, etc.).

Local Business Organizations

The assistance of local business organizations is crucial to the success of the Diversity Outreach Program. Enlisting the assistance of local business organizations to participate in the dissemination of timely information to their members requires the establishment of on-going beneficial relationships.

Local business organizations receive the benefit of direct communication with the Diversity Outreach Officer to voice concerns or provide input to City programs and processes. There are many local business organizations interested in assisting the City in communicating with the local and small business community.

Business Organization Meetings and Events

Diversity Outreach Division and City staff address various organization memberships to promote the goals and objectives of the Diversity Outreach Program, advise the members

of upcoming contracting opportunities, and address any concerns presented by the organization.

The Diversity Outreach Officer utilizes all avenues possible to provide program exposure while maintaining control of the cost of implementation by the methods listed below:

- Attend meetings and events sponsored by local business organizations to provide information to the public and/or participants.
- Accept invitations to present information regarding the City's Diversity Outreach Program during regularly scheduled meetings sponsored by various organizations.

Local Businesses

While it is important to coordinate outreach activities with local business organizations, it is just as important, if not more so, to inform and assist individual businesses. An extensive effort to identify qualified local businesses demands the coordination of all aspects of the Diversity Outreach Program. Existing resources to identify local firms, shall include, but not be limited to the following:

- Local business organizations
- Chambers of Commerce
- Community groups
- Trade Associations
- Past Bidder's/Proposers lists
- MBE/WBE/LBBE/DBE/DVBE Directories
- Other public agency lists of vendors/contractors
- Local Yellow Pages

Project Notices and advertisements are provided to firms via telephone, mail, e-mail or facsimile, regarding goods or services required for various projects. The Project Notice includes information regarding the specific project (i.e., estimated dollar amount, bid/proposal due date, scope of services, etc.). The purpose of the Project Notice is to provide local businesses with relevant project information in a timely manner, while encouraging participation in the Diversity Outreach Program.

Interest, Availability and Capacity Surveys

The Diversity Outreach Officer periodically surveys MBE/WBE/LBBE/DBE/DVBEs, within the Los Angeles/Orange County area to ascertain the following information:

- Interest in providing goods or services to the City.
- Availability to work, and meet contract requirements.
- Capacity to successfully start and finish a project on schedule.

Accurate surveys require a continuous effort, which can proactively identify shortages in the availability of local businesses to meet the needs of the City. In addition, updates concerning contracting opportunities are provided to contractors on a continuous basis to maintain interest in the City's objectives. Survey information is maintained in an electronic format to facilitate reporting results/findings.

Dissemination of Upcoming Contract Opportunities

The Diversity Outreach Officer provides, at a minimum, information to keep the local business community apprised of all current ITBs, RFPs, projects, and events with the following media:

- Existing pamphlets and brochures concerning "How to Do Business with the City"
- Project Look-Ahead Schedules
- City Web Page Addresses
- Information packages developed by the Diversity Outreach Division
- Other literature explaining the City's plans, goals and objectives
- Diversity Outreach Program Event Calendar

Dissemination of information regarding contract opportunities with the City is a major objective of the Diversity Outreach Program. Distributing as much up-to-date information as possible in a timely manner is a primary goal of the Diversity Outreach Program.