

TO:

Honorable Mayor and Members of the City Council

FROM:

Strategic Planning and Policy Governance Subcommittee

SUBJECT:

Approve Contract with Partners in Policy Governance for Assistance in Implementing the Policy Governance Model in an Amount to Exceed \$98,000 (Strategic Planning and Policy Governance Subcommittee)

APPROVE; APPROPRIATE \$98,000 FROM COUNCIL CONTINGENCY

RECOMMENDATION:

Approve Contract with Partners in Policy Governance for Implementing an Enhanced Policy Governance System in an Amount not to Exceed \$98,000

FISCAL IMPLICATIONS:

Funds were not allocated for this activity in the 2013/14 fiscal year budget. The City Council contingency has approximately \$98,300 remaining for the current fiscal year from which funds for this contract could be appropriated. The \$98,000 to be appropriated is made up of \$90,000 for the base fee and up to \$8,000 in reimbursable expenses. This amount covers the first two years of what was originally anticipated to be a three year effort. If a third year of assistance is required, this will have to be done as a contract amendment.

BACKGROUND:

The City Council has been considering the best means to enhance their role as the governing body for the City with a focus on their policy making role. The City Council's Strategic Planning and Policy Governance Subcommittee has been taking the lead in this effort. On February 18, 2014, the City Council approved a Request for Proposals (Attachment 1) from firms which could assist the City in implementing the policy governance model, and the staff report from this meeting provides additional background (Attachment 2). The responses to the RFP were due on March 13, 2014.

DISCUSSION:

Six proposals were received in response to the Request for Proposals. The Strategic Planning and Policy Governance Subcommittee met to review the six proposals received. This resulted in interviews being conducted by the Subcommittee with four of the six proposers during the first part of April. The four firms interviewed were:

Brown Dog Consulting
CMR Governance Consulting
Partners in Policy Governance

Performance Works

Since that time, the Subcommittee has done additional due diligence and the Subcommittee's recommendation is to award the contract to Partners in Policy Governance. The proposal from Partners in Policy Governance is attached (Attachment 3).

Partners in Policy Governance has substantial experience in assisting organizations in implementing the policy governance model in a manner which best meets the needs of the individual organizations. The principals of Partners in Policy Governance, Sue Radwan and Eric Craymer, have served on the board of the International Policy Governance Association, with Sue Radwan having been the Association CEO from 2010 to 2012.

Partners in Policy Governance well-articulated the value of engaging in this Policy Governance work noting their process is..."designed to maximize the probability that you would achieve a sustainable shift into a new culture of accountability, transparency and community engagement. It is possible to adjust the process if your aims are lower. Reductions in the process may reduce the probability of a highly successful transformation."

They also identified the benefits of going with the full plan as outlined in their proposal:

- The fact that you are looking at a new system indicates that you are not satisfied with the status quo. Leaving the current system in place changes nothing and incrementally changing it leaves a lot of potential benefit on the table. The full plan makes it more probable that you will see improvements.
- City government and operations will become strategically aligned as a system, focused on reaching the desired outcomes rather than their own silos of activity.
- The system will be transparently focused on what the community as a whole desires and deserves, not on having to respond to the vocal few.
- Council will have a method of increasing both accountability and empowerment by developing policies that define a desired set of future outcomes and a set of controls that are just enough to cover larger concerns without having to control any more than necessary.
- Council will become visionary strategist instead of overseer or guard.
- The City will have a governing system that covers every part of what needs to be governed but at an appropriate level of involvement.
- It can optimize the ability of the system and the resources you have to maximize delivery of owner valued outcomes in lives and in the community.
- Operating fully within the Policy Governance model offers a path for the Council and CAO to optimize performance at all levels and ultimately

leads to more effective government decision-making.

They also set forth the risks of changing the governance system but not investing in a long term plan:

- There are two important shifts needed to be successful in this system. The first is to design a set of policies that shift you into the system. The second, and more difficult, is to shift individuals' beliefs and behaviors in a way that reflects the values set in the policies. There are a slew of processes, structures and culture currently supporting the system in place that will pull you towards maintaining the status quo. Getting to a Policy Governance® culture will require identifying and changing the processes, structures and culture so that they support the new system. This takes time, effort and ongoing behavioral coaching.
- Stopping short of the full cultural shift leaves the system vulnerable to erosion due to changes in the Council, pressure from outside parties and behaviors that are inconsistent with the expectations you set in policy.
- Going part way into a new system while keeping parts of the previous system means you have a foot in two different streams. The possibility of confusion, dropped balls, and short circuits increases.
- Investing too cautiously increases the risk that the investment will only pay out partial benefits.
- Fixing a system that isn't working (due to under investment or improper process) is much more costly than building one that works the first time around.

The Subcommittee believes that time is of the essence regarding the selection and award of this contract. As noted in previous City Council meetings there is an urgency to begin our new strategic planning process. The next generation of strategic planning and an RFP process for those services will not begin until the initial stages of our Policy Governance initiative are underway. The selection of a firm to assist us in the Policy Governance initiative will allow the City to begin working with the Policy Governance consultant very soon after the new City Manager commences his employment on July 7, 2014.

CONCLUSION:

The Subcommittee recommends that the City Council approve a contract with Partners in Policy Governance (Attachment 4) to assist the City in moving forward with the Policy Governance initiative which will be beneficial to enhancing the effectiveness of the City Council in its role as the governing body and which will augment how the City operates under the Council/Manager form of government.

Attachments:

1. Policy Governance RFP
2. February 18, 2014, Policy Governance RFP Staff Report
3. Partners in Policy Governance Proposal

4. Professional Services Agreement with Partners in Policy Governance