



DATE: September 19, 2012
TO: Honorable Mayor and City Councilmembers
FROM: City Manager's Office
SUBJECT: **APPROVAL OF A BUDGET APPROPRIATION FOR CITY COUNCIL
GOAL-SETTING AND BUDGET PRIORITIZATION EFFORTS**

SYNOPSIS

Staff recommends that the City Council approve a budget appropriation in the amount of \$20,000 from the Unallocated General Fund Reserve to the City Manager's Office budget for the City Council-approved Goal-Setting and Budget Prioritization process.

BACKGROUND

At the Council's June 27, 2012, meeting, the Council authorized the issuance of a Request for Proposals (RFP) for a facilitator to assist the City in developing a Goal-Setting and Budget Prioritization effort.

ANALYSIS

Staff released the Request for Proposals and received six responses. When the Council directed staff to issue the RFP at their June 27, 2012, meeting, the action did not include an allocation to fund the facilitation effort, and no monies for this effort were budgeted for FY 2012-13. It is expected that the cost will be approximately \$20,000. Based on the Council's direction, staff has selected the Mercer Group as the facilitator and is entering into a professional services agreement. A copy of their proposal is attached.

FISCAL IMPACT

The Fiscal Year 2012-13 Budget did not contain an allocation for a City Council Goal-Setting and Budget Prioritization effort. Consequently, staff needs to identify funding for the Council's planning process, as directed at the June 27, 2012, meeting. Staff is recommending that the \$20,000 be allocated from the Unallocated General Fund Reserve and transferred to the City Manager's Office Budget account 150150101.5305.

INSURANCE REQUIREMENTS

Does not apply.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

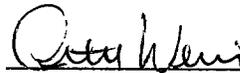
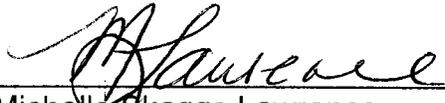
Does not apply.

RECOMMENDATION

Staff recommends that the City Council approve a budget appropriation in the amount of \$20,000 from the Unallocated General Fund Reserve to the City Manager's Office budget for the City Council-approved Goal-Setting and Budget Prioritization process.

PREPARED BY:

SUBMITTED BY:

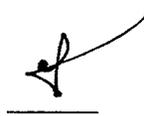


Michelle Skaggs Lawrence
Deputy City Manager

Peter A. Weiss
City Manager

REVIEWED BY:

Teri Ferro, Financial Services Director



ATTACHMENT:

Mercer Group proposal



The Mercer Group, Inc.

Consultants to Management

551 W. Cordova Road, #726
Santa Fe, New Mexico 87505
(505) 466-9500 Phone
(505) 466-1274 Fax
www.mercergroupinc.com

August 2, 2012

Ms. Michelle Skaggs Lawrence
Deputy City Manager
City Manager's Office
City of Oceanside
300 North Coast Highway
Oceanside, CA 92054

Dear Ms Lawrence:

The Mercer Group, Inc. is pleased to provide our **Proposal for the Strategic Planning/ Goal Setting Facilitation for City Council**. Our proposal is based on the City's Request for Proposal dated July, 2012. With your approval, we have submitted a compact disc (CD) with our strategic plan sample.

Our national experience working with Mayors and Councils has been both community-based and organization-specific, and has included projects for cities and counties ranging from very small to large communities. Our work has also included considerable experience in gaining citizen and stakeholder input and in working effectively with governing bodies and senior managers. In total we have conducted **over 100 strategic and functional business planning assignments** across the United States.

We also have a significant experience working with citizens, community stakeholders and Mayor and Councils and staff in developing consensus on budgetary priorities. Our local office is located in Weimar, CA and we have recently opened an office in Imperial Beach, CA.

If you have questions, please contact Jim Mercer, project director, at 505-466-9500 or Steve Egan, project manager and lead consultant, at 770-425-1775.

Sincerely yours,

THE MERCER GROUP, INC.

James L. Mercer, President/CEO, Certified Management Consultant (CMC)

Stephen D. Egan, Jr, Senior Vice-President

Mike Letcher, Senior Vice-President

Clark Wurzberger, Senior Vice-President (California Office)

CITY OF OCEANSIDE, CALIFORNIA



**STRATEGIC PLANNING/ GOAL SETTING
FACILITATION FOR CITY COUNCIL
PROPOSAL**

THE MERCER GROUP, INC.

**PO Box 546
Weimar, California 95736**

**530-637-4559 Phone
530-637-1048 Fax**

www.mercergroupinc.com

August 2, 2012

I. MERCER GROUP CAPACITY AND EXPERIENCE

This chapter of the proposal presents an Introduction of the Mercer Group.

- A. KEY FACTS ABOUT OUR FIRM**
- B. PROJECT EXPERIENCE**

A. KEY FACTS ABOUT OUR FIRM

The Mercer Group, Inc. is a management consulting firm incorporated in the State of Georgia and operating nationwide, with strongly established areas of practice in the Southeast and Midwest, and growing Northeast, Southwest, and Far West practices. Our offices in Weimar and Imperial Beach, California will be involved in this project.

Our firm now has **thirty-one** people serving the public sector from **twenty** offices across the United States.

1.) Corporate Address

**PMB 511, 5579-B Chamblee-Dunwoody Road
Atlanta, Georgia 30338**

2.) Other National Offices

Albuquerque, New Mexico
Brunswick/St. Simons Island, Georgia
Estes Park, Colorado
Galesburg, Illinois
Hollywood, Florida
Monmouth, Illinois
Phoenix/Scottsdale, Arizona
Santa Fe, New Mexico
Stillwater, Oklahoma
Weimar/Sacramento, California

Buffalo Grove/Chicago, Illinois
Chesapeake, Virginia
Lansing, Michigan
Hartford, Connecticut
Marietta/Atlanta, Georgia
New Orleans, Louisiana
Raleigh/Louisburg, North Carolina
Sarasota, Florida
Tucson, Arizona
Imperial Beach, California

3.) Contacts Persons for the Project

James L. Mercer, President and CEO

Project Director (Santa Fe)

505-466-9500 Office

505-660-7725 Cell

505-466-1274 Fax

jmercerc@mercergroupinc.com

Stephen D. Egan, Jr., Senior Vice-President

Director of our National Management Studies Practice

Project Manager/ Senior Consultant (Marietta/Atlanta and Buffalo Grove/Chicago)

770-425-1775 Office

770-335-3245 Cell

770-425-8561 Fax

segan@mercergroupinc.com

steveegan@aol.com

Mike Letcher, Senior Vice-President

Director of our Arizona Office (Tucson and Imperial Beach, California)

575-587-2873 Office

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Clark Wurzberger, Senior Vice-President

Local Liaison

Weimar/Sacramento Office

PO Box 546

Weimar, California 95736

(530) 637-4559 Phone

(530) 637-1048 Fax

cwurzberger@excite.com

4.) Mercer Group Website

Our corporate website (www.mercergroupinc.com) provides additional information on our firm and its practice areas, bios of Mercer principals, and project and client lists.

5.) History and Structure of the Firm

James L. Mercer, a long-term public sector management consultant, started his own firm in 1981, and then in 1984 merged it with another consulting firm, Wolfe and Associates. In 1986, Mr. Mercer acquired the Human Resources and Organizational Consulting Practice of Wolfe and Associates, using this acquisition as the basis for founding Mercer, Slavin, & Nevins, Inc. In early 1990, he sold his interest in MSN and founded The Mercer Group, Inc. The Marietta, Lansing, Santa Fe, Hartford, and other area offices were added as our client base, practice areas, and staffing grew.

6.) Business Model

The Mercer Group, Inc. is a **Consortium Model** firm, with a core of key staff members supplemented by associated independent consultants and specialty firms. The consortium members work together regularly and have long personal and professional relationships. This business model allows us to staff each project with the right mix of consulting professionals; eliminate pressure to assign salaried staff who may be available, but lack project-required experience; and offer competitive rates for very senior consultants due to our reduced administrative and overhead costs.

7.) Client Base and Specialties

The Mercer team of consultants has conducted successful planning, management, and organizational consulting assignments for **over 500 public sector organizations nationally, as well as over 1,500 executive recruitment assignments.**

The **Mercer Group provides exceptionally high quality consulting services to a wide range of public sector clients:** state and local governments, utilities, school districts, transit authorities, health care providers, special districts, colleges and universities, and some private sector clients.

Specialty practice areas of our firm include strategic planning and policy studies; service delivery alternatives, including the feasibility of consolidation/merger and collaboration/shared services; management, organization, operations, financial, and productivity improvement; human resource management, compensation and classification studies, and performance management systems; and executive recruitment

8.) Code of Ethics

The Mercer Group subscribes to the Codes of Ethics of the International City/County Management Association (ICMA) and the Institute of Management Consultants (IMC). James L. Mercer, our President and CEO.

9.) EEO Compliance

In its own internal operations and in its consulting practices, The Mercer Group, Inc. is in full compliance with E.E.O.C. regulations and our equal employment opportunity statement is available upon request. Because executive search is a portion of our consulting practice, we are very much aware of and comply with the regulations for equal employment opportunity.

B. MERCER'S PROJECT EXPERIENCE

Our firm has **extensive consulting experience with state and local governments on over 500 planning; service delivery structure; and management, financial, and operational improvement studies nationally.** These studies include strategic planning; functional business planning; consolidation, shared services, and privatization studies; and management studies both government-wide and for specific departments, many of which are listed on the following few pages. **Primary consultants on these studies have been Jim Mercer and Steve Egan, both of whom are included on our project team.**

Our project staff is very experienced in strategic planning for local governments and is trained and experienced as group facilitators.

Our **project director, Jim Mercer**, is among the most knowledgeable consultants in the country in the area of strategic planning for local governments. He has worked with 75 other local governments, state agencies, and non-profit organizations to define mission, vision, and values, develop strategic plans, and facilitate goal-setting retreats. Jim's book, Strategic Planning For Public Managers, has been the model for local government strategic planning for over two decades. Jim will be responsible for the overall quality of our work and legal/contractual matters.

Our **project manager, Steve Egan**, is a national expert on functional business planning and government operations. Steve has facilitated the development of functional business plans and planning retreats for over twenty local governments, including a recently completed Visioning and Strategic Planning project for the City of Wasco, California, a 20,000-population community just north of Bakersfield; a planning retreat for the Mayor, City Council, and senior City staff in Papillion, Nebraska; and a functional business plan for the Public Works Department in Oro Valley, Arizona. Steve will support Mike in preparing for and facilitating the retreat and in preparing the follow-up report.

Our senior consultant, Mike Letcher, has over 30 years of management, finance, and budgetary experience in Arizona, Vermont, and Kansas as City Manager, Deputy City Manager, and Acting Budget Director. He is a certified quality improvement facilitator and has extensive experience with strategic and functional business planning. As City Manager, he has successfully facilitated major fiscal policy and budgetary discussions in

the City of Sedona, Arizona, and the City of Tucson, Arizona. Mike will be our primary onsite consultant, with support from Steve and Jim.

1.) Strategic Planning

Examples of over fifty (50) governmental and community-wide strategic planning projects include:

- **Abilene, Texas:** Strategic Planning Workshop
- **Chesapeake, Virginia:** Strategic Planning Process
- **Davis County (Utah) Planning Commission:** Strategic Planning Process.
- **Del Rio, Texas, Economic Development Council:** Community-based Strategic Plan
- **Duluth, Georgia:** Strategic Plan
- **Henrico County, Virginia:** Countywide Community-based Strategic Planning Process
- **Laporte, Texas:** Strategic Planning Process
- **Largo, Florida:** LARGO VISION 2000, a Community-based Strategic Plan
- **Longview, Texas, Action Long★View, Inc.:** Community-Based Strategic Plan
- **New York Association of Counties:** Strategic Planning Process.
- **North Miami Beach, Florida:** Strategic Planning Process.
- **Papillion, Nebraska:** Facilitation of a strategic Planning and goal-setting retreat with the Mayor, City Council, and senior management team.
- **St. Louis County, Minnesota:** Strategic Planning and Teambuilding
- **Sarasota, Florida:** Strategic Plan
- **South Carolina Budget & Control Board:** Strategic planning and executive development
- **Tampa, Florida, Metropolitan Planning Organization:** Goal and objectives workshop
- **Thornton, Colorado:** Goal and objectives setting workshop
- **Tyler, Texas:** Strategic Planning Process for Cutback Management
- **Waco, Texas:** Strategic Planning and Shared Values Workshop
- **Wasco, California:** Long-Term Vision and Strategic Plan

- **Worthington, Minnesota:** Goal and objectives setting workshop
- **Wyoming State Training Director:** Strategic planning and executive development

2.) Functional Business Planning

Examples of departmental and agency functional planning processes include:

- **City of Abilene, Texas:** Functional Consolidation of City Development Departments
- **City and Town of Barre, Vermont:** Feasibility Analysis for Collaboration or Consolidation of Public Safety Departments (Ambulance/EMS, Fire, and Police).
- **Cobb County and its Six Cities, Georgia:** Analysis of benefits, costs, and funding to support development of a Service Delivery Strategy for all governmental services.
- **Colorado Springs Utilities:** Comprehensive Organization, Operations, and Management Studies and Structural Consolidation Study.
- **City of Charlotte and Mecklenburg County, North Carolina:** Consolidation of city and county building inspection and code enforcement functions.
- **City of Maplewood, Minnesota:** Development of a Fire and EMS Master Plan, with a focus on Fire-Police cooperation in paramedic and dispatch services.
- **City of Milwaukee, Wisconsin:** Facilitation of a strategic planning session for the Public Works management team in preparation for the 2000-2004 budgets
- **Town of Nantucket, Massachusetts:** Feasibility study of consolidating fleet maintenance services into a Central Garage and Fleet Management Program.
- **Northern Maine Development Commission:** Shared Services Analysis for two cities and four towns in providing maintenance, public works, and utility services to the former Loring Air Force Base as it converted to civilian use.
- **Nueces County, Texas:** Operations Analysis and Consolidation Study of Selected Government Functions among 34 Taxing Jurisdictions
- **Odessa, Texas, Council of Governments:** Shared Services study for printing, fleet, and information technology services provided by the county, city, school board, community college, and public hospital.
- **Oro Valley, Arizona:** Facilitation of a functional business planning retreat for the Department of Public Works senior management team.
- **Santa Barbara County, California:** Management Organization study to refine the organization plan for the recently consolidated Public Works Department.
- **Spartanburg Water and Sewer System, South Carolina:** Goal and objectives

setting workshop.

3.) Government-wide and Departmental Management Studies

Representative government-wide and departmental management and operations improvement studies are listed below. **Each of these studies includes a review of strategic and functional business planning processes as part of an analysis of Mercer's 50 Management Issues.**

- **Cities of Alexandria, Virginia, and Annapolis, Maryland:** Planning and Zoning Department Management and Organizational Studies.
- **Becker County and Winona County, Minnesota:** Management Audits.
- **Florida Municipal Power Agency (Orlando, Florida):** Assessment of the Management Goal-setting and Planning Process and of the Reasons for High Employee Turnover.
- **Fulton County, Georgia:** Studies include Fire and Police, Fleet Management, User Fees and Utility Rates, Utility Revenue Processing, Tax Assessor, and Tax Commissioner.
- **City of Milwaukee, Wisconsin:** Ten management and organizational studies in the Public Works Department and Water Works.
- **Town of Needham, Massachusetts:** Management and Operations study of the Department of Public Works.
- **Town of Oro Valley, Arizona:** Public Work Management and Operations study.
- **City of Phoenix, Arizona:** Management Organization study and teambuilding for the Development Services Department and associated departments.
- **City of Port Arthur, Texas:** Citywide Management and Performance Review.
- **Portage County, Minnesota:** Management Study of the Sheriff's Department.
- **St. Paul, Minnesota, Regional Water Services:** Comprehensive management and competitive assessment included services to suburban communities.
- **City of Southfield, Michigan:** Police Management and Operations study.
- **City of Spokane, Washington:** Management and Operations Assessment of the Water and Hydroelectric Department.
- **City of Sugar Land, Texas:** Utility Department Management Study.
- **City of Waterbury, Connecticut:** State-commissioned Management and Operations Study of the Department of Public Works.

- **City of Wheat Ridge, Colorado:** Management and Operations Study of the Community Development Department and the Parks & Recreation Department.

II. SCOPE OF SERVICES

This chapter of the proposal presents a Project Overview, our Approach and Work plan, and

A. PROJECT OVERVIEW

The City of Oceanside Mayor and Council workshop is important for laying the foundation to execute a successful strategic plan and budget. The Mercer Group is committed to facilitating successful community meetings and workshop for the Mayor and Council. Our proposal fully meets the expectations of the Scope of Work under your Request for Proposals:

The RFP states that “in an effort to clearly define the City of Oceanside’s budget priorities and to establish goals and objectives consistent with its mission in a defined time frame within the organization’s capacity for implementation, the City Council wishes to utilize the services of a professional facilitator to facilitate its annual strategic to plan/goal setting effort, prioritize and rank City programs and services based on their ability to achieve these goals, and to create a document to memorialize this effort. Additionally, the City Council wishes to engage the public in this effort to solicit public input, cultivate transparency and to build consensus concerning the CITY’s future.”

The steps that we outline in this proposal are based on what we think will work best for the outcomes the city wants to achieve in the community meetings and workshop. We recognize that the city staff has a much better handle on what may or may not work best with the Mayor and Council. We are flexible in modifying our approach to meet the requirements of the city, and the approach it feels is best for the community meetings and workshop.

The approach we are recommending for the retreat is based on our experience of over 30 years with facilitating, developing, and implementing strategic plans in the public sector.

B. APPROACH AND WORK PLAN

We have included in our proposal a meeting with the city to discuss and modify, if necessary, our approach for this project. Our approach for the project is based on premise that the city wants to update and not completely “reinvent the wheel” regarding the city’s Strategic Plan. *We recognize in our proposal that it is not only important to have well facilitated community meetings and a workshop for Mayor and Council, but also to ensure that the city staff have clear directions on program and service priorities and financial guidelines for preparing the FY 2014 budget.*

1. Conduct meetings with Executive Management and/or staff to establish clear desired outcomes and facilitator’s role for the Council retreat.

We will meet with the Executive Management Team and staff to clarify the role of the facilitator in the retreat. During this meeting we will also work with Executive Management and staff in developing interview format and any materials that would be shared with the Mayor and Council before the interviews. The format could potentially be structured around the following questions for Mayor and Council:

- Are you ok with the current vision statement?
- Are you ok with the current organizational mission?
- Are you ok with your current core values?
- What do you see as the city’s SWOT?
- What are your concerns’s, if any, regarding the city’s current pension funding? (We thought this would be an appropriate question to add considering the latest news regarding the impacts of pension funding on cities in California.)
- What are your specific short-term and long-term goals and priorities for the City; and
- What would be the key elements for a prosperous and fiscally sound City of Oceanside?
- What are your priorities that you would like discussed at the retreat?
- What currently is working well that promotes or supports those priorities?
- What is currently not working well that restrains or impedes the implementation of priorities?
- What would you do to eliminate the restrainers of achieving the priorities?
- What are your most important outcomes to achieve from the retreat/
- What do you want to avoid most from happening in the retreat?
- What are your expected outcomes for the community meetings?
- How would you measure success under the focus areas i.e. Economic Vitality, City Services, Sustainable Growth, Civic Engagement, Quality of Life?
- What are your priorities and goals for the FY 2014 budget?
- What changes, if any would you make in the FY 2014 budget development process?

In our opinion, the focus of the interviews with the Mayor and Council should be to provide as much information as possible to prepare the information and agenda for the Workshop.

2. Conduct interviews with the Mayor and City Council members to obtain input and priorities regarding topics of discussion for the workshop. The results of the interviews would be shared with Mayor and Council at the workshop.

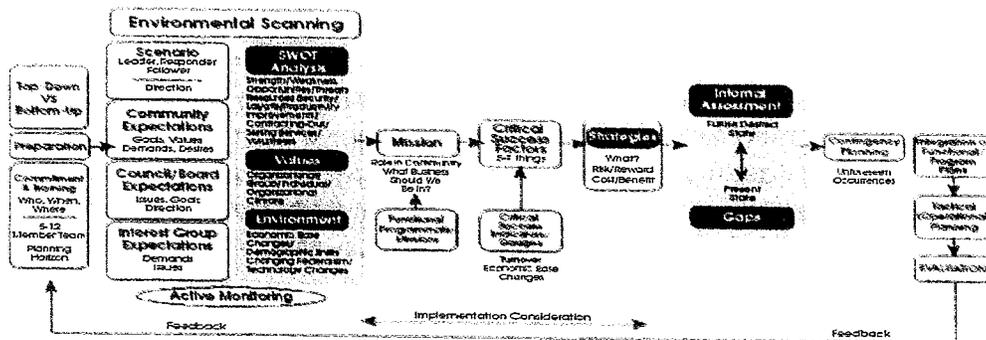
The interviews would be conducted based on the results from our dialogue with the Executive Management Team on the format and questions to use in the interviews. Following, the interviews a draft summary on the results would be prepared for the Executive Leadership Team’s review and approval, prior to distribution to Mayor and Council. The summary would outline a recommended approach and discussion items for the retreat consistent with the requirements of the Request for Proposal. In the meeting with the Mayor and Council we would also provide a “very brief” overview of the benefits of Strategic Planning.

Strategic Plan Process and Model

Our interview approach with the Mayor and Council would start with a brief overview of why strategic planning is important for the city. The discussions with the Mayor and Council during the interview process will reinforce the effectiveness of a strategic plan that is linked to operational, financial and budget priorities.

We will provide an overview of the Mercer Group Model for Strategic Planning. The focus of most organizations’ efforts is in the doing of things first and very little time is spent planning and checking to see if the intended results are being achieved. Often, the urge to get things done leads to the organization moving from one new idea to another based on whoever has the latest and best idea on how-to improve the organization.

THE MERCER GROUP
Local Government Strategic Planning Model

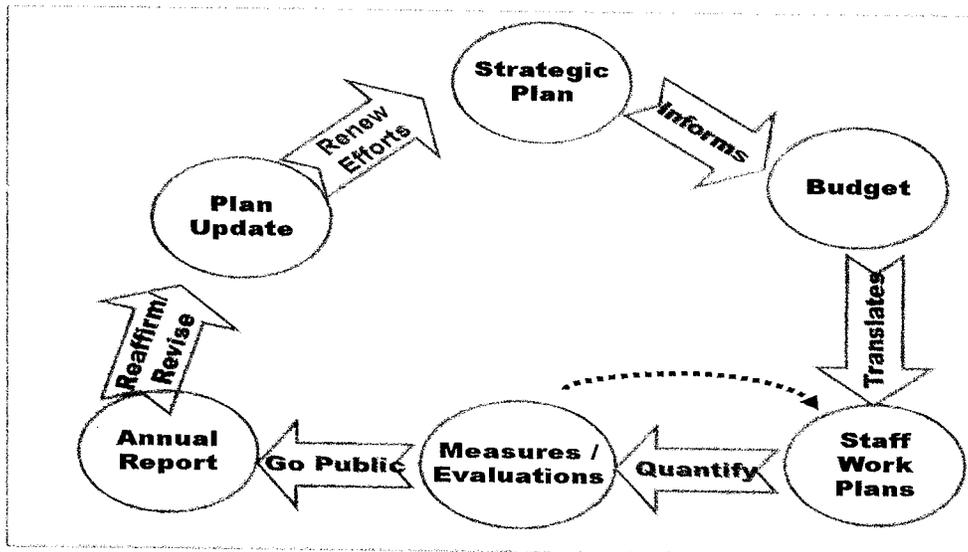


Strategic planning provides a roadmap for organizations to plan their work efforts in a systematic way. This allows for planning of work initiatives based on meeting the vision and mission of the organization.

The strategic plan is a compass that keeps the organization focused on priority projects while also handling the day-to-day, short- and long-term issues that come up. Without a plan, it is hard for an organization to determine if the work being done is having the desired outcome of improving its effectiveness.

After the quick overview on the benefits of strategic planning, we will discuss how the strategic plan should be integrated into the city's planning and resource allocation decisions. The strategic plan should provide the platform for guiding, prioritizing, implementing and measuring the success of key projects for the city. It is important for the strategic plan to be a "living document" that is used to guide the city in implementing short term and long term strategies. In order to have an effective strategic plan it should incorporate all of the key planning and strategy documents the city has approved.

As indicated in the chart below, the strategic plan should be the guiding document for determining priority work for the staff and guiding the allocation of resources in the budget to meet goals.



This is the approach we would recommend to take to educate the Mayor and Council on the importance of strategic planning. We will make sure that the Mayor and Council clearly understand the direction that the City Manager and staff want to take with the Strategic Plan. While we have extensive experience in strategic planning and facilitating meetings, we will take our lead in designing this retreat from the city.

3. Conduct six community meetings to obtain community input for the retreat

We would seek input from staff and Mayor and Council prior to establishing an agenda for the community meetings. The tentative agenda for the six community meetings could include:

- Discuss and prioritize community focus areas i.e. Economic Vitality, City Services, Sustainable Growth, Civic Engagement, Quality of Life.
- Discuss potential goals and priorities under each focus areas.
- Discuss how you would measure success under each focus area.
- Discuss what would be the key elements for a prosperous and fiscally sound City of Oceanside?

The discussion at the community meetings should be at the “1000-foot level” and not get into a lot of statistics and numbers. We are willing to adjust this approach if the city wants to provide more financial information or other details at the meeting.

4. Prepare an agenda to be utilized for the meeting. Work with Mayor and Council and staff on material and presentations to be utilized at the workshop.

We would prepare an agenda for the workshop based on the results of the Mayor and Council meetings and community meetings. Prior to the workshop we would prepare a draft PowerPoint overview for the City Manager’s approval that would include a summary of the following:

- Summary of the results of the SWOT for Mayor and Council and staff.
- Summary of the key elements for a prosperous and fiscally sound City of Oceanside?
- Current City Vision, Mission and Core Values and any proposed changes based on community, Mayor and Council and staff input.
- List of current Focus Areas and any additional areas that should be considered.
- List of short and long term program and service priorities/goals under each Focus Area.
- List of Potential Performance Measures (Optional).
- List of potential fiscal constraints and opportunities to achieve program and service priorities/ goals under each Focus Area.
- List of potential changes in the budget process for FY 2013.

5. Facilitate one half day workshop meeting for Mayor and Council

We would facilitate the workshop for Mayor and Council.

6. Hold a debriefing with Executive Management staff following the Council retreat to assure action plans and follow up items are clear.

We would conduct debriefing with Executive Management staff following the retreat.

7. Provide a Strategic Budget and Operations Plan of the City Council workshop to the City Manager within 14 working days following the workshop.

We would prepare draft report for the City Manager's review and would finalize the report after input for distribution to Mayor and Council. The report would include the following components:

- Mission Statement
- Vision Statement
- Core Values
- Summary of key elements for a prosperous and fiscally sound City of Oceanside
- City Operations and Budget Focus Areas
- Program and service Goals/Priorities under each Focus Area and resources required to meet Goals/Priorities
- Performance Measures for Success (optional)
- Next Step and Follow-Up Matrix that identifies step, action, required person responsible and timeline.
- SWOT Summary

The required sample of the strategic plan we have included is more detailed than the plan we would tailor for Oceanside based on the outline above.

7. Present the summary and action plan established from the retreat to the City Council (as directed by City Manager)

We would present the summary and follow up action plan to Mayor and Council, following the review by the City Manager.

C. PROPOSED PROJECT STAFFING

This section of the proposal reviews our firm's staff resources and presents brief bios of our proposed staffing for this project.

The **Mercer Group has thirty-one professional staff in twenty offices across the United States**. Many have management consulting experience from other consulting firms; many are former city or county managers or department directors; and a few come from the private sector. Brief bios of all of our professional staff may be found on our website at www.mercergroupinc.com under *Our Advantage*.

- **Our style is interactive.** We will form a partnership with the County in conducting the project. The County will benefit through ease of implementation and by gaining more in-depth knowledge of strategic planning techniques and expertise.
- **We are committed to implementation.** Our implementation-oriented approach will ensure that the project work is practical, realistic, and that it will have the prior commitment of County leaders so that implementation will be facilitated.

We are proposing to staff this project with four of our most experienced management consultants. Each will have specific assignments on the project based on their backgrounds. The first three consultants (Mercer, Egan, Letcher and Wurzberger) will collaborate on all aspects of the study.

1.) James L. Mercer, CMC, Project Director

Jim Mercer, a Certified Management Consultant (CMC) and the founder and President/CEO of our firm, is located in our Santa Fe Office. He will serve as Project Director with responsibility for the quality of our services and legal/contractual matters.

Mr. Mercer is a former Assistant City Manager of Raleigh, North Carolina, and directed the governmental consulting services for the International CPA firm of Coopers & Lybrand prior to its merger with Price Waterhouse to form Price Waterhouse Coopers. Mr. Mercer also is a past General Manager for the Battelle Memorial Institute in Columbus, Ohio. Mr. Mercer has successfully completed over 250 state and local government management consulting assignments and over 1500 local government executive searches. He is the author of five books and over 300 articles (including one for the Harvard Business Review and all on Public Sector Management) and is a featured public speaker. He has over 30 years of management consulting experience in both the public and private sectors, including a large number of organization and management studies for local governments.

Jim has directed and been a senior consultant on all of our strategic planning and governmental consolidation studies and, arguably, has more experience than any other consultant in the country in these kinds of projects.

2.) Steve Egan, Project Manager/Senior Consultant

Steve Egan, a Senior Vice President of The Mercer Group, Inc. and National Director of our Management Studies Practice, will serve as Project Manager and as a senior consultant on all phases of the project. He primarily works out of our Marietta/Atlanta Office.

Mr. Egan is a former Government Services Manager with KPMG Peat Marwick and David M. Griffiths Associates (DMG). He started his public sector career as a Budget Official for Fulton County, Georgia, and worked from late 2002 to early 2005 as interim Public Works & Water Director for the City of Highland Park, Michigan, a fiscally-distressed, state-operated city inset in the northern part of the City of Detroit. Over the past 30 years Steve has performed over 150 management studies for local governments nationally including many of the studies listed in the Project Experience section of the proposal and in Attachment B, Mercer Clients and Projects List.

Mr. Egan has significant experience as a manager and/or consultant on over 25 successful functional business planning and governmental collaboration/shared services studies, as well as extensive experience on over 125 organization and management studies government-wide and for various local government departments and functions. Several of *Mercer's 50 Management Issues* explored during these studies deal with strategic, functional, operational, financial, and other planning processes.

3.) Mike Letcher, Senior Consultant

Mike Letcher is a Mercer Group Senior Vice-President and Director of our Arizona Office in Tucson and Imperial Beach, California Office. He is a recognized leader in strategic planning, performance measurement systems, and developing innovative sustainable solutions to improving human resources, budget, finance and internal operating processes for governments with positive bottom line results.

Mike has worked in municipal government for over 30 years as a City Manager, Deputy City Manager, Budget Director, Finance Director and Human Resources Director with cities ranging in size from 6,000 to 500,000 in population. He last worked as City Manager in Tucson, Arizona. Mike is a certified quality improvement facilitator and the recipient of innovation awards for programs he developed in Human Resources, Finance, and Customer Service. The International City/County Management Association and the University of Arizona also recognize him as a Certified Public Manager.

4.) Clark Wurzberger, California Liaison

Clark WurzburgMercer Group senior vice-president and director of our California Office in Sacramento will serve as local liaison and assist with California-related issues. He has over twenty-five years of diverse public sector experience. He is a former Senior Associate with Hughes, Perry & Associates (formerly Hughes, Heiss & Associates), a highly-regarded, California-based management consulting firm to the public sector. Since joining the Mercer Group he has continued to offer executive recruitment services to local governments in California, the Far West, and across the country. He previously served as a senior personnel manager in the U.S. Departments of State and Defense in Washington, D.C.

Clark has had lengthy involvement in community service, including service as a member of the Board of Directors of the Cow Palace in the City and County of San Francisco, a multi-purpose agricultural and entertainment facility owned and operated by the State of California. He also has served as a local Board Member for the U.S. Selective Service System since 1993 and as a volunteer member of the Placer County Sheriff's Department's Mountain Rescue Team.

D. REFERENCES

References for selected strategic and functional business planning projects and management studies are provided below. References for other Mercer projects can be provided upon request.

Dan Allen, City Manager, City of Wasco, California, at 661-758-7205

Steve Egan facilitated development of a Long-Range Vision and Strategic Plan for this Central Valley community just north of Bakersfield

David Black, Mayor, City of Papillion, Nebraska at 402-827-1111

Mayor, Council, Senior Management Retreat to develop/refine mission statement, goals, objectives, and activities over next three years

Alan Everett, former City of Sedona Mayor and currently Director of State Liquor Licenses and Control at 602-448-6927

Mike Letcher facilitated the development of the city's first strategic plan. The plan resulted in the resolution of significant financial and operational problems.

Karin Ulrich, Vice Mayor City of Tucson at 520-971-1472

Mike Letcher facilitated the development and implementation of the city's first strategic work plan. The strategic plan aligned the strategic goals of the Mayor and Council with

staff performing the work.

III. COST PROPOSAL

This chapter of the proposal presents and reviews Costs and Administrative Requirements in two sections:

- A. COST PROPOSAL**
- B. ADMINISTRATIVE REQUIREMENTS**

A. COST PROPOSAL

1.) Project Budget

Based on our understanding of the project's objectives, scope, issues, work plan, and deliverables defined earlier in the proposal, **our not-to-exceed cost for this project will be \$10,000.**

2.) Consultant Billing Rates

The budget is developed based on the following hourly billing rates for our professional staff. We bill our clients based on an 8-hour work day (even if we work 12 hours) and travel time is not billed. Any supplemental work by the project team would be billed at these hourly rates.

- **Project Director:** \$150
- **Project Manager:** \$135
- **Senior Consultants:** \$125

We also will bill for actual expenses to include, but not be limited to, for travel, report production, administrative support, office expenses, and the like.

This quotation is firm for a period of 90 days from the date of this proposal

ATTACHMENT 1

Insurance Certificate



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/25/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MAGUIRE INSURANCE AGENCY ONE BALA PLAZA SUITE 100 BALA CYNWYD, PA 19004	CONTACT NAME: KIMBERLY ROSSI PHONE (A/C No. Ext.): 1-866-677-0355 FAX (A/C No.): EMAIL ADDRESS: KROSSI@PHLYINS.COM INSURER(S) AFFORDING COVERAGE NAIC # INSURER A: PHILADELPHIA INSURANCE CO. INSURER B: HARTFORD INSURANCE COMPANY INSURER C: INSURER D: INSURER E: INSURER F:
INSURED THE MERCER GROUP, INC. 551 W CORDOVA ROAD #726 SANTA FE, NM 87605	

COVERAGES **CERTIFICATE NUMBER:** 100155 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL INSR	SUBR WVO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PRO <input type="checkbox"/> LOC		Y	PHSD696904	02/06/2012	02/06/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE OED RETENTION \$			PHSD696904	02/06/2012	02/06/2013	COMBINED SINGLE LIMIT (ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	30WECAA8987	07/14/2012	07/14/2013	WC STATUTORY LIMITS OTH-ER EL. EACH ACCIDENT \$ 1,000,000 EL. DISEASE - EA EMPLOYEE \$ 1,000,000 EL. DISEASE - POLICY LIMIT \$ 1,000,000
A	PROFESSIONAL ERRORS & OMISSIONS			PHSD696904	02/06/2012	02/06/2013	LIMIT: \$2,000,000 AGGREGATE: \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER **** PROOF OF COVERAGE ****	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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