

EMERGENCY RESOLUTION NO. 24-2015

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT BY AND BETWEEN THE CITY OF MONROE AND MANAGEMENT PARTNERS, INC. FOR PROFESSIONAL CONSULTING SERVICES FOR THE PAYROLL PROCESS IMPROVEMENT PROJECT AND DECLARING AN EMERGENCY.

WHEREAS, the City applied for and received grant funding for consultant services for the Payroll Process Improvement Project; and

WHEREAS, Council desires to proceed with this process to increase efficiency in the payroll process.

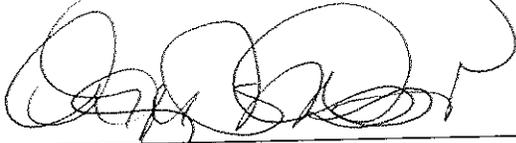
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONROE, STATE OF OHIO, THAT:

SECTION 1: The City Manager is hereby authorized to enter into an agreement by and between the City of Monroe and Management Partners, Inc. for professional consulting services for the Payroll Process Improvement Project in an amount not to exceed \$26,000. The terms and conditions of said agreement shall be as set forth on Exhibit "1" attached hereto and made a part hereof.

SECTION 2: This measure is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare and further for the reason that Council desires to enter into said agreement to improve efficiency in the payroll process at the earliest possible date. Therefore, this measure shall take effect and be in full force from and after its passage.

PASSED: May 18, 2015

ATTEST:



Clerk of Council

APPROVED:



Mayor

"I, the undersigned Clerk of Council of the city of Monroe, Ohio, hereby certify the foregoing (ordinance or resolution) was published as required by Section 7.16 of the Charter of the City of Monroe.



Clerk of Council
City of Monroe, Ohio

This legislation was enacted in an open meeting pursuant to the terms and provisions of the Sunshine Law, Section 121.22 of the Ohio Revised Code.

CITY OF MONROE, OH

PAYROLL PROCESS IMPROVEMENT

AGREEMENT

THIS AGREEMENT, made this ___ day of _____, 2015, by and between the City of Monroe, 233 S. Main Street, Monroe, Ohio 45050, (hereinafter referred to as the "City"), and Management Partners, Inc., 1730 Madison Road, Cincinnati, Ohio 45206 (hereinafter referred to as "Partners").

RECITALS

WHEREAS, the City is desirous of improving the efficiency and effectiveness of its payroll process, and

WHEREAS, the City did apply for and receive a grant from the State of Ohio's Local Government Efficiency Program sponsored by the Ohio Development Services Agency and funded through the Local Government Innovation Fund to fund said project, and

WHEREAS, Partners has unique knowledge of local governments, process improvement tools and techniques, and a demonstrated ability to assist in accomplishing the objectives of City; and

WHEREAS, City desires to engage Partners to assist in the payroll process improvement and Partners is willing to provide such services;

NOW THEREFORE, in consideration of the premises and mutual obligations herein, the parties hereto do mutually agree as follows:

1. **Scope of services.** Partners shall assist the City by executing the project described in the project work plan submitted dated December 8, 2014, which is hereby incorporated herein by reference as Exhibit A, in a satisfactory and proper manner in accordance with direction provided by the City Manager, or his designee.

2. **Time of Performance.** Services of Partners shall be available upon receipt of an approved copy of this Agreement, and shall be undertaken and completed in accordance a schedule of performance that is satisfactory to the City.

3. **Compensation and Method of Payment.** Partners will invoice City for services rendered as work is performed on the project, on the basis of the submission of invoices on a monthly basis. The total amount of payment in accordance with this agreement shall not exceed \$22,500, including expenses.

4. **Independent Partners.** Neither Partners nor its employees are considered to be employees of the City, for any purpose whatsoever. Partners is an independent contractor in the performance of the services herein described.

5. **Personnel.** Partners represents that it has, or will secure at its own expense, all personnel required in performing all of the services required under this Agreement. Such personnel shall not be employees of or have any contractual relationships with the City. All the services required hereunder will be performed by Partners or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

6. **Discrimination Prohibited.** In performing the services required hereunder, the Partners shall not discriminate against any person on the basis of race, color, religion, sex, national origin or ancestry, sexual orientation, age, physical handicap, or disability as defined in the American With Disabilities Act of 1990, as now enacted or hereafter emended.

7. **Reports and Information.** At such times and in such forms as the City may require, there shall be furnished to the City such statements, records, reports, data and information, as the City may request pertaining to matters covered by this Agreement. Unless authorized by the City, the Partners will not release any information concerning the work product including any reports or other documents prepared pursuant to this Agreement until the final product is submitted to the City.

8. **Establishment and Maintenance of Records.** Records shall be maintained by the Partners in accordance with applicable law and requirements prescribed by the City with respect to all matters covered by this Agreement. Except as otherwise authorized by the City, such records shall be maintained for a period of three (3) years after receipt of final payment under this Agreement.

9. **Assignability.** Partners shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement (whether by assignment or novation), without the prior written consent of the City thereto.

10. **Termination for Convenience of City.** The City may terminate this Agreement at any time by giving at least fifteen (15) days' notice in writing to Partners. If Partners is terminated by the City as provided herein, Partners will be paid for the services actually performed to the time of termination.

11. **Construction and Severability.** If any part of this Agreement is held to be invalid or unenforceable, such holding will not affect the validity or enforceability of any other part of this Agreement so long as the remainder of the Agreement is reasonably capable of completion.

12. **Entire Agreement.** This Agreement contains the entire agreement of the parties and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

13. **Applicable Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Ohio, and the laws, rules and regulations of the City of Monroe.

IN WITNESS WHEREOF, the City and Partners have executed this Agreement as of the date first above written.

City of Monroe, Ohio

Management Partners, Inc.

(signature)

Gerald E. Newfarmer, President and CEO

Title

Date

Exhibit "A"

December 8, 2014

Mr. William J. Brock
City Manager
City of Monroe
233 S. Main Street
Monroe, OH 45050

Dear Mr. Brock:

As requested, here is a description of the budget for the Payroll Process Improvement project. First is an outline of the proposed work plan and then a breakdown of the cost, showing both the hourly rates and the activity hours and cost. This includes the necessary background research for the briefing book, one-on-one consultation with staff receiving Lean process improvement training through the State program, the Lean/Kaizen event, the project report, documentation of the process maps, and an Implementation Action Plan.

Project Work Plan

The project is broken down into seven discreet activities, beginning with a start-up meeting and ending with implementation support in making the improvements identified.

Activity 1 – Start Project

The starting point for this project will be to meet with City management to discuss the details of the project approach and execution. The start-up meeting is the occasion to refine the plan of work to ensure that the project schedule is reasonable and melds well with other City commitments.

The project start-up activity will form the basis of the partnership between Management Partners and the City. We expect that the City will designate a senior member of the executive staff as the project manager to serve as the point of contact for Management Partners' team.

We will also provide a briefing and one-on-one consultation for City staff selected to attend the State process improvement training, to discuss their roles in the project and provide background on our approach and the tools we recommend using.

Lastly, we will provide a data request to pull gather the necessary background information for the briefing book.

Activity 2 – Review Current Payroll Processes

Management Partners will conduct a thorough review of the Payroll process to create “current state” process maps for use in the workshop described in Activity 5. Through individual interviews with staff, Management Partners will develop an understanding of the current system, identify challenges, and assess workload. The impact of other departments on the payroll process will also be included in this evaluation.

We will also develop a model for workload and service performance, with an emphasis on identifying trend data and other information that can be used to forecast future workload patterns.

Activity 3 – Conduct Interviews with Payroll Customers

Based on the information obtained in Activity 2, Management Partners will conduct an analysis of the customer experience, by understanding how users of the payroll process view the process and results.

Management Partners will conduct individual interviews with selected payroll customers to understand their perspective the strengths, weaknesses and opportunities for improvement. Upon completion of the interviews, Management Partners will prepare a summary of the comments and common themes, taking care to preserve the confidentiality of individual sources. This summary will be used to inform the business process analysis and resulting recommendations.

Activity 4 – Summarize Observations and Prepare Briefing Book

Using the information obtained during activities 2 and 3, Management Partners will prepare a briefing book for use by the staff process improvement team (Activity 5) that summarizes our analysis and observations and includes the current state process maps.

The initial review of the internal analysis will provide a basis for Management Partners to work with the City’s management team to establish goals for the process improvement. Unlike a traditional reengineering approach that is lengthy to complete, this process will enable the involved staff members to decide on process improvements quickly.

Once the goals have been established, we will finalize the briefing book for use in Activity 5.

Activity 5 – Facilitate Decision-Making Workshop to Identify Improvements (Kaizen Event)

Management Partners will plan and lead a one-day decision-making session involving members of City staff having responsibility for managing and implementing the payroll process using Lean Six Sigma process improvement techniques. These tools help staff find ways to increase process efficiency and effectiveness in serving customers, and have been used successfully by staff teams in many local jurisdictions to create workflow and performance efficiencies.

We will recommend who in the City should be included on the process improvement team to come together in a workshop setting, including support departments and key customers, with the charge to prepare actions that, once implemented, will achieve the improvement goals

established by management. Management Partners will facilitate the team's deliberations and conduct a concluding session when specific action plan recommendations are presented to management for approval. The actual decision-making dimension of this part of the process is crucial; the basis upon which reform usually founders is inaction and indecision. With a built-in emphasis on decision-making, results become the defined outcome of this activity.

Activity 6 – Report Results

Once we complete the decision-making session, Management Partners will prepare a draft project report that includes the assessment of the existing process, the changes recommended through the Lean process improvement activity, and the draft implementation action plan.

We undertake several discrete steps to ensure quality control. The first is to prepare a draft report and go over it with City management to assure that facts are accurate and ideas are presented clearly. Then we subject it to a vigorous internal peer review and proofreading. We will then prepare the final project report.

Activity 7 – Support Implementation

At the conclusion of the Lean session and after presentations by the staff team, we will work the City's management team will guide the content of the written implementation plan documenting decisions and identifying steps to be taken to complete the recommended actions of the process improvement team. Management Partners will then prepare a draft implementation action plan for the City.

Project Cost

For the project team (see below for background information), the following hourly rates apply:

Name	Title	Total Hours	Rate
Kevin Knutson	Regional Vice President	6	\$250
David Duckworth	Special Advisor	28	\$190
Joey Reed	Senior Management Advisor	80	\$140
Sam Lieberman	Management Advisor	38	\$95
TBD	Peer Review	4	\$125

To conduct the work plan described above, Management Partners will devote 156 hours of staff time for a total cost of \$22,500, as broken down in the following table:

	Hours	Cost
Activity 1: Start Project	16	\$ 2,728
Activity 2: Review Current Public Works Workorder Processes	32	\$ 4,388
Activity 3: Conduct Interviews with Public Works Customers	18	\$ 2,138
Activity 4: Summarize Observations and Prepare Briefing Book	22	\$ 3,220
Activity 5: Facilitate Decision-Making Workshop to Identify Improvements	22	\$ 3,868
Activity 6: Report Results	38	\$ 5,248
Activity 7: Support Implementation	8	\$ 910
Totals	156	\$22,500

The project budget also includes \$370.00 in travel expenses, so this cost includes all project expenses.

Project Team

Management Partners has a project team that is well-qualified to complete this work for the City of Monroe. Kevin Knutson, Regional Vice President, will oversee the project and David Duckworth will be the project manager. They will be assisted by Joey Reed and Sam Lieberman.

Kevin Knutson is Regional Vice President for Management Partners' eastern office in Cincinnati, Ohio. Kevin has more than 20 years of experience in local government, including ten years in strategic planning, budget, performance measurement, and process improvement and six years in community relations, communications, and citizen engagement. He is recognized as a national expert in local government performance management, long-term financial planning, and communications. He was part of a team that implemented quality management practices (including six sigma Lean process improvement) in Coral Springs that led to the City being the first local government to earn the Malcolm Baldrige National Quality Award. Kevin served as interim city manager, assistant city manager, director of the office of management and budget, and director of community relations in Reno, Nevada; and as director of communications and marketing and budget and strategic planning manager for Coral Springs, Florida. He is recognized as a Credentialed manager by ICMA and was named the City-County Communications and Marketing Association's 2011 Communicator of the Year. He also served as a Florida Sterling Award examiner, and was trained as a Baldrige examiner.

David Duckworth, Special Advisor, served as the chief administrative officer for the Southwest Ohio communities of Miami Township, Union Township, and Deerfield Township during his 25-year career in public service. Each is a large, urbanized township with populations in excess of 30,000. As chief administrative officer, he was responsible for the day-to-day management of the communities he served, which included preparing and administering budgets, managing resources and ensuring that public services were delivered efficiently and effectively. He has been a longtime member of the International City/County Management Association as well as numerous state and local professional organizations.

Joey Reed, Senior Management Advisor, joined Management Partners in July 2012. Prior to that, she was employed with the Ohio State Auditor's Office for 12 years. She worked as a financial auditor in the Financial Section and transferred to the Ohio Performance Team where she served as a performance analyst. Her performance audit work included economy and efficiency analyses for many types of jurisdictions including school districts, municipalities, and state and local agencies. The performance audits identified recommendations to help agencies meet budget deficits and/or streamline work processes to reduce waste or increase productivity. Her audit reports were used as a tool for strategically dealing with financial operations, meeting budget forecasts, planning, and providing an objective review for community stakeholders. Joey has expertise in human resources, finance, operations and support, and contract management. Joey has earned a black belt designation in the use of six sigma Lean process improvement.

Sam Lieberman, Management Analyst, has contributed to a variety of projects that have included organization reviews, strategic planning, budget and staffing analyses, and fleet management, among others. He has been trained in performance measurement and has assisted clients with benchmarking. Recent clients whom he has served include the cities of Hartford, Mansfield and New Haven, Connecticut; Kenton County, Kentucky; Kansas City, Missouri; and Mason and Montgomery, Ohio. While in school, Sam gained valuable experience in the day-to-day functioning of local government during an internship with the City of Cincinnati. He researched the feasibility of implementing a streetcar system in Cincinnati and prepared staff reports on the subject. He also assisted with the process of rolling out and implementing CincyCare, a public/private health care partnership.

Please contact me at 513-861-5400 or directly at 513-805-2021 if you have any questions about this information.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Knutson", with a horizontal line extending to the right.

Kevin Knutson
Regional Vice President