CONSENT AGENDA

AGENDA ITEM 12.2
TO: Mayor and City Council  
FROM: Susan Mayer, Chief Financial Officer  
SUBJECT: RESOLUTION AUTHORIZING A CHANGE ORDER TO THE PROFESSIONAL SERVICES CONTRACT FOR INTERIM FINANCIAL MANAGEMENT ASSISTANCE WITH MANAGEMENT PARTNERS, INC.

RECOMMENDATION

It is recommended that the City Council adopt findings and authorize a change order to the contract with Management Partners, Inc. for interim financial management assistance provided by the Interim Budget Officer and Interim Finance Officer. The change order increases the contract from $30,000 to $90,000.

Summary

A contract with Management Partners, Inc. was entered into on September 14, 2011. The contract provides interim financial management services as backfill for the vacant Budget Officer and Fiscal Officer positions during the recruiting period. The original contract amount was not to exceed $30,000. The assignments of the Interim Budget Officer and Interim Finance Officer are proposed for extension until the vacancies are filled. The proposed change order will extend the contract term three months.

DISCUSSION

Background

Management Partners, Inc. is comprised of former city and county managers offering experienced and professional government management services. Management Partners, Inc. was previously hired to provide services for the Community Development Department and has maintained a good working relationship with the City. The firm submitted a proposal and recommended consultants to address the City's need to fill critical interim financial management positions. Larry Lisenbee is serving as the Interim Budget Officer. Ray Durant is serving as the Interim Fiscal Officer and is overseeing preparation of the Comprehensive Annual Financial Report (CAFR).

Present Situation

There are six management vacancies within the Administrative Services Department. These positions are approved and budgeted, and the department has an urgent need to backfill the positions until permanent candidates are selected. These positions are
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crucial in meeting the City's financial reporting requirements and in providing fiscal analysis support to City departments.

The Budget Officer position has been vacant since April 2011 and the Finance Officer since March 2011. Recruitments are in progress. It is anticipated that the positions can be filled within the next three months. The assigned consultants are familiar with the City of Stockton's structure, fiscal situation, financial obligations, reporting requirements, and have proven to be valuable resources.

The combined total for services exceeds the City Manager's Charter Authority for contract services. The total amount of services, including the original contract, will not exceed $90,000.

Findings

Stockton Municipal Code Section 3.68.070 provides an exception to the competitive bidding process in cases where the City Council has approved findings that support and justify the purchase. The findings are as follows:

- On May 17, 2011, the City Council declared a State of Emergency due to fiscal circumstances.

- There is an immediate need to obtain financial management services during the recruiting period to fill the Budget and Fiscal Officer vacancies. Interim financial management services are necessary to handle the increase in financial reporting and analysis until the City's fiscal condition is stabilized.

- A review of the City's budget and financial statements has identified areas of risk and brought to light the urgent need for accurate and reliable financial information.

- There would be a significant delay in fulfilling financial reporting requirements if the City were to engage in a Request for Proposals (RFP) process. Due to the vacancies, the Administrative Services Department is behind schedule in preparing for the annual external audit.

FINANCIAL SUMMARY

The Budget Officer and Finance Officer positions were approved and funded in the 2011/12 adopted budget. This contract costs less per month than the budgeted positions and will be paid from the vacancy savings.
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Respectfully submitted,

Susan Mayer
Chief Financial Officer

APPROVED

Laurie Montes
Deputy City Manager

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RESOLUTION ADOPTING FINDINGS AND APPROVING CHANGE ORDER NO. 1 TO THE CONTRACT WITH MANAGEMENT PARTNERS, INC., IN AN AMOUNT NOT TO EXCEED $60,000, FOR INTERIM FINANCIAL MANAGEMENT ASSISTANCE

The City Council has adopted goals for Fiscal Year 2011-2012, one of which is Fiscal Sustainability – getting our fiscal house in order; and

Stockton Municipal Code (SMC) section 3.68.070 provides for an exception to the competitive bidding process for professional services. The findings as presented support and justify exceptions to the bidding process; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. Pursuant to the requirements of SMC section 3.68.070, the City Council adopts the following findings to support authorization of a professional services contract with Management Partners, Inc.:

   - On May 17, 2011, the City Council declared a State of Emergency due to fiscal circumstances.

   - There is an immediate need to obtain financial management services during the recruiting period to fill the Budget and Fiscal Officer vacancies. Interim financial management services are necessary to handle the increase in financial reporting and analysis until the City's fiscal condition is stabilized.

   - A review of the City's budget and financial statements has identified areas of risk and brought to light the urgent need for accurate and reliable financial information.

   - There would be a significant delay in fulfilling financial reporting requirements if the City were to engage in a Request for Proposals process. Due to the vacancies, the City is behind schedule and has had to delay the annual external audit.

2. The proposal from Management Partners, Inc., is consistent with the City Council's adopted Goals and the firm possesses the capability to address the required actions.

City Atty:  
Review:  
Date: October 12, 2011
3. Change Order No. 1, in an amount not to exceed $60,000, between the City of Stockton and Management Partners, Inc., is approved and the City Manager is authorized to execute it on behalf of the City of Stockton, a copy of which is attached hereto as Exhibit 1 and incorporated by this reference.

4. The City Manager is authorized and directed to take such other actions as are appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED October 18, 2011.

ANN JOHNSTON, Mayor
of the City of Stockton

ATTEST:

BONNIE PAIGE, City Clerk
of the City of Stockton

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CITY OF STOCKTON

Contract Change Order No. 1

PROFESSIONAL SERVICES CONTRACT FOR INTERIM
FINANCIAL MANAGEMENT ASSISTANCE

Original Contract Price $30,000
CCO No. 1 $60,000
Revised Contract Price $90,000

TO Management Partners, Inc. (Contractor). You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications of this contract.

ADDITIONAL WORK PERFORMED FOR ABOVE REFERENCED PROJECT

Scope of services to remain the same. Change order to increase contract amount and duration of original contract.

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

By reason of this proposed change, 5 days extension of time will be allowed.

Accepted Date ____________________________ (Contractor)

By ______________________________________
Title _____________________________________

Note: This change order is not effective until approved by the City Manager or if under Council approved limits, Department Director.

*Increase
Total cost of change not to exceed $ 60,000

Submitted By Susan Mayer
Project Manager

Reviewed for Construction N/A
(if applicable)

Approval Recommended:

By ____________________________

Do the changes above have any potential impact on the use of Public Facility Fees and/or other restricted funding sources? (Circle One) YES/NO

If Yes, Budget Officer or designee to verify available funding

Available funding verified ____________________________ Name and Title

Date Approved ____________________________

Dept Head Name and Title

Bob Dels, City Manager

Approved - City Council Resolution No. ____________________________

APPROVED AS TO FORM & CONTENT:
OFFICE OF THE CITY ATTORNEY

BY ____________________________
CITY ATTORNEY