CITY		CONSULTANT	
CITY OF JOPLIN 602 S. MAIN STREET JOPLIN, MO 64801		Name: Center for Priority Based Budgeting Address: 13701 W. Jewell Avenue, Suite 200-28 Lakewood, CO 80228	
Attention: Samuel L. Anselm		Attention: Jon Johnson Chris Fabian	
Department: City Manager		Phone: 720-361-3710	Fax:
Phone: 417-624-0820, ext 205	Fax: 417-625-4707		

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

THIS AGREEMENT, made and entered into this _____ day of _____, 2015, by the parties identified above.

WITNESSETH:

WHEREAS, the City of Joplin desires to engage Consultant to provide the services of a priority based budgeting consulting firm to develop a new budget process utilizing "Priority Based Budgeting" principles. Specifically, Consultant will help the City evaluate services to determine which services are best aligned with the City's priorities. Consultant will help the City Council, the City staff, and the public learn how to value services and to divest themselves of lower-priority services. Consultant will equip the City with the information, programs, and tools necessary to implement "Priority Based Budgeting."

WHEREAS, the Consultant has made certain representations and statements to the City with respect to the provision of such services and the City has accepted said proposal. Specifically, Consultant has represented that in implementing "Priority Based Budgeting," it will assist the City in identifying results, clarify results definitions, identify and cost ongoing programs and services, value ongoing programs based on results, and allocate resources based on priorities;

NOW, THEREFORE, for the consideration herein expressed, it is agreed by and between the City and the Consultant as follows:

1. **Services.** The City agrees to engage the services of the Consultant and the Consultant agrees to perform the services described in this Agreement. The services of the Consultant shall commence as soon as practicable after the execution of this Agreement, unless otherwise directed in writing, and shall be undertaken and completed in such sequence as to assure their expeditious completion in light of the purposes of the contract. The Consultant shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all reports and other services furnished by the Consultant under this Agreement. Approval by the City and other agencies of reports and incidental consulting work or materials furnished hereunder shall not in any way relieve the Consultant of his responsibility for the technical adequacy of his work.

   a. Scope of Services. The Scope of Services is set out specifically in the Request for Proposal, 2015-RFP-08, which is incorporated fully herein and attached hereto as Exhibit A. The Scope of Services for this Agreement shall include the Services as set forth in "1.0 Scope of Work" of 2015-RFP-08. The Scope of Services for this Agreement shall also include the Consultant's Response and Proposal to 2015-RFP-08, which is incorporated and attached hereto as Exhibit B. The Scope of Services for this Agreement shall also include the Services as set forth in "1.4.4 Experience and Qualifications" (including pages 7-24) of Consultant's Response and Proposal to 2015-RFP-08. However, regarding travel, notwithstanding the terms contained in Exhibit A and Exhibit B, the parties agree that Consultant shall travel to City at City's request.

2. **Term.** The services of the Consultant shall commence as soon as practicable after the execution of this Agreement, unless otherwise directed in writing, and shall be undertaken and completed in such sequence as to assure their expeditious completion in light of the purposes of the contract, but in any event, all of the services required hereunder shall be completed as set forth in the schedule for the project outlined in this Agreement, specifically, in Consultant's Response and Proposal to 2015-RFP-08, "Proposed Timeline and Costs for Implementation and Future Phases" (including pages 23-24) .

3. **Payment.** The City, pursuant to this Agreement, shall pay Consultant the consideration set forth in Consultant's Response and Proposal to 2015-RFP-08, "Proposed Timeline and Costs for Implementation and Future Phases" (including pages 23-24), which

is incorporated fully herein and attached hereto as Exhibit B, which shall constitute complete payment for the services furnished in connection with the work required to be performed under this Agreement. Payment request shall be made pursuant to the "Proposed Timeline and Costs for Implementation and Future Phases" and shall be approved by the City and its Project Manager.

a. In year one, the total costs for Consultant's services under this Agreement shall not exceed $43,500.00. In year one, the Consultant shall also be entitled to payment for expenses related to travel, in an amount not to exceed $10,000.00 per year. Said expenses shall be submitted with verifying documentation to the City for payment.

b. For years two and three, the total costs for Consultant's services under this Agreement shall not exceed $9,500 per year. For years two and three, the Consultant shall also be entitled to payment for expenses related to travel, in an amount not to exceed $10,000.00 per year. Said expenses shall be submitted with verifying documentation to the City for payment.

4. **Exchange of Data**. All information, data, and reports as are in the City's possession and necessary for the carrying out of the work, shall be furnished to the Consultant without charge, and the parties shall cooperate with each other in every way possible in carrying out the scope of services.

5. **Personnel**. The Consultant shall secure at its own expense, all personnel required to perform the services called for under this contract by the Consultant. Such personnel shall not be employees of or have any contractual relationship with the City except as employees of the Consultant. All of the services required hereunder will be performed by the Consultant or under the Consultant's direct supervision and all personnel engaged in the work shall be fully qualified and shall be authorized under state and local law to perform such services. None of the work or services covered by this contract shall be subcontracted without the written approval of the City.

6. **Termination of Contract.**

a. Termination for breach. Failure of the Consultant to fulfill the Consultant's obligations under this contract in a timely and satisfactory manner in accordance with the description of services set forth in Exhibits A and B shall constitute a breach of the contract, and the City shall thereupon have the right to immediately terminate the contract. The City shall give written notice of termination to the Consultant by one of three different means: Facsimile Transmission ("FAX") if Consultant has a FAX number; U.S. Postal Service Mails; or by hand delivering a copy of the same to the Consultant; or may give notice by any combination of the above methods. The date of termination shall be the date upon which notice of termination is hand delivered to Consultant or given by FAX, or the third day following mailing of the notice of termination, whichever first occurs. In the event of termination for breach, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the Consultant under this contract shall at the option of the City become its property, and the Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials; provided, that the Consultant shall not be relieved of liability to the City for damages sustained by the City by virtue of any such breach of the contract by the Consultant.

b. Right to terminate in the absence of breach. Either party may terminate this contract for any reason, by serving notice of intent to terminate upon the other party by the means specified in paragraph A of this section. Such notice shall specify the date of termination, but in no event shall either party terminate the contract under this provision upon less than thirty (30) days' notice to the other party; provided, that the parties may mutually agree to waive the thirty (30) day requirement and to shorten the time for notice of termination. In the event of termination in the absence of breach, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the Consultant under this contract shall at the option of the City become its property, and the Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

7. **Conflicts**. No salaried officer or employee of the City, and no member of the City Council shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract void. Any federal regulations, and applicable provisions in Section 105.450 et seq. RSMo. shall not be violated. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services to be performed under this contract. The Consultant further covenants that in the performance of this contract no person having such interest shall be employed.

8. **Assignment**. The Consultant shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the City thereto.

9. **Discrimination.** The Contractor agrees in the performance of this contract not to discriminate on the ground or because of race, creed, color, national origin or ancestry, sex, religion, handicap, age, status as a protected veteran or status as a qualified individual with a disability, or political opinion or affiliation, against any employee of Contractor or applicant for employment and shall include a similar provision in all subcontracts let or awarded hereunder. The parties hereby incorporate the requirements of 41 C.F.R. §§ 60-1.4(a)(7), 29 C.F.R. Part 471, Appendix A to Subpart A, 41 C.F.R. § 60-300.5(a)ii and 41 C.F.R. § 60-741.5(a), if applicable.

   a. This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-300.5(a). This regulation prohibits discriminations against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

   b. This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

10. **Compliance with Laws**. Consultant agrees to comply with all applicable federal, state and local laws or rules and regulations applicable to the provision of services and products hereunder, as are enacted as of the date of rendered services. Consultant affirmatively states that payment of all local, state, and federal taxes and assessments owed by the Consultant is current.

11. **Reports and Information.** The Consultant, at such times and in such forms as the City may require, shall furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.

12. **Records and Audits.** The Consultant shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Contract and such other records as may be deemed necessary by the City to assure proper accounting for all project funds. The City, EDA, the Comptroller General of the United States, the Departmental Inspector General, or any of their duly authorized representatives, shall have access to any paper or electronic documents, books, correspondence, and records of the Consultant (which are pertinent to the Award) to verify the recipient's compliance with Award requirements. *See* 13 C.F.R. § 302.14. Consultant shall maintain all records for at least three (3) years after the recipient makes final payment and all pending matters are closed. *See* 15 C.F.R. §§ 14.53(b) or 24.36(i)(11), as applicable.

13. **Copyright**. No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the Consultant.

14. **Equal Employment Opportunity**. During the performance of this Contract, the Consultant agrees as follows:

   a. The Consultant will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, religion, or sex. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, religion, or sex. Such action shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this non-discrimination clause.

   b. The Consultant will, in all solicitation or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, religion, or sex.

   c. The Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

   d. The Consultant will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

   e. The Consultant will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and

by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the City and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

f. The Consultant shall ensure that the hours of minority and female employment and training must be substantially uniform throughout the length of the contract and throughout each trade. The Consultant shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR 60-4. Compliance with the goals will be measured against the total work hour performed.

g. In the event of the Consultant's noncompliance with the non-discrimination clauses of this Agreement or with any of such rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part, and the Consultant may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

h. The Consultant will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Consultant will take such action with respect to any subcontract or purchase order as the City may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the Consultant becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the City, the Consultant may request the United States Government to enter into such litigation to protect the interests of the United States.

15. **Civil Rights Act of 1964**. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

16. **Affirmative Action for Handicapped Workers**

a. The Consultant will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The Consultant agrees to take affirmative action to employ, advance in employment, and to otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices, such as employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

b. The Consultant agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

c. In the event of the Consultant's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

d. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notices shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of the applicants and employees.

e. The Consultant will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by terms of Section 503 of the Rehabilitation Act of 1973 and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

f. The Consultant will include the provisions of this clause in every subcontract or purchase order of $2,500 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each subcontractor or vendor. The Consultant will take such action with respect to any subcontractor or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

17. **Section 504 of the Rehabilitation Act of 1973**, as amended, provides for nondiscrimination of an otherwise qualified individual solely on the basis of his handicap in benefiting from any program or activity receiving Federal financial assistance. All recipients must certify to compliance with all provisions of this Section.

18. **Age Discrimination Act of 1975**. No person in the United States, on the basis of age, be excluded from participation in, be denied benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance.

19. **Authorized Employees**. Consultant acknowledges that Section285.530, RSMo, prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the State of Missouri. Consultant therefore covenants that is not knowingly in violation of subsection 1 or Section 285.530, RSMo, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform work on the Project, and that its employees are lawfully to work in the United States.

20. **Interest of Consultant and Employees**. The Consultant covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his services hereunder. The Consultant further covenants that in the performance of this Contract, no person having any such interest shall be employed.

21. **Interest of Members of a City.** No member of the governing body of the City and no other officer, employee, or agent of the City who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract, and the Consultant shall take appropriate steps to assure compliance.

22. **Interest of Other Local Public Officials.** No member of the governing body of the locality and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract, and the Consultant shall take appropriate steps to assure compliance.

23. **Affidavit for Contracts Over $5,000.00**. That pursuant to Missouri Revised Statute Sections 285.525 through 285.550, if this contract exceeds the amount of $5,000.00 and Consultant is associated with a business entity, Consultant shall provide an acceptable notarized affidavit stating that the associated business entity is enrolled in and participates in a federal work authorization program with respect to the employees working in connection with the contracted services, and that said business entity does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. Additionally, Consultant must provide documentation for said business entity evidencing current enrollment in a federal work authorization program.

24. **Nonresident/Foreign Contractors**. The Consultant shall procure and maintain during the life of this contract:

    a. If the Consultant is a foreign corporation, a certificate of authority to transact business in the State of Missouri from the Secretary of State, unless exempt pursuant to the provisions of Section 351.572 RSMo.

    b. A certificate from the Missouri Director of Revenue evidencing compliance with the transient employer financial assurance law, unless exempt pursuant to the provisions of Section 285.230 RSMo.

25. **General Independent Contractor Clause**. This agreement does not create an employee/employer relationship between the parties. It is the parties' intention that the Consultant will be an independent contractor and not the City's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, Missouri revenue and taxation laws, Missouri workers' compensation and unemployment insurance laws. The Consultant will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Consultant's activities and responsibilities hereunder. The Consultant agrees that it is a separate and independent enterprise from the public employer, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This agreement shall not be construed as creating any joint employment relationship between the Consultant and the City, and the City will not be liable for any obligation incurred by the Consultant, including but not limited to unpaid minimum wages and/or overtime premiums.

26. **City Benefits**. The Consultant shall not be entitled to any of the benefits established for the employees of the City nor be covered by the Worker's Compensation Program of the City.

27. **Insurance**. Without limiting any of the other obligations or liabilities of the Consultant, the Consultant shall secure and maintain at its own cost and expense, throughout the duration of this Contract and until the work is completed and accepted by the City of Joplin, insurance of such types and in such amounts as may be necessary to protect it and the interests of the

City of Joplin against all hazards or risks of loss as hereunder specified or which may arise out of the performance of the Contract Documents. The form and limits of such insurance, together with the underwriter thereof in each case, are subject to approval by the City of Joplin. Regardless of such approval, it shall be the responsibility of the Consultant to maintain adequate insurance coverage at all times during the term of the Contract. Failure of the Consultant to maintain coverage shall not relieve it of any contractual responsibility or obligation or liability under the Contract Documents.

The certificates of insurance, including evidence of the required endorsements hereunder or the policies, shall be filed with the City at the time that this contract is signed by the Consultant. All insurance policies shall provide thirty (30) days written notice to be given by the insurance company in question prior to cancellation or non-renewal of such insurance. Such notices shall be mailed, certified mail, return receipt requested, to:

City of Joplin – City Manager, 602 S. Main, Joplin, MO 64801

All policies except for the professional liability policy shall name the City as an additional insured with limits of liability not less than the sovereign immunity limits for Missouri public entities calculated by the Missouri Department of Insurance as of January 1 each calendar year and published annually in the Missouri Register pursuant to Section 537.610, RSMo.
(See, http://insurance.mo.gov/industry/sovimmunity.php).

As of January 1, 2015, the minimum coverage for the insurance referred to herein shall be as set out below:

a. Workers' Compensation….Statutory coverage per RSMo 287.010 et seq.
Employer's Liability……. $1,000,000.00

b. Commercial General Liability Insurance, including coverage for Contractual Liability and Independent Contractors Liability. Such coverage shall apply to bodily injury and property damage on an "Occurrence Form Basis" with limits of at least Two Million Six Hundred Eighty-Seven Thousand Five Hundred Ninety-Four and no/100 Dollars ($2,687,594.00) for all claims arising out of a single accident or occurrence and at least Four Hundred Three Thousand One Hundred Thirty-Nine and no/100 Dollars ($403,139.00) with respect to injuries and/or death of any one person in a single occurrence and an amount not less than at least $1,000,000 for all claims to property arising out of a single occurrence and at least $100,000 to any one owner with respect to damages to property. Consultant agrees that the proceeds of such insurance policy shall first be used to pay any award, damages, costs, and/or attorneys' fees incurred by or assessed against City, its employees, officers and agents, before payment of any award, damages, costs or attorney's fees of Consultant, its employees, officers or agents. Consultant agrees to cause its insurer to name City as an additional insured on such insurance policy, including the City as an additional insured for coverage under its products-completed operations hazard, and said policy shall be primary and noncontributory.

c. Automobile Liability Insurance covering bodily injury and property damage for owned, non-owned and hired vehicles, with limits of at least Two Million Six Hundred Eighty-Seven Thousand Five Hundred Ninety-Four and no/100 Dollars ($2,687,594.00) for all claims arising out of a single accident or occurrence and at least Four Hundred Three Thousand One Hundred Thirty-Nine and no/100 Dollars ($403,139.00) with respect to injuries and/or death of any one person in a single accident or occurrence.

d. Errors and Omissions Insurance. The Consultant shall maintain a professional liability insurance policy in the amount of $1,000,000.00 on both a per-claim and an aggregate basis. This policy shall remain in full force and effect for a period of one year after completion and acceptance by the City of the construction of the project.

e. Subcontracts. In case any or all of this work is sublet, the Consultant shall require the subcontractor to procure and maintain all insurance required in subparagraphs (A), (B) and (C) hereof and in like amounts. Consultant shall require any and all subcontractors with whom it enters into a contract to perform work on this project to protect the City of Joplin through insurance against applicable hazards or risks and shall, upon request of the City, provide evidence of such insurance.

f. Notice. The Consultant and/or subcontractor shall furnish the City prior to beginning the work satisfactory proof of carriage of all the insurance required by this contract, with the provision that policies shall not be canceled, modified or non-renewed without thirty (30) days written notice to the City of Joplin.

g. Legislative or Judicial Changes. In the event the scope or extent of the City's tort liability as a governmental entity as described in Section 537.600 through 537.650 RSMo is broadened or increased during the term of this agreement by

legislative or judicial action, the City may require Consultant, upon 10 days written notice, to execute a contract addendum whereby the Consultant agrees to provide, at a price not exceeding Consultant's actual increased premium cost, additional liability insurance coverage as the City may require to protect the City from increased tort liability exposure as the result of such legislative or judicial action. Any such additional insurance coverage shall be evidenced by an appropriate certificate of insurance and shall take effect within the time set forth in the addendum.

28. **Liability and Indemnity**. The parties mutually agree to the following:

    a. The Consultant shall defend, indemnify, and hold the City harmless from and against all damages, losses, liabilities, expenses, and costs with respect to all claims, including, but not limited to, claims for personal injuries, wrongful death, and damages to property, which may be asserted against the City by any person or entity as the result of Consultant's (or any of Consultant's subcontractors) negligent acts, errors, or omissions in the course of the performance of this contract, provided that the Consultant is not obligated to indemnify or hold harmless the City from the City's own negligence or wrong doing.

    b. The Consultant shall indemnify and hold the City harmless from all wages or overtime compensation due its employees in rendering services pursuant to this agreement, including payment of reasonable attorneys' fees and costs in the defense of any claim made under the Fair Labor Standards Act or any other federal or state law.

    c. In no event shall the City be liable to the Consultant for special, indirect, or consequential damages, except those caused by the City's gross negligence or willful or wanton misconduct arising out of or in any way connected with a breach of this contract. The maximum liability of the City shall be limited to the amount of money to be paid or received by the City under this contract.

29. **Ownership of Documents.** All files and information will be submitted before or upon final approval and acceptance of the contract documents. All documents are and remain the property of the Consultant until such time as this Agreement is, for any reason, terminated, at which time they become the property of the City.

30. **Notices**. All notices required or permitted herein under and required to be in writing may be given by FAX or by first class mail addressed to City and Consultant at the addresses shown above. The date of delivery of any notice given by mail shall be the date falling on the third day after the day of its mailing. The date of delivery of notice by FAX transmission shall be deemed to be the date transmission occurs, except where the transmission is not completed by 5:00 p.m. on a regular business day at the terminal of the receiving party, in which case the date of delivery shall be deemed to fall on the next regular business day for the receiving party.

31. **Anti-Lobbying:** The Consultant shall ensure that no federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

32. **Remedies.** Except as may be otherwise found in the contract documents, all claims, disputes, counter-claims, and other matters in question between the Owner and Consultant arising out of or related to this agreement or the breach thereof, will be first submitted to mediation, and if the dispute is not resolved, the parties may pursue all other available legal remedies.

33. **Jurisdiction**. This agreement and every question arising hereunder shall be construed or determined according to the laws of the State of Missouri. Should any part of this agreement be litigated, venue shall be proper only in the Circuit Court of Jasper County, Missouri.

34. **Entire Agreement**. This agreement contains the entire agreement of the parties. No modification, amendment, or waiver of any of the provisions of this agreement shall be effective unless in writing specifically referring hereto, and signed by both parties.

35. **Documents Made a Part of This Agreement**.

    Exhibit A. City of Joplin RFP 2015-RFP-08
    Exhibit B. Consultant's Response and Proposal to 2015-RFP-08

Exhibit C. Bid Tabulation for RFP 2015-RFP-08
Exhibit D. Evaluation Results for RFP 2015-RFP-08

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year herein stated.

REVIEWED FOR APPROVAL

_____
Name & Title of Staff Project Manager

CERTIFICATE OF DIRECTOR OF FINANCE

I certify that the expenditure contemplated by this document is within the purpose of the appropriation to which it is to be charged and that there is an unencumbered balance of appropriated and available funds to pay therefore.

_____
Leslie Haase, Director of Finance

APPROVED AS TO FORM

_____
Peter Edwards, City Attorney

Consultant: Center for Priority Based Budgeting

By: _____

Printed Name: Philip McEwen

Title: Chief Financial Officer

Date: _____

CITY OF JOPLIN, MISSOURI

By: _____
Samuel L. Anselm, City Manager

Date: _____

NOTICE OF REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NO. 2015-RFP-08

PRIORITY BASED BUDGETING SERVICES

RFP Due Date: 10:00 A.M., June 1, 2015

Location: City of Joplin
City Manager's Department
602 South Main
Joplin, MO 64801

Staff: Sam Anselm, City Manager
Email: sanselm@joplinmo.org

Phone: 417-624-0820 ext. 201 **Fax:** 417-625-4707

Proposals will be received by the City Manager's Department at the specified location until the time and date cited above. Only proposals received by the correct time and date will be recorded.

Proposals must be submitted in an envelope with the Request for Proposal number and the Vendor's name and address clearly indicated on the envelope. All proposals must be completed in ink or typewritten and submitted by the time and date above.

Consultants are strongly encouraged to carefully read the entire Request for Proposal.

April 17, 2015
Issue Date

CITY OF JOPLIN, MISSOURI
STANDARD INSTRUCTIONS TO PROPOSERS AND CONDITIONS OF REQUEST FOR PROPOSAL

1. **PREPARATION OF PROPOSALS**

A. Proposers are expected to examine the scope of services, delivery schedule, requirements and all instructions of the Request for Proposal. Failure to do so will be at Proposer's risk. In case of a mistake in extension, the unit price(s) will govern.

B. Firm fixed prices shall be bid and include all packing, handling and shipping charges.

C. Unless otherwise indicated prices quoted shall be firm for acceptance for one hundred twenty days from proposal opening and for the specified contract period.

2. SUBMISSION OF PROPOSALS

A. A proposal submitted by a Proposer must (1) be manually signed by the Proposer; (2) contain all information required by the Request For Proposal; (3) be priced as required; (4) be sealed in an envelope or container; (5) be attached to a security deposit if required; and (6) be delivered to the specified department and officially clocked in no later than the exact time and date specified on the Request For Proposal.

B. The sealed envelope or container containing a proposal should be clearly marked on the outside left corner with (1) the official Request For Proposal number and (2) the official closing date and time.

C. Do not submit proposals in response to other solicitations in the same sealed envelope. If more than one proposal is submitted in the same container, your proposal may be rejected as non-responsive.

3. **MODIFICATION OR WITHDRAWAL OF PROPOSALS**

A. Proposals may be modified or withdrawn by written or telegraphic notice received prior to the official closing date and time specified. A proposal may also be withdrawn or modified in person by the Proposer or his authorized representative provided proper identification is presented before the official closing date and time. Verbal phone requests to withdraw or modify a proposal will not be considered.

B. After the official closing date and time, no proposal may be modified or withdrawn.

C. The proposal is firm for acceptance for one hundred twenty (120) days after proposal opening.

4. **PROPOSAL OPENING**

A. Proposal openings shall be public on the date and at the time specified on the proposal form. It is the Proposer's responsibility to assure that his proposal is delivered at the proper time and place of the proposal opening. Proposals which for any reason are not so delivered will be not considered. Offers by telegram, telephone, or facsimile will not be accepted, unless specifically authorized by the Request for Proposal. Proposal files may be examined during normal working hours by appointment.

5. **AWARDS**

A. Unless otherwise stated in the Request For Proposal, cash discounts for prompt payment of invoices will not be considered in the evaluation of prices, if part of the proposal. However, such discounts are encouraged to motivate prompt payment.

B. As the best interest of the City may require, the right is reserved to make awards; to reject any and all proposals or waive any minor irregularity of technicality in proposals received.

C. Awards will be made to the Proposer whose proposal (1) meets the specifications and all other requirements of the Request For Proposal and (2) is the best proposal, considering price, responsibility of the Proposer and all other relevant factors in the criteria for award.

D. Each proposal is received with the understanding that the acceptance in writing by the City of the offer to furnish any or all materials, equipment, supplies or services described therein shall constitute a contract between the Proposer and the City; and shall bind the Proposer to furnish and deliver at the price, and in accordance with the conditions of said accepted proposal and detailed specifications.

6. **OPEN COMPETITION**

A. It is the intent and purpose of the Division of Purchases that the Request for Proposal permits free and open competition. However, it shall be the Proposer's responsibility to advise the Division of Purchases if any language, requirements, etc., or any combination thereof, inadvertently restricts or limits the requirement to a single source or otherwise prohibits the submission of a proposal. The notification should be received by the specified department at least ten days prior to the Request for Proposal closing date and time. The Proposer may submit a notification after the proposal closing provided sufficient time is permitted for a thorough review by the Division of Purchases and its decision will be final.

CITY OF JOPLIN, MISSOURI
STANDARD TERMS AND CONDITIONS OF PURCHASE

A. This contract expresses the complete agreement of the parties and performance shall be governed solely by the terms and conditions contained herein. Changes, additions or modifications hereto must be in writing and signed by the Purchasing Agent.

B. **INVOICES:** An original of the invoice shall be submitted and shall show the purchase order number or contract and contract release number and contain full descriptive information of item or services furnished.

C. **BANKRUPTCY OR INSOLVENCY:** In the event of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, of the property of Seller, or in the event of breach of any of the terms hereof including the warranties of the Seller, City may cancel this contract or affirm the contract and hold Seller responsible in damages.

D. **COMPLIANCE WITH APPLICABLE LAWS:** The Seller warrants it has complied with all applicable laws, rules and ordinances of the United States, or any state, municipality or any other governmental authority or agency in the manufacture or sale of the items covered by this contract, including but not limited to all provisions of the Fair Labor Standard Act of 1938, as amended.

E. **INTERPRETATION OF CONTRACT AND ASSIGNMENTS:** The contract shall be construed according to the laws of the State of Missouri. The contract, or any rights, obligations or duties hereunder may not be assigned by Seller without the City's written consent or any attempted assignment without such consent shall be void.

F. **TERMINATION OF CONTRACT:** The City reserves the right to terminate the contract at any time if any of the provisions of the contract are violated by the Contractor or by any of his Subcontractors, in the sole judgment and discretion of the City. In the event of such termination, the Contractor shall be liable for any excess costs incurred by the City. If the contract is so terminated, the City may purchase upon such terms and in such manner as the Purchasing Agent may deem appropriate, supplies or services similar to those so terminated, and that the Contractor will be liable for excess costs occasioned thereby.

G. **NON-DISCRIMINATION IN EMPLOYMENT:** In connection with the furnishing of supplies or performances or work under this contract, the Contractor agrees to comply with the Fair Labor Standard Act, Fair Employment Practices, Equal Opportunity Employment Act, and all other applicable federal and state laws, and further agrees to insert the foregoing provision in all subcontracts awarded hereunder.

H. **PROVISIONS BY LAW DEEMED INSERTED:** Each and every provision of the law and clauses required by law to be inserted in this contract will be deemed to be inserted herein and will read and be enforced as though it were included herein, and if through mistake, or otherwise any such provision is not inserted, then upon the application of either party the contract will be physically amended to make such insertion or correction.

I. **ASSIGNMENT:** The Contractor shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the City thereto. Provided, however, that claims for money due or to become due to the Contractor from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of such assignment or transfer shall be furnished in writing promptly to the City. Any such assignment is expressly subject to all rights and remedies of the City under this agreement, including the right to change or delete activities from the contract or to terminate the same as provided herein, and no such assignment shall require the City to give any notice to any such assignee of any actions which the City may take under this agreement, though City will attempt to so notify any such assignee.

1.0 Scope of Work

1.1 Purpose

The City is interested in obtaining the services of a priority based budgeting consulting firm to develop a new budget process utilizing “Priority Based Budgeting” principles. The successful vendor will help the City evaluate services against each other and determine which services are best aligned with the City government’s and the community’s priorities. The City seeks assistance in implementing a new budgeting process focused around developing a budget that achieves major priorities of the community and the Council, rather than a traditional departmental budget approach.

The City’s budget process will be highly collaborative and involve staff from throughout the organization to develop a proposed budget that focuses on priorities that City leaders and citizens would like to see achieved by local government with the limited resources available. The City seeks experienced professional support to facilitate a citizen engagement process, facilitate the priority based budget process and provide general support through the implementation of the new process.

It is the goal of the City to achieve fiscal sustainability, while continuing to provide the best services possible to the citizens and the community. The City intends to award a contract for priority based budgeting services for a three (3) year term, with an option for a one-year extension.

1.2 Background

The City, incorporated in 1873, is located in the southwest corner of Missouri and is the State’s fourth largest metropolitan area. The City is a Home Rule Charter City and has operated under the council-manager form of government since 1954. Policymaking and legislative authority are vested in the governing council, consisting of nine members. The council is responsible for passing ordinances, adopting the budget, appointing committees and hiring the government’s manager, attorney, clerk, and municipal judge. The City Manager is responsible for day-to-day operations of the City and for appointing the heads of the City’s departments. While the City’s census population is 50,150, the daytime population is approximately 240,000.

The City’s fiscal year begins on November 1. The adopted FY 2015 budget is nearly $168 million, of which $82.3 million represents capital expenditures. Following the EF-5 tornado that struck our community on May 22, 2011, the City has received over $200 million in various grant funds to spend over the next four years. The FY 2015 general fund budget is nearly $31 million. The adopted budget includes 585 FTE’s. The City has thirteen departments.

Due to cautious fiscal policies, the City has endured the recent recession with no cuts in services or personnel. However, the City anticipates that circumstances will make it more difficult to fund some operations in coming years, and is seeking a way to accurately identify program costs and to give the City tools to determine which programs it will offer in the future.

1.3 Requirements

1.3.1 Scope of Work Requirements

Below is a general outline of the anticipated scope of work. However, the final scope of work will be negotiated with the successful proposer.

The successful vendor will help the City evaluate services against each other and determine which services are best aligned with the City government's and the community's priorities. It will help the City Council, the City staff and the public learn how to value services and to divest themselves of lower-priority services. The successful vendor should also equip the City with the information/programs/tools necessary to address future challenges as they arise. This would include a method that can be used to evaluate new, future program offerings in comparison to existing services, and to combine services where most desirable.

The selected consultant will be expected to provide advisory, analytical and facilitation assistance in the establishment of the City's Priority Based Budgeting process. The selected Consultant shall work with at the direction of the City Manager. Services required of the selected Consultant may include, but not be limited to, the following:

A. Assist the City in diagnosing fiscal problems and treatment options.

B. Assist the City in defining goals for the organization.

C. Assist the City in prioritizing resource allocation for the most valuable programs and services.

D. Provide training and advisory assistance to City staff in creating and reviewing program scores.

E. Develop and support the peer review process to validate program scores, prior to the final update of the allocation tool. This may include participation of City Council and other external stakeholders, as well as City staff.

F. Assist with the calculation of departmental target budgets to ensure resource allocation starts with available revenues.

G. Provide training and coaching in the utilization of the allocation tool during the budget development process.

H. Be available for meetings as required.

I. Assist with the presentation of the first complete priority based budget to demonstrate how the program prioritization process was used to enhance decision-making. This would include at least one presentation to City Council.

J. Explore ideas with City staff and City Council for additional citizen engagement in future budget years.

1.4 Content Requirements

Each Proposal shall include the following:

The Proposal must detail how the Contractor will provide the Scope of Services required by this RFP and the cost of providing those services. Proposal costs submitted should reflect a three-year contract with the option for a one (1) year extension. Price guarantees should be included if applicable. Contractors are encouraged to present in their Proposals any alternate or creative means of providing any item specified in the Scope of Services, and the effect that would have on the proposed prices.

1.4.1 Company Profile

Provide the following information relative to your firm:

A. Firm name and business address, including telephone and facsimile numbers, and e-mail address.
B. Year established (include former firm names and year established). Identify the country and state in which the firm was incorporated or adopted.
C. Provide the Firm's type of ownership and, if applicable, parent company or subsidiaries. Include dates of any corporate mergers and/or acquisitions, including all present and former subsidiaries with dates of any and all restructuring since the founding date.
D. Clarify the business address and telephone number of the office(s) at which the work is to be accomplished (if different than item #A). Also include the name, address, and telephone number of the project manager, if different than item A.

1.4.2 Organizational Structure

Describe your firm's organizational structure and discuss how you anticipate organizing your project team for this engagement.

1.4.3 Key Staff Resumes

Provide a listing of key project team members who will be involved. Provide resumes for the project manager and other key managerial staff and technical information, which include work experience, education, and any work-related publications. The key people proposed for the project must actually participate. If, because of extenuating circumstances, a member must be replaced, the City must approve the new member.

1.4.4 Experience and Qualifications

Set forth your experience and qualifications as they relate to the proposed project in terms of technical scope, tasks involved, deliverable products, and other elements of the work as they relate to the evaluation criteria and all requirements of this RFP. The City seeks the following minimum qualifications:

A. Demonstrated expertise in priority based budgeting.
B. Relevant experience providing training and support to multiple local governments implementing priority based budgeting.

C. Relevant experience in facilitating a citizen engagement process.
D. Extensive knowledge and experience with local government, governmental finance and budget processes.
E. Strong written, verbal and interpersonal communication skills.
F. Resource capacity to complete tasks on time.
G. Experience in presenting findings in a public setting.

The Proposal should provide all information which the Contractor considers pertinent to its qualifications for performing the work called for by the RFP; including, but not limited to work detailed in 1.3.1.

1.4.5 References

Each Contractor must furnish a minimum of five (5) references. At least three (3) of the five (5) references should be from organizations of similar size and complexity as the City of Joplin. Each reference must identify and describe the project worked on, and specify the originating and final project manager for the party providing the reference. References may or may not be reviewed or contacted, at the sole discretion of the City.

1.4.6 Pending Claims

Each Contractor must describe any pending or ongoing administrative or judicial proceedings material to its business or finances, including, but not limited to litigation, consent orders, or agreements with state or federal regulatory agencies, and any claims, whether past, current, or pending, that involve work similar to the work sought by this RFP. The nature of any such claim or proceeding must be described, together with its current status, final disposition (if any), and the parties involved.

1.5 Administrative Requirements

1.5.1 RFP Schedule

The City anticipates that the following timetable will apply to this RFP. The dates following the April 17, 2015 RFP issue date are subject to change:

Activity	Date
RFP issued	April 17, 2015
Proposal Submission Deadline	June 1, 2015
Proposed Selection Date	July 1, 2015
Contract Discussions Conclude	August 1, 2015
Contract Effective Date-Council Approval	September 1, 2015

Any question, request for clarification, or request for additional information regarding this RFP should be submitted no later than May 15, 2015 via e-mail to sanselm@joplinmo.org, or in writing, to Sam Anselm (Attn: Priority Based Budgeting Services RFP), City of Joplin, 602 South Main, Joplin, MO 64801. No oral response by any employee or agent of the City shall be binding on the City or shall in any way be considered a commitment by the City. If a Contractor finds any inconsistency or ambiguity in the RFP, the Contractor is requested to contact the City Manager's Department, at the above address.

1.6 Proposal Selection and Evaluation

1.6.1 Proposal Evaluation Process

Proposals, which the City determines in its sole discretion, that are deemed responsive to this RFP, will be reviewed and evaluated by the City. The City reserves the right to request Contractors to make one or more presentations to the City at the City's offices at the Contractor's sole cost and expense, addressing Contractors' ability to achieve the objectives of this RFP. Proposals will be evaluated, in part, according to whether the Contractor meets the minimum qualification and submits a proposal complying with all of the requirements of this RFP.

Evaluation of vendor proposals will be based on the following criteria:

30%	Methodology - that the vendor will use to conduct work outlined in RFP and evidence of ability to perform the work described herein.
25%	Experience – previous experience performing related projects of complex nature, including, but not limited to, similar size and type of organization.
15%	References – will be based on references submitted as part of RFP, but can include clients not submitted.
25%	Cost of proposal
5%	Staff - capability and availability of professional staff to serve the City of Joplin in a competent and timely manner.

1.6.2 Responsibility for Costs

The Contractor shall be fully responsible for all costs associated with the development, preparation, transmittal, and submission of any Proposal or material submitted in response to this RFP. The City assumes no contractual or other obligations as a result of the issuance of this RFP, the preparation or submission of a Proposal by a Contractor, the evaluation of Proposals, or the selection of any Contractor for further negotiations.

1.7 Confidentiality/Public Disclosure

The successful Contractor shall treat all information obtained from the City, which is not generally available to the public as confidential and proprietary to the City. Successful Contractor shall exercise all reasonable precautions to prevent any information derived from such sources from being disclosed to any other person. Successful Contractor agrees to indemnify and hold harmless the City, its officials and employees, from and against all liability, demands, claims, suits, losses, damages, causes of action, fines and judgments (including attorney's fees) resulting from any use or disclosure of such confidential information by successful Contractor or any person acquiring such information, directly or indirectly, from successful Contractor.

By submission of a proposal, Contractors acknowledge and agree that the City, as a municipal corporation, is subject to state and local public disclosure laws and, as such, is legally obligated to disclose to the public documents, including proposals, to the extent required hereunder. Without limiting the foregoing sentence, the City's legal obligations shall not be limited or expanded in any way by a Contractor's assertion of confidentiality or proprietary data.

1.8 Contract Terms and Conditions

The City may condition award of the Contract on the Contractor's acceptance of the terms and conditions contained in the form of agreement attached hereto and made a part hereof as Exhibit A. Contractors may submit with its Proposal, written objections to the terms and conditions established in this RFP and/or agreement by identifying the specific section(s) and paragraph(s) objected to, stating the reason(s) for the objection and proposing alternative terms. Should Contractor object to any of the terms and conditions established in this RFP, including the form of agreement, the City reserves the right, in its sole discretion, to permit Contractor to rescind any or all such exceptions at any time prior to award of a contract. The City, in its sole discretion, may evaluate proposals according to whether the Contractor objects to terms and conditions and if Contractor does object, the number and type of objections. In no event shall the City's selection of a Contractor for further negotiations constitute acceptance of any objection or proposed alternative to the terms and conditions established in this RFP. The City reserves the right, however, to add, delete, revise, or negotiate terms and conditions different than those included in the RFP, if, in the sole judgment of the City, it is in the best interest of the City to do so.

2.0 FORMAT AND CONTENT OF PROPOSAL

2.1 Proposal Terms and Conditions

The following terms and conditions apply to submitting proposals in response to this Request for Proposal:

2.2 Interviews

The City reserves the right to conduct personal interviews or require presentations of any or all proposers prior to selection. The City will not be liable for any costs incurred by the proposer in connection with such interviews/presentations (i.e. travel, accommodations, etc.)

2.3 Request for Additional Information

The proposer shall furnish such additional information as the City of Joplin may reasonably require. This includes information which indicates financial resources as well as ability to provide and maintain the system and/or services. The City reserves the right to make investigations of the qualifications of the proposer as it deems appropriate.

2.4 Acceptance/Rejection/Modification to Proposals

The City reserves the right to negotiate modifications to proposals that it deems acceptable, reject any and all proposals, and to waive minor irregularities in the procedures.

2.5 Proposals Binding

All proposals submitted shall be binding for one hundred twenty (120) calendar days following the opening.

2.6 Proprietary Information

In accordance with Public Records Law, and except as may be provided by other applicable State and Federal law, all proposers should be aware that Requests for Proposals and the responses thereto are in the public domain. However, the proposers are requested to identify specifically any information contained in their proposals which they consider confidential and/or proprietary and which they believe to be exempt from disclosure, citing specifically the applicable exempting law.

All proposals received from proposers in response to this Request for Proposal will become the property of the City of Joplin and will not be returned to the proposers. In the event of contract award, all documentation produced as part of the contract will become the exclusive property of the City.

2.7 Proposer's Certification

By submitting a proposal, the proposer certifies that the proposal has been fully read and understood. The proposer has full knowledge of the scope and nature and quality of work to be performed. The proposer further certifies that no employee of the City has any direct or indirect financial interest in any resultant contract, and that no gratuities will be offered or provided to the City of Joplin employees or their family members.

2.8 Non-exclusive Contract

The agreement resulting from this RFP shall be a non-exclusive contract, and the City reserves the right to purchase same or like services from other sources the City deems necessary and appropriate.

2.9 Exceptions

If the Offeror desires to take exception to any terms, conditions and requirements of the RFP, the Offeror must clearly state those exceptions on the Affidavit of Compliance. Exceptions taken by the Offeror may be considered in the evaluation of proposals.

2.10 Late proposals

Proposals received by the City after the time specified for receipt will not be considered. Proposers shall assume full responsibility for timely delivery of the proposals to the location designated for receipt of proposals. The City of Joplin is not responsible for the U.S. Mail or private couriers in regards to mail being delivered by the specified time so that a proposal can be considered. All proposals will be received at the time and place specified and made available for public inspection when an award decision is made.

2.11 Completeness

All information required by the Request for Proposal must be supplied to constitute a legitimate proposal. The City of Joplin reserves the right to use any and all information presented in any response to the Request for Proposal. Acceptance or rejection of the RFP does not affect this right.

2.12 Execution of Agreement

It is anticipated the City will make their selection of a firm by July 1, 2015. The successful proposer shall enter into a contract with the City for the performance of work awarded to him and shall simultaneously provide any required bonds, indemnities and insurance certificates by August 1, 2015. A copy of the sample agreement is attached. Failure to comply within the established deadline for submittal of required documents may be grounds for cancellation of the award.

3.0 SUBMISSION OF PROPOSALS

In order for the City to adequately compare proposals and evaluate them uniformly and objectively, all proposals shall be submitted in accordance with this format. The proposal should be prepared simply and economically, providing straight-forward and concise information as requested.

3.1 Submission Format

1. Title Page: The complete legal name, address, Federal ID number or Social Security number, permanent address and telephone number of the Offeror including the name of the person to contact for discussion of the proposal.
2. Table of Contents.
3. Letter of Transmittal - Limit to one (1) or two (2) printed pages.
4. Requirements – as listed in 1.3 thru 1.5 of the RFP.

3.2 Offer and Schedule of Professional Fees and Expenses

The undersigned has thoroughly examined the entire Request for Proposal (RFP), including all amendments thereto, hereby offers to furnish all services in accordance with the requirements of the Request for Proposal, as described in the proposal attached hereto and incorporated herein, as follows:

PROVIDE A COMPLETE BREAKDOWN OF COSTS.

Scope of Work Services: Complete the project set forth in the Scope of Work at the fees and as described in the Offeror.

Not to exceed $ _____

3.3 Proposal Due Date

Sealed proposals with one (1) original and five (5) complete copies will be received at the Finance Department no later than 10:00 a.m. June 1, 2015. Proposals will not be accepted after this time. Proposals shall be addressed as follows:

For Mail or Hand Delivery
CITY OF JOPLIN
SAM ANSELM
CITY MANAGER
602 SOUTH MAIN
JOPLIN, MO 64801
Submitted envelopes should be marked: "REQUEST FOR PROPOSAL NO. 2015-RFP-08: PRIORITY BASED BUDGETING SERVICES "

3.4 Proposal Evaluation Process

The steps and activities in the proposal process will include the following:

3.4.1 The City will review and evaluate all proposals submitted in response to this Request for Proposals (RFP). The City shall conduct a preliminary evaluation of all proposals on the basis of the information provided and other evaluation criteria as set forth in this Request for Proposals or as reasonably determined by the City.

3.4.2 The City will first review each proposal for compliance with the minimum qualifications and mandatory requirements of the RFP. Failure to comply with any mandatory requirements may disqualify a proposal.

3.4.3 Proposals will then be evaluated and rated in accordance with the evaluation criteria. A shortlist will be developed listing the highest ranked proposals.

3.4.4 The City will confer with all responsible proposers who have been short listed and may arrange, if necessary, for interviews/presentations by the short listed firms.

3.4.5 The City reserves the right to conduct pre-award discussions and/or pre-contract negotiations with any or all responsive and responsible proposers who submit proposals determined to be reasonably acceptable of being selected for award. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submission of proposals and prior to award of a contract.

3.4.6 The City reserves the right to reject any and all proposals and to waive minor irregularities. The City further reserves the right to seek new proposals when such a procedure is reasonable and in the best interests of the City to do so.

EXHIBIT A

CONTRACT NO._____

ADDRESS & PHONE OF CITY
City Manager's Department
602 South Main
Joplin, MO
417-624-0820

NAME, ADDRESS & PHONE OF CONTRACTOR

AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2015, by and between the City of Joplin, a municipal corporation of the State of Missouri, hereinafter referred to as the "City" with offices at 602 South Main, Joplin, Missouri and _____ hereinafter referred to as the "Consultant."

WITNESSETH:

WHEREAS, the City of Joplin desires to engage the Consultant to render certain services hereinafter described in Request For Proposal 2015-RFP-08 which Request For Proposal is attached hereto and incorporated herein as Exhibit A; and

WHEREAS, the Consultant submitted a proposal dated June 1, 2015 which proposal is attached hereto and incorporated herein as Exhibit B; and

WHEREAS, the Consultant has become the lowest and best Offeror for performing the services listed in the Notice of Award, which Notice of Award is attached hereto and incorporated herein as Exhibit C;

NOW, THEREFORE, the parties to the contract agree to the following:

1. The City agrees to engage the Consultant and the Consultant agrees to perform, in strict accordance with Exhibit A, and within the time specified therein, the services set forth in Exhibit C.

2. The services of the Consultant shall commence only as authorized in writing by City purchase order or other written notice and shall be undertaken and completed as promised by the Consultant in Exhibit B. The term of the Agreement shall be for the period specified in Exhibit C.

3. The City agrees to pay the Consultant in accordance with the prices and terms set forth in Exhibit B for work authorized by City purchase order or other written Notice by the City upon presentation of proper invoice and inspection by the City of work completed by the Consultant.

4. All information, data, and reports as are existing, available and necessary for the carrying out of the work, shall be furnished to the Consultant without charge, and the parties shall cooperate with each other in every way possible in carrying out the scope of services.

5. The Consultant shall fully coordinate its activities in the performance of the contract with the activities of the City.

6. The Consultant represents that Consultant will secure at Consultant's own expense, all personnel required to perform the services called for under this contract by Consultant. Such personnel shall not be employees of or have any contractual relationship with the City except as employees of the Consultant. All of the services required hereunder will be performed by the Consultant or under Consultant's direct supervision and all personnel engaged in the work shall be fully qualified and shall be authorized under state and local law to perform such services. None of the work or services

covered by this contract shall be subcontracted without the written approval of the City.

7. **Termination:** If, through any cause, the Consultant shall fail to fulfill in a timely and proper manner Consultant's obligations under this contract, or if the Consultant shall violate any of the covenants, agreements, or stipulations of this contract, the City shall thereupon have the right to terminate this contract by giving written notice to the Consultant of such termination and specifying the effective date thereof, at least five (5) days before the effective day of such termination. The City may, without cause, terminate this contract upon 30 day's prior written notice. **In either such event, all finished or unfinished documents, data, studies, reports, or other materials prepared by the Consultant shall, at the option of the City become its property.** The Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed. Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City by virtue of any such breach of the contract by the Consultant.

8. **Assignment:** The Consultant shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the City thereto. Provided, however, that claims for money due or to become due to the Consultant from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of such assignment or transfer shall be furnished in writing promptly to the City. Any such assignment is expressly subject to all rights and remedies of the City under this agreement, including the right to change or delete activities from the contract or to terminate the same as provided herein, and no such assignment shall require the City to give any notice to any such assignee of any actions which the City may take under this agreement, though City will attempt to so notify any such assignee.

9. Any reports, data, or similar information given to or prepared or assembled by the Consultant under this contract which the City requests to be kept as confidential shall not be made available to any individual or organization by the Consultant without prior written approval of the City.

10. **Modification of Contract:** The Scope of Work to be done under the Contract shall be subject to modification and supplementation upon the written Agreement of the duly authorized representatives of the Contracting parties. No provision in the Contract shall be changed or modified without the execution of a formal amendment to the Contract, mutually agreed to by the City and the Consultant and processed through the Division of Purchases. Upon request by the City, the Consultant shall provide an estimate of cost of any additional work or services to be incorporated by a modification to the Scope of Work and the Contract.

11. **Contract Documents:** The agreement between the City of Joplin and the Consultant shall consist of (1) The Contract form which embodies the requirements contained herein, (2) the Request for Proposal, and any amendments thereto and, (3) the proposal, as accepted, submitted in response to the Request for Proposal. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the Contract shall govern over all other documents, and the Request for Proposal and amendments thereto shall govern over the Consultant's Proposal and amendments thereto. However, the City reserves the right to clarify any Contractual relationship in writing with the concurrence of the Consultant, and such written clarification shall govern in case of conflict with the applicable requirements stated in the Request for Proposal or the Consultant's proposal. In all other matters not affected by the written clarification, if any, the Request For Proposal shall govern. The Consultant is cautioned that the proposal shall be subject to acceptance without further clarification.

12. **Appropriation of Funds:** In the event that funds are not appropriated by the Council of the City of Joplin for any term of the contract or extension thereto or portion of any term of the contract which falls in a fiscal period other than a fiscal period for which funds have been appropriated, the contract shall terminate without notice at the end of the fiscal period for which funds are appropriated.

13. The Consultant agrees and understands that the City of Joplin's Agreement to the Contract may be predicated, in part and among other considerations, on the utilization of the specific individual(s)

and/or personnel qualification(s) as identified and/or described in the Consultant's proposal. Therefore, the Consultant agrees that no substitution of such specific individuals and/or personnel qualifications shall be made without the prior written approval of the City. The Consultant further agrees that any substitution made pursuant to this paragraph must be equal or better than originally proposed and that the City's approval of a substitution shall not be construed as an acceptance of the substitution's performance potential. The City of Joplin agrees that an approval of a substitution will not be unreasonably withheld.

14. **General Independent Contractor Clause:** This agreement does not create an employee/employer relationship between the parties. It is the parties intention that the Contractor will be an Independent Contractor and not the City's employee for all purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue code, Missouri revenue and taxation laws, Missouri Workers' Compensation and unemployment insurance laws. The Contractor will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Contractor's activities and responsibilities hereunder. The Contractor agrees that it is a separate and independent enterprise from the public employer, that is has a full opportunity to find other business, that is has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This agreement shall not be construed as creating any joint employment relationship between the Contractor and the City, and the City will not be liable for any obligation incurred by the Contractor, including but not limited to unpaid minimum wages and/or overtime premiums.

15. The Consultant shall not be entitled to any of the benefits established for the employees of the City nor be covered by the Workers Compensation Program of the City.

16. **Certification of Non-Resident/Foreign Consultants:** If the Consultant is a foreign corporation or non-resident Consultant, it is agreed that the Consultant shall procure and maintain during the life of this contract:

    A. A certificate of authority to transact business in the State of Missouri from the Secretary of State, unless exempt pursuant to the provisions of Section 351.570 RSMo.

    B. A certificate from the Missouri Director of Revenue evidencing compliance with transient employer financial assurance law, unless exempt pursuant to the provisions of Section 285.230 RSMo.

17. **Nondiscrimination:** The Consultant agrees in the performance of this contract not to discriminate on the ground or because of race, creed, color, national origin or ancestry, sex, religion, handicap, age, or political opinion or affiliation, against any employee of Consultant or applicant for employment and shall include a similar provision in all subcontracts let or awarded hereunder.

18. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services to be performed under this contract. The Consultant further covenants that in the performance of this contract no person having such interest shall be employed.

19. **Consultant's Responsibility for Subcontractors**: It is further agreed that Consultant shall be as fully responsible to the City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons it directly employs. Consultant shall cause appropriate provisions to be inserted in all subcontracts relating to this work, to bind all subcontractors to Consultant by all the terms herein set forth, insofar as applicable to the work of subcontractors and to give Consultant the same power regarding termination of any subcontract as the City may exercise over Consultant under any provisions of this contract. Nothing contained in this contract shall create any contractual relation between any subcontractor and the City or between any subcontractors.

20. The certificates of insurance, including evidence of the required endorsements of the policies shall be filed with the City of Joplin within ten (10) days of the date of receipt of the Award of the contract to the Consultant and prior to the start of work. All insurance policies shall provide thirty (30) days written notice to be given by the insurance company in question, prior to modification or cancellation of insurance. Such notices shall be mailed, return receipt requested to:

City Attorney
City of Joplin
602 South Main
Joplin, MO 64801

21. **Liability and Indemnity:**

A. In no event shall the City be liable to the Contractor for special, indirect, or consequential damages, except those caused by the City's gross negligence or willful or wanton misconduct arising out of or in any way connected with a breach of this contract. The maximum liability of the City shall be limited to the amount of money to be paid or received by the City under this contract.

B. The Contractor shall defend, indemnify and save harmless the City, its elected or appointed officials, agents and employees from and against any and all liability, suits, damages, costs (including attorney fees), losses, outlays and expenses from claims in any manner caused by, or allegedly caused by, or arising out of, or connected with, this contract, or the work or any subcontract there under (the Contractor hereby assuming full responsibility for relations with subcontractors), including, but not limited to, claims for personal injuries, death, property damage, or for damages from the award of this contract to Contractor.

C. The Contractor shall indemnify and hold the City harmless from all wages or overtime compensation due any employees in rendering services pursuant to this agreement or any subcontract, including payment of reasonable attorneys' fees and costs in the defense of any claim made under the Fair Labor Standards Act, the Missouri Prevailing Wage Law or any other federal or state law.

D. The indemnification obligations of Contractor hereunder shall not be limited by any limitations as to the amount or type of damages, compensation or benefits payable by or for the Contractor, under any federal or state law, to any person asserting the claim against City, its elected or appointed officials, agents and employees, for which indemnification is sought.

E. The indemnification obligations herein shall not negate, abridge or reduce in any way any additional indemnification rights of the City, its elected or appointed officials, agents and employees, which are otherwise available under statute, or in law or equity.

F. Contractor affirms that it has had the opportunity to recover the costs of the liability insurance required in this agreement in its contract price. Contractor's obligation under this agreement to defend, indemnify and hold harmless any person from that person's own negligence or wrongdoing is limited to the coverage and limits of the applicable insurance.

22. **Conflict of Interest:** No salaried officer or employee of the City and no member of the City Council shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract void. Any federal regulations and applicable provisions in RSMo. Chapter 105 shall not be violated.

23. **Entire Agreement:** This agreement, including the contract documents contained or referenced herein, constitutes the entire agreement between the parties. No modification, amendment, or waiver of any of the provisions of this agreement shall be effective unless in writing specifically referring hereto, and signed by both parties.

24. **Waiver:** No provision of the contract documents shall be construed, expressly or by implication, as a waiver by the City of any existing or future right or remedy available by law in the event of any claim of default or breach of contract.

25. **Jurisdiction:** This agreement and every question arising hereunder shall be construed or determined according to the laws of the State of Missouri. Should any part of this agreement be adjudicated, venue shall be proper only in the Circuit Court of Jasper County, Missouri.

26. **Notices:** All notices required or permitted hereunder and required to be in writing may be given by first class mail addressed to Division of Purchases, 602 South Main, Joplin, Missouri, 64801, and the Consultant at the address indicated on Affidavit of Compliance form. The date of delivery of any notice shall be the date falling on the second full day after the day of its mailing.

IN WITNESS WHEREOF the parties have hereunto set their hands and seal the date first above written.

CITY OF JOPLIN, MISSOURI

By: _____
Samuel L. Anselm, City Manager

CONSULTANT

_____
Company Name

By: _____
Signature

Name: _____
Print or type

Title: _____

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney

CENTER FOR PRIORITY BASED BUDGETING

Using a Unique Lens to Focus Community Resources on Results

Request for Proposal *NO. 2015-RFP-08*

PRIORITY BASED BUDGETING SERVICES

A Proposal for the

City of Joplin, Missouri

City Manager's Department
602 South Main
Joplin, Missouri 64801

Center for Priority Based Budgeting
13701 W. Jewell Avenue, Suite 28
Lakewood, CO 80228
ID #46-3393419
Contact: Jon Johnson
720-361-3710

CPBB
CENTER FOR PRIORITY BASED BUDGETING
"Using a Unique Lens to Focus Community Resources on Results"

May 22, 2015

Mr. Sam Anselm
City Manager
City of Joplin
602 South Main
Joplin, MO 64801

RE: RFP #2015-RFP-08 – Priority Based Budgeting Services

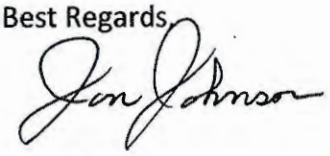
Dear Mr. Anselm,

The ***Center for Priority Based Budgeting (CPBB)*** is extremely pleased to provide this proposal in response to ***the City of Joplin's*** request for advisory, analytical and facilitation assistance in the development and implementation of a ***Priority Based Budgeting*** process. We believe that our unique and timely results-based approach to resource allocation addresses the needs of local governments everywhere as they strive to balance fiscal responsibility with long-term financial sustainability.

Our special connection to ***the City of Joplin*** makes this opportunity extremely interesting and important to us. Being the hometown of co-founder Jon Johnson and also being a jurisdiction that he served for many years, it would be personally meaningful to bring this process to the community that has given so much to him. During his tenure, the City had to rebuild its financial foundation after it suffered a catastrophic investment loss in the mid-1990's. Thankfully, the City recovered, with no significant reduction in staff or services and took positive steps to strengthen its controls over financial operations as it looked to the future. The opportunity to again be part of the recovery and rebuilding process stemming from the catastrophic and devastating natural disaster of May 22, 2011, would be extremely rewarding. We sincerely believe that the tools developed through the ***PBB*** process will truly help community leaders make decisions for the future that will solidify the City's long-term financial sustainability as it continues to recover, grow and thrive in the years ahead.

It is gratifying and rewarding for ***CPBB*** to be able to offer its assistance to ***the City of Joplin***. ***CPBB*** very much respects the vision that you have for your community and sees this work as another step towards achieving that vision. it will be an honor and a pleasure to work with you to help it achieve all the benefits and outcomes of our ***Fiscal Health and Wellness through Priority Based Budgeting*** process, which we believe will lead local governments to more open, transparent and sustainable decision-making for years to come.

Best Regards,





Jon Johnson ***Chris Fabian***

Center for Priority Based Budgeting
13701 W. Jewell Avenue, Suite 28
Lakewood, CO 80228
720-361-3710
jjohnson@pbbcenter.org or cfabian@pbbcenter.org
Website - www.pbbcenter.org

Table of Contents

1.4 CONTENT REQUIREMENTS.....1

1.4.1 Company Profile 1

1.4.2 Organizational Structure.....3

1.4.3 Key Staff Resumes 5

1.4.4 Experience and Qualifications 7

1.4.5 References 25

1.4.6 Pending Claims 30

Copyright ©2009 by Chris Fabian and Jon Johnson d/b/o the ***Center for Priority Based Budgeting.***

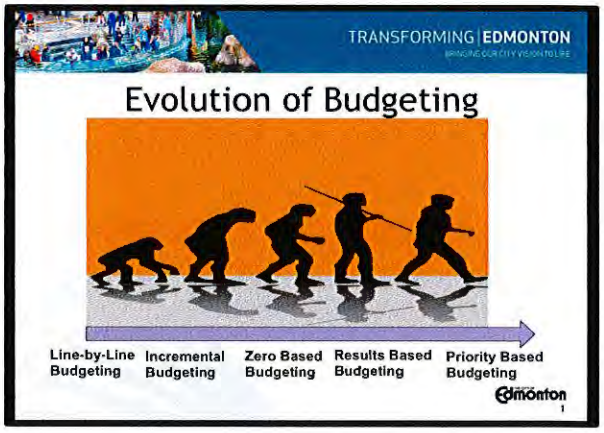
Content Requirements

1.4.1 Company Profile



"Challenges facing local governments today literally requires a new way to see. It's as if our vision has been blurred by the extraordinary stress of managing in this complex economic environment. Whether attempting to rebuild in a post-recession climote, or persevering through another year of stagnating or declining revenues, the challenge remains: how to allocate scarce resources to achieve our community's highest priorities. Through the new lens of Fiscal Health and Wellness through Priority Based Budgeting, which provides powerful insights, local governments are making significant breakthroughs."

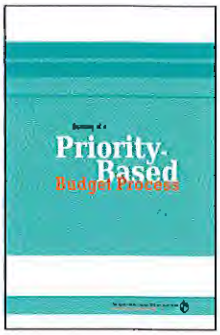
- Jon Johnson and Chris Fabian, *Seeing Things Differently*, Public Management (PM) Magazine, 2012



While serving as local government practitioners, ***CPBB*** co-founders Jon Johnson and Chris Fabian developed the process and tools needed to successfully implement this approach to ***Priority Based Budgeting.*** We created this process to address our belief that there needed to be a methodology that would successfully link the stated strategic priorities that an organization strives to accomplish with the way resource allocation decisions are made through the budget process. Because of its specific relevance to local governments needing to address their immediate short-term budgetary distress, our ***Priority Based Budgeting*** process has gained nationwide recognition and has been promoted by the International City/County Management Association *(ICMA)*, the National League of Cities (*NLC*), the Government Finance Officers Association *(GFOA)* and the Alliance for Innovation.

In 2012, the International City/County Management Association (*ICMA*) recognized ***Fiscal Health and Wellness through Priority Based Budgeting*** as a leading practice for local governments. Seeing that the results of this process have helped over eighty (80) communities from across the nation find a common approach in their pursuit of results-oriented resource allocation has been overwhelmingly rewarding. Having ICMA declare this work as a leading practice, encouraging every local government to move toward the achievement and implementation of ***Priority Based Budgeting*** furthers the purpose and mission of ***CPBB*** for the future.

In collaboration with GFOA, we were honored to co-author "***Anatomy of a Priority Based Budget Process***", a white paper published by GFOA in 2011, which establishes and documents a step-by-step methodology for any organization to successfully implement ***Priority Based Budgeting***. This white-paper relied heavily on our experiences and the lessons learned from the pioneering organizations we assisted from 2009 through 2010 as they implemented this unique and innovative process. Since that time, we have significantly enhanced the process even further, incorporating citizen engagement strategies, addressing succession planning, and assisting in the framing of labor negotiations.



In the eighty-plus (80+) local governments that ***CPBB*** has provided advisory leadership in the implementation of ***Fiscal Health and Wellness through Priority Based Budgeting,*** we have seen that this process not only provides a way in which an organization can make better short-term resource allocation decisions based on the relative priority of the various programs and services it offers, but also provide a new way to link budget decisions to the strategic results and outcomes that the organization wishes to achieve for the long-term. Furthermore, our "***Resource Alignment Diagnostic Tool***" is truly unlike anything previously available to local governments, providing (*as the City Manager of Fairfield, California coined the phrase*) "***a new and unique lens***" on how government spending is aligned with priorities.

The ***Center for Priority Based Budgeting (CPBB***) is a S-Corporation, registered in the State of Colorado (USA) established in 2013. Prior to that time, ***CPBB*** operating as an incubator project from 2010 through 2013 under the umbrella of the *National Environmental Health Association*, a non-profit agency also located in Denver, Colorado. ***CPBB*** offices are located at ***13701 W. Jewell Avenue, Suite 28, Lakewood, CO 80228***. Co-founders Jon Johnson and Chris Fabian can be directly contacted by phone at ***720-361-3710*** or by e-mail at: ***jjohnson@pbbcenter.org or cfabian@pbbcenter.org.***

Supported by three additional professional staff and a team of independent strategic advisors, we are well-equipped to provide technical and advisory services to assist local governments, school districts, faith-based organizations and other non-profit agencies achieve ***Fiscal Health and Wellness through Priority Based Budgeting***. One of its strategic advisors, Ms. Kathie Novak, is a former elected official, serving her community for over nineteen years, eight of those as Mayor. She was also very active in the National League of Cities (NLC), serving as its President in 2009 . Knowing that the City of Joplin has a close affiliation with NLC, Ms. Novak is an available resource to help engage the City Council in the PBB process. As Kathie states:

"I so believe in what the Center is doing...helping elected officials and communities really understand their financial situation, better communicate that information to their citizens, and use that information to make the best decisions possible for their communities in light of changing economic situations. The tools they have developed help policy makers move from the "What we know we need/would like to do" to the "How do we actually make it happen." I wish I had this available when I was in office!"

The creative and innovative process, developed by ***CPBB,*** enables communities to reassess their priorities in order to make sound, long-term funding decisions. Establishing a mission-driven organization solidifies ***CPBB's*** focus on being a trusted advisor and a dependable, objective resource, assisting local government leaders who are seeking service excellence, transparency to their stakeholders and a strong desire to achieve the Results that are important to their community.

1.4.2 Organizational Structure

CPBB has implemented their pioneering approach to ***Priority Based Budgeting*** in over 80 organizations across the United States and Canada. Having demonstrated success in helping these other jurisdictions, truly sets us apart as a leader in this particular body of work and makes us uniquely qualified to assist the ***City of Joplin***. As additional, the elements below are of importance as this proposal is being considered:

1. ***CPBB has implemented PBB in organizations and communities of all sizes but many that are equally as large or even larger than the City of Joplin*** – it is of critical importance to note that our team has a successful track record in assisting similarly large and complex organizations as the ***City of Joplin*** in implementing this process. Our list of references will demonstrate that organizations of similar size such as the cities of Boulder, CO, Wheat Ridge, Kenmore, WA, Roswell, GA, Kalamazoo, MI and Plano, TX have successfully brought this process to their communities as well as those that are much larger, including the cities of Cincinnati, OH, Edmonton, AB and Gaston County, North Carolina. Our unique differentiator is that the processes and tools developed by ***CPBB*** have proven effective, scalable, and best of all, repeatable in communities of all sizes and demographics.

2. ***CPBB is currently working within the State of Missouri with an implementation of PBB in the City of Branson, Missouri*** – in similar fashion, CPBB responded to a RFP from the City of Branson in 2013 for a two-year phased-in implementation of a "*Budgeting for Outcomes*" process. Their Finance Director and newly appointed City Manager both determined that **CPBB's** approach of ***Priority Based Budgeting*** was truly the best "fit" to achieve what their Board of Alderman had requested – a way to align the goals set forth in their newly adopted "Community Plan 2030" with the allocation of resources in the budget process. Phase I has been completed and within the next month, the final ***"Resource Alignment Diagnostic Tool"*** is scheduled to be presented to City staff and their Board of Alderman. While they are the first community in Missouri to implement PBB, the City of Joplin would be considered to be a pioneer of this work within the State of Missouri.

3. ***CPBB is has a level of familiarity, a unique perspective and a personal connection the City of Joplin, both as an organization and a community*** – as stated previously, co-founder Jon Johnson lived in the community for over 30 years and served the City organization for five of those years as its Finance Director. He feels a strong commitment to ensure that the process is successfully implemented and that the long-term benefits of PBB will benefit the community where he grew up and where his family still lives

In terms capacity, it is important to note that it is the ***CPBB's*** policy not to propose on any RFP unless it is fully equipped to complete the project on-time and within the agreed upon budget. ***CPBB*** is submitting this proposal with a commitment to the City of Joplin that sufficient capacity exists to complete the scope of work outlined in the recommended ***Scope of Work Requirements*** section.

Project Management

CPBB has established several keys to successfully managing a ***PBB*** project that will be incorporated into a successful project for the ***City of Joplin***. Upon launching the ***PBB*** initiative, ***CPBB*** will recommend an initial "Project Management" meeting to accomplish the following objectives:

- ***Review and discuss "Project Approach" and "Project Plan"*** – coming to a common understanding and agreement about the recommended scope of work ("Project Approach") is fundamental to the success of this project. ***CPBB*** will detail how the ***City's*** work to date can be leveraged and used as a foundation to build upon, as the remaining elements of ***PBB*** are implemented.
- ***Establish City Project Team members and structure*** – ***CPBB*** will share with the ***City*** lessons learned and experiences from other successful ***PBB*** implementations with specific emphasis on establishing a core "*Project Team*." ***CPBB*** has found it very effective to include the following individuals from the City as key members of the project team:
    - ***City Manager OR Assistant City Manager***
    - ***Finance Director OR Assistant Finance Director***
    - ***Budget Officer or Manager (if different from the Finance Director)***
    - ***Strategic Planning Manager/Coordinator***
    - ***Public Information Officer***
    - ***Designated Project Leader/Liaison*** - main point of contact for project related questions, strategy, timeline and scope management. This may be any of the aforementioned individuals or someone designated by them. Typically the Project Manager will coordinate with ***CPBB*** on a regular basis to check in on the project timeline and on deliverables (both ***CPBB*** and City deliverables), coordinating and communicating any necessary adjustments to the project timeline with the rest of the team.
    - ***City Information Technology Support*** – the primary responsibility of this team member is to ensure that City and CPBB technology is tested ahead of any web-based or webinar trainings that take place throughout the project. CPBB will work with this contact to test the PBB Tools, as well as web-based applications (like Go To Meeting, Vimeo, or You Tube typically incorporated into web trainings and recorded sessions).
    - ***City Contracting / Purchasing Contact*** – typically this point of contact will interface with ***CPBB's*** CFO to ensure that any contracting questions are addressed.

While there will certainly be additional team members, having these three role players established up front will ensure that the project proceeds on schedule and on budget.

- ***Review and discuss (and iterate as necessary) change control and problem management procedures*** – ***CPBB*** co-founders Jon Johnson and Chris Fabian will both be directly involved with this project and accessible to the ***City*** for any issues that arise, with Jon serving as the Project Manager. The entire success and credibility of the ***CPBB*** depends on the effective and successful implementation of each ***PBB*** project, thus establishing a clear and open line of communication between ***CPBB*** and the ***City*** is essential.

- ***Review and discuss (and iterate as necessary) project tracking and reporting mechanisms*** – during the initial "Project Management" meeting, ***CPBB*** will recommend the creation of a "checklist" that can be used throughout the implementation process, complete with ***City*** and ***CPBB*** responsibilities and deadlines. Reviewing and adjusting the project timeline ("Project Plan") and the project checklist will be the basis of weekly or semi-weekly coordination meetings between the ***City's*** Project Manager and ***CPBB*** to ensure the implementation process remains on track.

1.4.3 Key Staff Resumes

The ***Center for Priority Based Budgeting***, formed in 2010 by Jon Johnson and Chris Fabian, prides itself in providing creative solutions to local governments struggling to address their own fiscal realities. Our mission is to share our experience and technical knowledge of government financial operations and budget development with organizations that are seeking to achieve ***Fiscal Health and Wellness through Priority Based Budgeting*** that is sustainable for the long-term. Above all, ***CPBB*** strives to be viewed as a trusted advisor and a dependable, objective resource that assists local governments who are seeking service excellence, transparency to their stakeholders and a strong desire to achieve the *Results* that are important to their community. In particular, our experience in dealing with finance-related issues combined with our backgrounds in performance measurement, achievement of efficiencies, and genuine community engagement, makes ***CPBB*** a truly unique and beneficial partner in dealing with fiscal issues and budgetary concerns, especially in these unprecedented and turbulent times.

Prior to the creation of ***CPBB*** in 2010, Jon and Chris worked as independent local government advisors during 2009 after leaving their positions with Jefferson County, Colorado. During that time they were associated with the International City/County Management Association (*ICMA*) as consulting contractors as well as serving as trainers and speakers for the Government Finance Officers Association (*GFOA*) and the Alliance for Innovation.

JON JOHNSON

Jon is co-founder of the ***Center for Priority Based Budgeting***, a mission driven organization whose focus is to help local governments achieve ***Fiscal Health and Wellness*** during these challenging economic times. Jon has more than 28 years of experience as a practitioner in financial administration for municipalities, counties, school districts and public universities. Throughout his career as a finance/budget director, he has been responsible for the management of all aspects of local government finance operations for both small and large organizations. Jon brings with him not only the "hands-on" technical skills associated with the day-to-day financial operations of local governments, but also the ability to apply a diagnostic approach to the analysis needed to assess the ***fiscal health*** of an organization and the management experience to implement the resulting solutions from that diagnostic analysis.

Most recently, Jon served as the Director of Budget and Management Analysis for Jefferson County, Colorado. Previous to that position, he was Assistant Director of Finance for Douglas County, Colorado. Prior to moving to Colorado in 2002, Jon served as the Director of Finance for several municipalities in Missouri, including the City of Blue Springs, the City of Joplin, and the City of Kansas City (MO) Aviation Department. He has also been associated with ICMA as a Senior Management Advisor and with GFOA as a regional trainer and workshop presenter. He served twice on the board of directors for the Missouri

Government Finance Officers Association (GFOA-MO) and was active in its Central and Kansas City chapters. Jon holds a B.A. in political science and a B.S. in accounting from Missouri Southern State University, as well as a master's degree in College Administration from Pittsburg (KS) State University.

CHRIS FABIAN

Chris co-founded the ***Center for Priority Based Budgeting***. During his career, Chris has provided consulting and advisory services to numerous local governments across the country. His consulting experience has focused on public entities at all levels, advising top municipal managers, department heads and program directors from over 60 organizations concerning the fundamental business issues of local government. Of most significance, his work has centered on the budget process as a lever to produce results, accountability and change; performance and outcome-based management; purpose, productivity, and efficiency in operations; and rigorous financial analysis and strategy. Pursing the objectives of *"Budgeting for Outcomes" (BFO)*, Chris was a partner of the consulting team that implemented BFO in Ft. Collins, Colorado, one of the leading organizations using this approach and is now assisting with their conversion to the ***Priority Based Budgeting*** model he developed in partnership with Jon.

Most recently Chris has served as a budget practitioner with Jefferson County, Colorado, where he incorporated the lessons learned from BFO into the development of the ***Priority Based Budgeting*** process. He holds a B.S. in engineering from the Colorado School of Mines.

Jon and Chris have been featured speakers at numerous national and regional conferences webinars, and workshops sponsored by the ***International City/County Management Association*** (ICMA), the ***National League of Cities*** (NLC), the ***National Association of Counties*** (NACo), the ***Government Finance Officers Association*** (GFOA), and the ***Alliance for Innovation*** as well as numerous state and regional organizations such as the ***Municipal Managers Association of Southern California*** (MMASC), the ***Municipal Managers Association of Northern California*** (MMANC), the ***Virginia Local Government Managers Association*** (VLGMA) the ***Tennessee Municipal League*** (TML), the ***Colorado Government Finance Officers Association*** (CGFOA), the Oregon ***Emerging Local Government Leaders***, the ***Association far Pennsylvania Municipal Management*** (APMM), the ***Idaho City/County Management Association*** (IdCMA), the ***New Mexico City Management Association*** (NMCMA) and the ***Michigan Municipal League*** (MML). They have co-authored several articles describing their approach to ***Fiscal Health and Wellness through Priority Based Budgeting*** for local governments including:

- ***"Getting Yaur Priorities Straight"*** published by ICMA in the June 2008 issue of ***PM Magazine***
- ***"Leading the Way to Fiscal Health"*** published by Government Finance Officers Association (*GFOA*) in their December 2008 issue of the ***Government Finance Review***
- ***"It's All in the Questions: The Manager's Role in Achieving Fiscal Health"*** a two-part article appearing in the September and October 2009 issues of ***PM Magazine***
- ***"Anatomy of a Priority Based Budget Process,"*** co-authored with Shayne Kavanagh of GFOA, published in the May, 2010 issue of the ***Government Finance Review***
- ***"Anatomy of a Priority Based Budget Process,"*** a white paper on **"Priority Based Budgeting"** as a best practice, published by GFOA in March 2011, co-authored with Shayne Kavanagh

- "***Seeing Things Differently***," published by ICMA in the September 2012 issue of ***PM Magazine***

- ***"Embracing the Decade of Local Government – How to Face Challenges and Seize Opportunities"***, to be published by ICMA in the October 2013 issue of ***PM Magazine***

1.4.4 Experience and Qualifications

The ***PBB*** process was first developed by Jon Johnson and Chris Fabian for Jefferson County, Colorado, where both of them served prior to April 2009. After publishing an article in ICMA's professional journal *"Public Management" ("PM")* magazine, Jon and Chris were contacted by several organizations seeking assistance in implementing their ***Fiscal Health and Wellness through Priority Based Budgeting*** initiative. We are honored to be working with some of the most notable local governments in the country to implement and integrate our process and have learned so much because of the work we have accomplished together. Non-profit associations such as the International City/County Management Association (*ICMA*), the Alliance for Innovation, the National League of Cities ***(NLC),*** and the Government Finance Officers Association (*GFOA*) are among the most prominent organizations endorsing ***Priority Based Budgeting*** as a best practice – publishing case studies, journal articles and hosting seminars and conferences to promote the accomplishment of cities and counties implementing this work. ***CPBB*** has worked with local governments in located in twenty-six different states and two Canadian provinces. Among those local governments that have worked or are currently working (*) with Jon and Chris to introduce ***PBB*** to their organization are:

- ***ARIZONA*** - Goodyear; Chandler; Queen Creek; Lake Havasu City*
- ***CALIFORNIA*** - Salinas; Hermosa Beach; Temple City; Walnut Creek; San Jose; Monterey; Seaside; Sacramento; Fairfield; Mission Viejo; Palo Alto*
- ***CANADA*** - Edmonton, AB; Alberta Ministry of Health; Strathcona County, AB*; Humboldt, SK*; Beaumont; AB*
- ***COLORADO*** - Boulder; Wheat Ridge; Loveland; Longmont; Fort Collins; Englewood*; Milliken*; Mountain View Fire Protection District. ***FISCAL HEALTH ONLY***: Thornton; Victor; Dillon Valley Water/Sewer District; `Buena Vista; Trinidad*; Mead*
- ***FLORIDA*** - Lakeland; Delray Beach; Plantation; Pasco County; Jupiter*
- ***GEORGIA***- Roswell; Cobb County*
- ***IDAHO*** - Post Falls; Idaho Falls*
- ***ILLINOIS*** - Boone County (Fiscal Health Only)
- ***KANSAS*** - Shawnee
- ***MASSACHUSETTS*** - Bourne
- ***MICHIGAN***- Kalamazoo*; Battle Creek*
- ***MINNESOTA***- Scott County*
- ***MISSOURI*** - Branson*
- ***MONTANA*** - Billings
- ***NEBRASKA*** - Grand Island
- ***NEVADA*** - Douglas County; Henderson*
- ***NEW MEXICO*** - San Juan County; Las Lunas (Fiscal Health Only)
- ***NORTH CAROLINA***- Cary; Gaston County; Asheville*; Garner (Fiscal Health Only)
- ***OHIO*** - Cincinnati: Blue Ash
- ***OREGON*** - Springfield, Tualatin (Fiscal Health Only)

- ***PENNSYLVANIA***- Lehigh County; Duquesne (Fiscal Health Only)
- ***SOUTH CAROLINA*** - Beaufort (Fiscal Health Only)
- ***TEXAS*** - Plano; Corpus Christi (Fiscal Health Only)
- ***UTAH*** - South Jordan*
- **VIRGINIA** - Chesapeake; Christiansburg
- ***WASHINGTON***- Bainbridge Island; Kenmore
- ***WISCONSIN***- Janesville; Washington County*
- ***WYOMING***-Green River

The methodology and approach involved in the implementation of ***CPBB's*** unique and innovative approach to ***Priority Based Budgeting*** are described in this section. We will work with you during the Initial Project Management Meeting to assess the degree to which Steps 1 and 2 have been completed in order to determine what has already been accomplished on which we can build upon as we implement ***Priority Based Budgeting*** in the ***City of Joplin***.

Implementation of "Priority Based Budgeting"

Step 1) IDENTIFY RESULTS - accurate prioritization of programs, reflecting the organization's stated purpose, depends on the comprehensive identification of the Results it exits to achieve.

Results help to identify the very fundamental reasons that a local government exists – articulating all the ways it serves the needs of the community (*as opposed to a list of specific projects or initiatives that need to be considered during the next budget cycle*). They are meant to answer the questions, "***Why to we, as an organization, exist in the eyes of the community" and "What are we in business to do?***" *Results* are more overarching in nature and will "*stand the test of time*," as opposed to more short-term needs or tasks that normally have a targeted "*finish-line*." Finally, *Results* are truly unique to your community, in that they attempt to determine the role of your local government to determine "***why***" it exists and "***why***" it offers the types of unique services it does to the community.

As *Results* are identified, there is a distinction made between ***"Community-oriented Results"***, which help define why certain programs are offered directly to the community, and ***"Governance-oriented Results"***, which help define why internally focused programs are offered by various support functions such as Finance, Human Resources, and Information Technology. Through its research and work with other local governments, ***CPBB*** has found it imperative in achieving the best outcomes from its ***PBB*** process that an organization distinguish between "*Community Programs*" (i.e. programs that directly serve the community) and "*Governance Programs*" (i.e. programs that are more internal in nature and generally support the administration, elected officials and departments within the organization). In order to understand the relevance of *Governance Programs*, we need to evaluate them against different *Results* than *Community Programs*, because *Governance Programs* exist within the organization for fundamentally different reasons than do the *Community Programs*. Even though the scoring criteria might be different for each of these two types of programs, the process allows you to ultimately look at all offered programs from an overall City-wide perspective in the eventual program prioritization array.

The main deliverable for ***Step 1*** includes the identification and articulation of *Results* for both "*Community-oriented*" programs and "*Governance-oriented*" programs, which will be fully utilized as the ***Priority Based Budgeting*** process unfolds. ***CPBB*** will review the ***City's*** existing strategic documents

included its Vision, Mission and Values Statements, Strategic Plan, Strategic Council Goals and/or Community Survey Responses to determine how to leverage these efforts in identifying *Results* for the ***PBB*** process.

Specifically, CPBB will help the City of Joplin IDENTIFY RESULTS by:

- ***Determining both a "starting place" for its Results and the most appropriate way to validate those Results with its elected officials.***
- ***If determined to be the best approach, conducting a "Results Validation" exercise to confirm that the City Council believes the Results that have been identified are complete, comprehensive and clearly articulate "why" the City exists and "what" it is there to accomplish for it's residents, businesses and visitors.***
- ***If desired, providing suggestions on how the community could be engaged to validate these Results either during the initial implementation of PBB or in future years as the process continues to grow and mature.***

Step 2) CLARIFY RESULTS DEFINITIONS - precision in Priority Based Budgeting depends on the clear articulation of the cause and effect relationship between a program and a defined Result. With clearly defined "Result Maps," detailing the factors that influence the Results the organization is in business to achieve, it can seek to minimize subjectivity in the process of linking those Results to programs or services offered to the community.

CPBB will lead identified stakeholders (i.e. the City Council, City administration, department heads, key department staff members, boards and commissions members and/or other community members) through an online exercise to develop comprehensive definitions for your organization's *Results* that were identified as outlined in ***Step 1***. Participants in this virtual "*brainstorming*" exercise will contribute by expressing their views as to the variety of ways that the organization's *Results* can be achieved. From these responses, ***CPBB*** with compile and organize all of those answers into similarly themed groups that form the basis for each of the *Result* definitions. ***CPBB*** will facilitate a discussion with participants in the exercise to ensure that the themes have been appropriately identified and that there are no "*missing*" themes that need to be included. The technique is called ***Affinity Diagramming*** - a proven and powerful method that: a) gathers large and comprehensive amounts of information about all of the different ways your organization's *Results* can be defined, and b) does so in an extremely efficient manner that makes the most optimal use of the participant's time while still producing complete definitions.

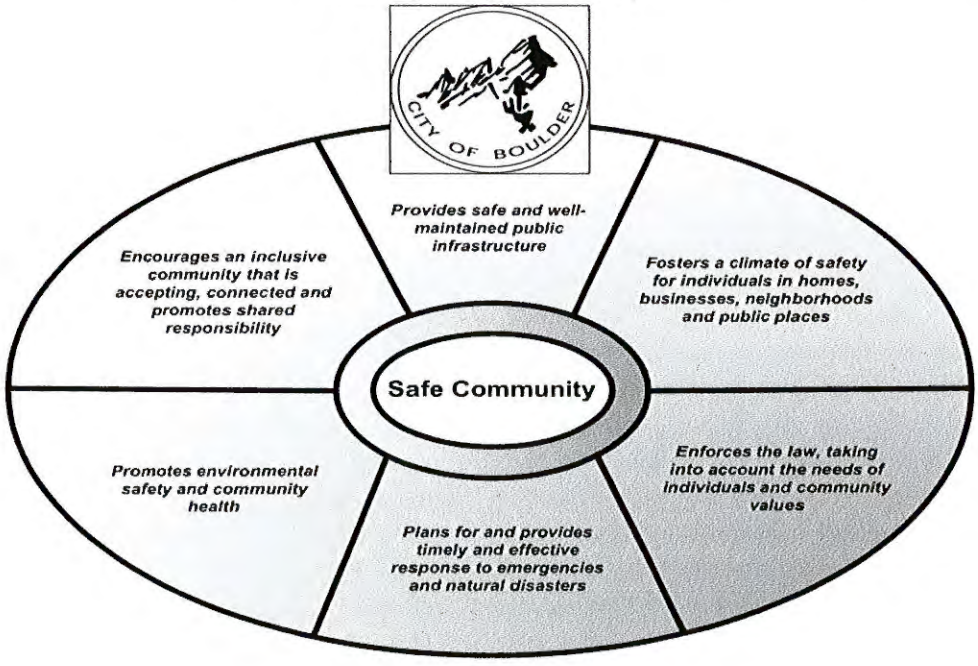
Following the exercise, ***CPBB*** will produce draft "***Result Maps***" for each of your organization's stated *Results*. These "***Result Maps***" provide a simple, graphic way to organize and articulate the concepts identified in the facilitated exercise as the definitions around each *Result*. "***Result Maps***" serve as one of the key criteria for *program scoring*, which will take place in ***Step 4*** outlined below.

CPBB prides itself on its ability to train staff from the organizations it has worked with on the approach to ***Affinity Diagramming***. Staff from your organization will not only participate in the development of the organization's "***Result Maps***", but will also be trained so that they may conduct their own "***Result Mapping***" sessions when facilitating their own "brainstorming" sessions involving staff or citizens.

Specifically, CPBB will help the City of Joplin CLARIFY RESULTS DEFINITIONS by:

- *Utilizing the proven "Result-mapping" technique in facilitating an online exercise to engage staff and other stakeholders in defining ways in which each of the City's identified Results can be accomplished. The exercise uses affirmative inquiry and open-ending questioning to garner the variety of responses that help define the organization's Results. It also lends itself well to future community engagement opportunities, if desired.*
- *Facilitating an online exercise to establish the City's "Governance" Results to support the prioritization of internally focused programs (i.e. Finance, Fleet, Human Resources, Information Technology, Facilities, etc.).*
- *Summarizing the responses provided during the "Results Mapping" exercise to capture the entirety of ideas offered by the participants.*
- *Crafting Results Definitions from the responses offered and developing "Result Maps" for each of the determined Results for approval by elected officials and/or staff, leveraging any work already completed in previous strategic discussion or goal setting to further articulate the associated definitions ("sub-results") for each of the stated Results.*
- *Coaching staff on how to facilitate a process with the City Council, City administration, Department Heads, and/or other internal or external stakeholders to "weight" the relative importance of the organization's stated Results, which may be used to establish the Result weighting factors utilized in the calculation of program scores. This is another effective opportunity to potentially engage community stakeholders in the process of validating the organization's Result Definitions.*

This graphic illustrates a "Result Map" from the City of Boulder, Colorado that clearly defines their Result of achieving a "Safe Community."



Step 3) IDENTIFY and COST ONGOING PROGRAMS and SERVICES - differentiating programs and services offered by the organization to the community, as opposed to drawing only a comparison between each of the individual departments that provide services to the community, builds a common understanding of exactly what the entire organization offers to its constituents (and what those programs cost) and leads to a more effective means of making discrete resource allocation decisions through the Priority Based Budgeting process.

One of the key objectives that the ***City of Joplin*** will achieve with this process is the identification of programs and services it offers, as well as the cost for these programs. The ***"Program Inventory"*** will clarify the breadth of services provided by your organization, and highlight key characteristics of each program *(e.g., the full cost of providing the program and level of revenues that program directly generates to support its operations).* The inventory is a tremendously valuable tool in and of itself, but is also the basis for discussion of prioritizing resources – programs are prioritized based on their influence on *Results* (which will be the focus of ***Steps 4 and 5***).

Many organizations attempt to *"prioritize"* their spending by comparing one department or division against another rather than determining which of the typically hundreds of programs and services offered across the organization are more highly valued than others. By developing a comprehensive list of programs offered by the organization and identifying the costs of those services, your organization will be able to better understand at a more discrete level what programs it provides and how much it costs to provide them.

CPBB founders wrote the guidelines for developing a ***"Program Inventory"***, as published by the Government Finance Officers' Association (GFOA) white paper on ***Priority Based Budgeting***, entitled ***"Anatomy of a Priority Based Budgeting Process"*** (GFOA, 2011). These guidelines form the basis for ***CPBB's*** work with an organization in developing a ***"Program Inventory"***. Critical to this process is finding the right level of detail when identifying discrete programs. If a program is too big or encompasses too much, it will not provide sufficient perspective and information – that is, it will be very difficult to describe the

Tool Profile: Program Costing Tool

Individual elements of the ***Priority Based Budgeting*** approach can actually be valuable, in and of themselves. Getting to a program level understanding of "*what you do,*" and a transparent and accurate understanding of "*how much it costs*" to provide those programs is a critical ingredient for understanding what options you have as an organization to change what you're currently doing. Furthermore, the only way to get to the answer of questions like "*can we provide this program more efficiently,*" or "*are we the best source to offer this service,*" or "*are we truly recovering the direct AND indirect costs for providing this service"* requires a more complete understanding of what the program ***"is"***, and how much it costs.

Besides being useful for ***Priority Based Budgeting***, you'll have a Tool that:

- allows you to evaluate established or potential fees, rates and charges on a program-by-program basis;
- allows you to compare your organization with other public or private sector providers to help evaluate the efficiency or appropriate sourcing of your programs;
- allows departments to gain a better understanding and more clearly communicate, at a program level, what they do and how much it costs;
- allows you to clearly see how your workforce is associated with programs (i.e. - what are staff spending their time doing);
- and ultimately allows you to transition your approach to budget development from "line-item budgeting" to "program budgeting" - a key breakthrough!

precise value the program creates, or to use program cost information in decision making. However, if program definitions are too small, decision makers can become overwhelmed with detail and be unable to see the big picture. ***CPBB*** will work with your organization to establish the right level of discretion in the creation of "***Program Inventories***".

CPBB will provide a webinar workshop to instruct departments in the development of program inventories and will also provide the ***City*** with an illustrative listing of program examples gathered from other organizations that have implemented the ***PBB*** process for its review and use in refinement of its own "***Program Inventory***". This will provide the ***City*** with the assurance that it has developed a complete and comprehensive listing of all activities at a level discrete enough to offer the full benefit of the ***PBB*** process. ***CPBB*** will also evaluate the submitted "***Program Inventory***" listings and provide feedback and recommendations to ensure that these listings are properly "sized", are representative of programs offered rather than tasks performed, are clearly articulated in terms of the program name assigned and are reflective of only "ongoing" programs and services as opposed to one-time initiatives or capital-related projects.

With respect to identifying costs for each of the programs identified, ***CPBB*** will provide a webinar workshop and the necessary worksheet templates in order to train staff on how to derive these program costs, as well as serve as an ongoing resource to staff in providing assistance in the estimation of these costs. ***CPBB*** will provide guidance and coaching that will offer your organization techniques and methodologies used in calculating indirect and direct ***program costs*** and identifying the number of staff associated with each program offered with ***CPBB's*** proven cost allocation tools and templates. ***CPBB*** utilizes its unique and intuitive "*Program Costing Tool*" that truly simplifies the process of developing program costs through a step-by-step approach that is a shared "*task*" between each operating department and Budget staff – where each fills in the relevant information that they are best suited to provide.



This screen capture illustrates an individualized departmental "Program Costing Tool" for the City of Wheat Ridge, Colorado's Police Department's Patrol Division

Specifically, CPBB will help the City of Joplin IDENTIFY and COST ONGOING PROGRAMS and SERVICES by:

- ***Providing a webinar workshop to help department heads and other identified staff gain a better understanding of how to define and identity the individual programs and services that are offered by each individual department and to provide guidance in distinguishing between a task (too small to be considered a program) and a department/division (oftentimes too large to be considered a program).***
- ***Sharing an illustrative listing of program examples gathered from other organizations that have worked with CPBB to use in developing and/or refining its own "Program Inventory".***
- ***Providing worksheets, feedback and coaching in support of the organization's overall efforts in developing individual department's "Program Inventory" listings.***
- ***Providing a webinar workshop to help department heads and other identified staff gain a better understanding of how to utilize CPBB's "Program Costing Tool" to determine program costs.***
- ***Developing individualized department and/or division "Program Costing Tool" templates to assist in the determination of program costs and associated FTE needed to provide the program; effectively "flipping" your line item budget to a program budget.***
- ***Providing guidance and coaching to department heads, division directors, managers and/or supervisors to train them on techniques and methodologies used in calculating program costs (including direct and indirect costs) and identifying the number of staff associated with each program offered (if desired).***

Step 4) VALUE ONGOING PROGRAMS BASED ON RESULTS - with the right Results, and with clear definitions of those Results, the organization is then ready to more accurately place a value on individual programs (and potentially one-time initiatives) relative to its influence on achieving the organization's stated Results.

In ***Program Evaluation or Scoring*** phase, it is essential to give departments the opportunity to first score their own programs, relative to your organization's *Results* and demonstrate why they believe their programs are influential in achieving those *Results*. This gives departments the chance to provide their own unique intelligence on their own programs which no one else but the program providers would have known. Not only does this help solidify organizational buy-in but at the same time provides a more thorough and complete understanding about everything the organization does and how those programs help achieve the identified *Results* (i.e. *"why" we offer the program*).

The ***Peer Review*** phase then provides for an authentication process to validate (*and perhaps question*) the department's belief that their programs are indeed relevant to your organization's *Results*. Several organizations have commented that, unlike other more conventional approaches to performance measures, ***Peer Review*** provides a forum for a far better discussion that leads to a clearer understanding of how programs truly influence *Results*. Furthermore, departments gain an organization-wide perspective about programs being offered across your organization, which has led to the uncovering of program redundancies. This step in the process has led to cross-departmental collaboration, as departments find out that they provide similar programs to other departments. This process has also contributed to changes in organizational culture as departments are tasked with the duty of objectively analyzing programs that aren't their own (i.e. *a "jury of their peers"*).

The effect of ***Peer Review*** has been remarkable, not only for the purposes of ***PBB***, but for bringing an organization together to look at the programs they offer in the context of how they collectively achieve the *Results* that citizens find meaningful. In a sense, ***Peer Review*** begins to break down the old departmental *"silos"* and lets staff see the world from a more global perspective. Ultimately, it is through this step that more accurate *program* scores emerge, that a better understanding of *programs* is developed, and an assurance that the outcome of the entire process is objective and valid. For the long-term, this phase in the process sparks the discussion of how to determine what measure or metric will substantiate the fact that a program's desired outcome is achieving that objective.

Specifically, CPBB will help the City of Joplin VALUE ONGOING PROGRAMS BASED ON RESULTS by:

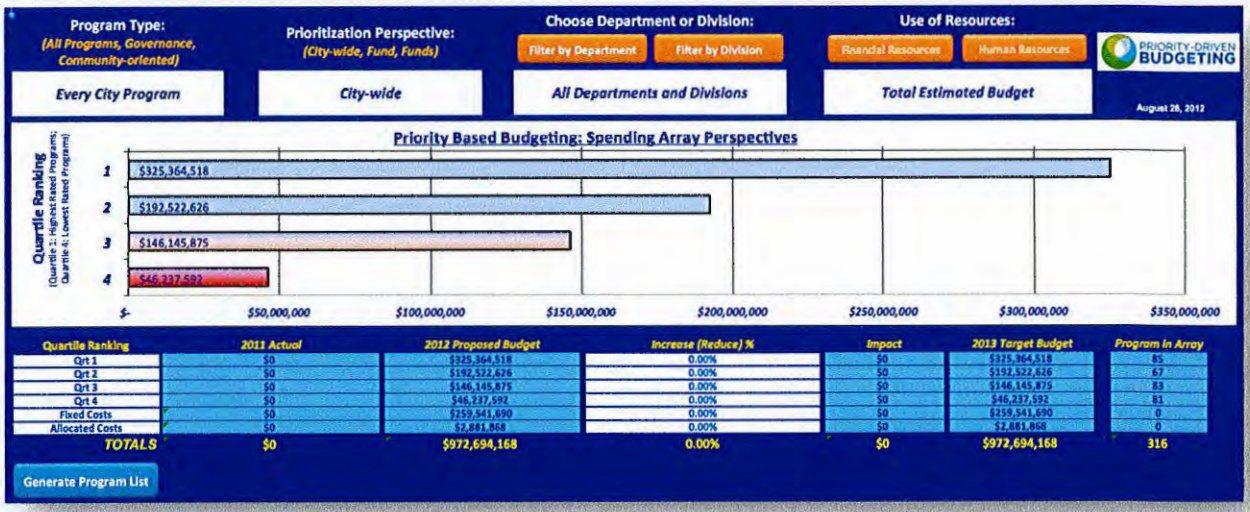
- ***Facilitating with a discussion with the project team to identify "Basic Program Attributes", which help determine what additional characteristics in addition to Results would make a program a high priority.***
- ***Providing a webinar workshop for department heads, division directors, managers and/or supervisors to train them on the how to evaluate programs against the identified Results and Basic Program Attributes in the Program Scoring phase.***
- ***Creating individual departmental "Program Scorecards" that facilitate the organization's effort to score programs based on the program's influence on Results and on the identified "Basic Program Attributes".***
- ***Providing coaching and support to the departments as program scoring is completed.***
- ***Providing guidance and assistance in the development of Peer Review Teams to ensure they are cross-functional in nature and maintain the level of objectivity needed to make this phase of the process successful. This is another part of the process where including elected officials and/or external stakeholders from the community is a potential area of interest.***
- ***Providing coaching and support to the Peer Review Teams in the evaluation of program scores, encouraging them to interview program managers to hear evidence that justify assigned program scores, and then recommending program score adjustments where appropriate.***
- ***Offering suggestions as to the incorporation of existing performance measures as an evaluation criteria in the Peer Review process as well as the development of key indicators for use in future years.***
- ***Accumulating the information provided through the program scoring and peer review phases into a "Master Program Scorecard".***
- ***Developing an "Impact of Peer Review Report" to identify the impact of changes to the department's initial program scored made by the Peer Review Teams.***
- ***If desired, coaching the organization on how to utilize a similar process in evaluating significant capital projects and other one-time initiatives to determine which of these are of the highest priority in terms of accomplishing the organization's overall Results.***

***Step 5) ALLOCATE RESOURCES BASED ON PRIORITIES** –ultimately, the Results identified and defined by the organization and the programs that are the most highly valued in terms of achieving those Results become clearly articulated in the budget through a process in which resource allocation decisions are linked to the prioritization of those individual programs and services.*

Once programs have been scored against the *Results* and a relative value determined, the entire list of your organization's offered services can be arranged in order of "*highest priority*" (those programs most relevant in achieving the organization's stated *Results*) to "*lowest priority*" (those programs that are less relevant in achieving those *Results*). The programs are then grouped into four "***Quartiles***" based on the similarity of the scoring ranges, with *Quartile 1* representing those programs of the highest priority and *Quartile 4* including those programs of the lowest priority.

Individual costs are then associated with each program in order to develop a final "*Spending Array by Quartile.*" ***CPBB*** takes this information and develops a customized "***Resource Alignment Diagnostic Tool***" that can be utilized by the organization in 1) assessing its spending profile in terms of aligning resources with identified priorities; 2) developing "*target budgets*" for departments based on their individual prioritized spending profile and 3) analyzing programs using the "***Resource Alignment Diagnostic Tool's***" unique filtering capabilities.

This graphic depiction from the City of Cincinnati, Ohio of its "***Resource Alignment Diagnostic Tool***"



helps illustrate how the *Results* of an organization's ***Priority Based Budgeting*** work can be used to derive departmental resource allocation *"targets."*

With the "***Resource Alignment Diagnostic Tool***", your organization will have a "*unique lens*" to see your programs not only in terms of their relevance to *Results*, but also in light of mandates, fee structures, citizens' reliance and community partnerships. This *unique lens* allows staff to efficiently analyze programs and gain insights into areas such as:

- *Programs supported by specific user-fees **VS.** those funded through general government revenues (taxes)*

- *Stringently mandated services **VS.** programs without any legislative requirement*
- *Programs that the community depends exclusively upon the local government to provide **VS.** programs offered by other entities in the community (private, non-profit, etc.)*
- *Programs that are benefit the majority of the community's stakeholders **VS.** programs thot serve only a small constituency*
- *Programs that are experiencing an increase in demand fram the community **VS.** programs that are experiencing a lesser demand than before*
- *Programs that highly achieve one or more af the local government's stated Results **VS.** those programs that do not help to achieve any of those Results.*

In addition, the ***"Resource Alignment Diagnostic Tool"*** provides staff and the ***City's*** elected officials with a way to engage in more powerful and meaningful discussions that address questions such as:

- *What services are truly mandated to be provided by the local government, and how much does it cost to fulfill those mandates?*
- *What programs are most appropriate ta consider a discussion about establishing or increasing user-fees?*
- *What programs are most appropriate for discussions about partnerships with other service providers in the community?*
- *What services might the organization consider "getting out of" the business of providing altogether?*
- *Where ore there apparent duplications in services offered across the organizotion thot might lead to a meaningful efficiency discussion?*
- *How can succession planning be incorporated to focus on training staff providing lower priority programs to fill the positions left vacont in higher priority progroms?*

Specifically, CPBB will help the City of Joplin ALLOCATED RESOURCES BASED ON PRIORITIES by:

- ***Calculating final program scares and developing the quartile rankings for all the organization's programs and services based on their relative score.***
- ***Calculating and applying a "weighting factor" to each Result as determined by the responses from the "Results Weighting Exercise" (if desired).***
- ***Associating program casts and associated FTE counts with the scored pragrams to develop a final calculation of the organization's total budget by quartile ranking (the "Spending Array by Quartile" – a summation of program costs by quartile ranking).***
- ***Providing the organizatian with an interactive "Resource Alignment Diagnostic Tool" that will guide all resaurce allocation decisions based on the prioritization of programs (allowing allocations to be summarized by Fund, Department, Division etc.).***
- ***Training staff on how to use the "Resource Alignment Diagnostic Tool", providing them with the ability to more effectively analyze programs by way of the filtering capabilities of the "Tool", offering a unique perspective on the organization's programs, which leads to more powerful and meaningful discussions about how resources can be effectively utilized to achieve the desired Results for the community.***

- *Offering guidance in using the "Resource Alignment Diagnostic Tool" to identify which of the City's highly relevant programs should be evaluated in terms of effectiveness and efficiency and how to use the PBB process to continuously refine performance metrics to ensure the identified Results are being achieved.*
- *Providing a high level interpretive analysis of the data available in the "Resource Alignment Diagnostic Tool" and identifying opportunity areas for discussion related to programs and their continued relevance to the organization.*
- *Offering suggestions on how to use the "Resource Alignment Diagnostic Tool" in the calculation of departmental "target budgets" based on the availability of ongoing revenues and the individual department's prioritization profile.*
- *Recommending ways to incorporate PBB into the City's current budget development process as well as providing "Budget Transmittal Form" templates to guide departments in communicating their recommended program level budgets within the context of PBB and to demonstrate the allocation of general government resources is being focused on higher-priority programs. (if desired).*
- *Presenting the final "Resource Alignment Diagnostic Tool" to City staff and, if desired, to the City Council.*

Development of the "Fiscal Health Diagnostic Tool"

ASSESS THE CITY'S "PICTURE OF FISCAL HEALTH" **–*Fiscal Health* is achieved by properly diagnosing the symptoms and causes of an organization's budget issues, allowing them to "*prescribe*" the correct treatments that can alleviate their fiscal distress. Applying the wrong treatment will not "*cure what ails*" them and may even make matters worse. Once their organization is fiscally healthy, it can then become financially sustainable in the long term by implementing a *Fiscal Wellness* regimen that revolves around the principles of *Priority Based Budgeting***

CPBB helps lead organizations to fiscal health by uncovering the root cause of its "*ailments*," and then prescribing and applying the correct and most effective treatment options that will ensure fiscal stability. Prescribing treatments without analyzing the symptoms and causes could lead to an improper diagnosis and a worsening of the organization's fiscal "*dis-ease*." Preventative diagnosis might also uncover potentially unhealthy practices that could easily be corrected before the organization's fiscal health is compromised. Local governments choosing to implement the concepts of ***Fiscal Health*** as a treatment regimen are making substantial progress because they are doing the analytical work required to more accurately diagnosis the reasons behind their fiscal issues and then determining the best treatments that lead to a viable cure.

The following are illustrative of how ***CPBB*** helps organizations diagnose their fiscal problems, and then work to resolve them, based on achieving 5 key principles of ***Fiscal Health***, including the development of the "***Fiscal Health Diagnostic Tool***"

1) "Spending Within Our Means"- focusing on the alignment between ongoing sources and ongoing uses and on the alignment between one-time sources and one-time uses.

*Specifically, this "**Fiscal Health Diagnostic Tool**" helps communities*:

- Shift the focus of forecasting and budgeting from expenditures to revenues.
- Establish alignment between ongoing revenues and ongoing expenditures and between one-time sources and one-time uses.
- Base resource allocation strictly on available (*and reliable*) ongoing revenues and one-time sources (*as opposed to historical or forecasted expenditures*).
- Distinguish between ***general government*** revenues (*taxes, franchise fees, etc.*) ***program*** revenues (*user fees, grants, permits, etc.*); and understand the relative reliance of each funding source.
- Require that reductions in specific program revenues be offset by equal reductions in expenditures for that same program.
- Minimize reliance on volatile revenues sources to fund ongoing operations.

2) Establishing and Maintaining Reserves – focusing on fund balance reserves and the monitoring tools in place to protect those reserves.

*Specifically, this "**Fiscal Health Diagnostic Tool**" helps communities*:

- Understand the importance of establishing a written working capital/emergency reserve policy.
- Create an inventory listing of all reserves maintained across the organization and assess the adequacy and appropriateness of reserved and unreserved fund balances, eliminating any that are excessive, unnecessary or duplicated *(having "too much" may be as problematic as having "too little" if there is no plan for how the funds are to be used to benefit the community).*
- Develop appropriate monitoring mechanisms that ensure reserves are being held in full compliance with all required restrictions, reservations or designations of fund balance.

3) Understanding Variances - focusing on disparities between budget projections and actuals to look for opportunities to shift resource allocations from areas where they are not needed and more importantly improve the accuracy of revenue and expenditure forecasts by eliminating the impact of recurring historical variances.

*Specifically, this "**Fiscal Health Diagnostic Tool**" helps communities*:

- Determine specific reasons for the occurrence of variances and adjust future budgets to be more in line with actual experience.
- Identify programs or services where resources have historically been "*over-allocated*," allowing for those resources to be re-allocated to other areas of need.
- Improve the accuracy of revenue and expenditure forecasts by better isolating and identifying emerging trends as well as eliminating the impact of recurring historical variances.
- Identify where resources have been allocated on a regular basis for one-time or cyclical costs, contingencies and/or worst-case scenarios and re-allocate those ongoing resources where possible.
- Ensure that expenditures related to multi-year capital projects are budgeted in the years in which costs will be incurred to prevent large unplanned budget appropriations *("carry-forwards").*

4) Being Transparent About the "True Cost of Doing Business" – focusing on ensuring that appropriate internal service and administrative costs are shouldered by the programs that benefit from those services, ensuring that fees for services are capturing both direct and indirect costs (appropriate for cost recovery objectives) and ensuring that the full cost of offering programs and services is clearly articulated and understood.

*Specifically, this "**Fiscal Health Diagnostic Tool**" helps communities*:

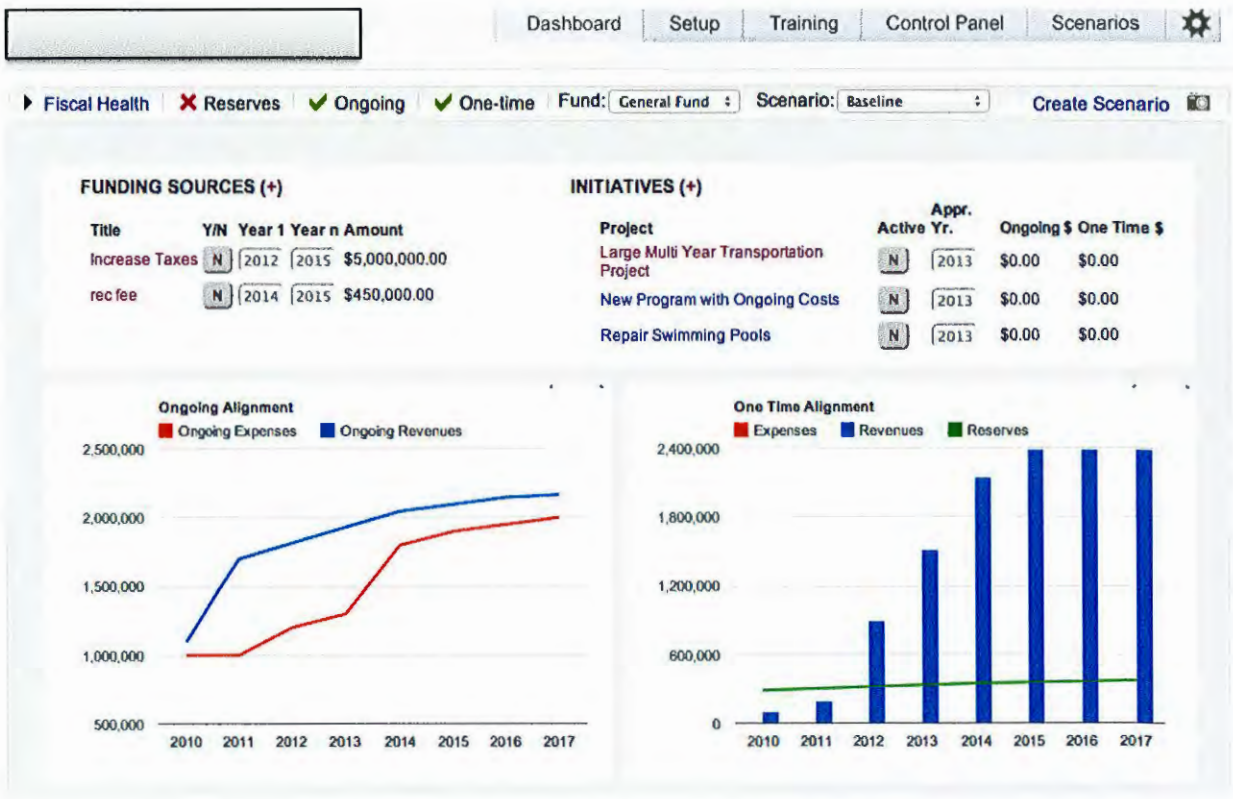
- Understand the importance of allocating appropriate internal and indirect costs so that the burden is shared by the programs (*and other accounting funds*) that demand and use those services.
- Ensure that fees for services, where some level of cost recovery is expected, capture both direct and indirect costs associated with providing the service.
- Identify opportunities to establish, when appropriate, internal service funds for those departments that exist primarily to provide services to internal customers, in order to align cost and level of service with customer demand.
- Understand the importance of identifying the total cost (*including direct and indirect costs*) of providing all programs.
- Encourage the use of a formal ***Cost Allocation Plan*** or other internal cost allocation process to establish the methodology by which overhead and administrative costs can be allocated to user departments and/or to various accounting funds, potentially relieving the burden on the General Fund where these types of costs normal "*reside*."
- Develop asset replacement/maintenance plans and perform asset utilization studies.

5) Incorporating Long-term Planning into Decision Making – focusing on the inclusion of all long-term plans prepared by the organization into financial forecasts and the budget process as well as the associated incorporation of relevant external economic influences. Additionally, insuring that the organizations use clear and concise modeling tools to communicate forecasts, assess impacts of treatment solutions and identify impacts of budget decisians.

*Specifically, this "**Fiscal Health Diagnostic Tool**" helps communities*:

- Understand the impact of relevant external economic influences and incorporate them into forecasts and budget projections.
- Identify and incorporate all long-term plans prepared throughout the organization into long-term forecasts.
- Develop revenue and expenditure forecasting methodology.
- Prepare a comprehensive Capital Improvement Plan (*CIP*) that spans a period of at least five years and includes all potentially significant one-time expenditures as well as any associated ongoing operating costs.
- Assimilate all elements of fiscal health into our ***"Fiscal Health Diagnostic Tool,"*** a scenario-planning model that helps ensure decisions are made with an understanding of their impact on the organization's future financial picture while upholding the objectives of ***Fiscal Health***.
- Through the ***"Fiscal Health Diagnostic Tool,"*** developing a simple, graphic communication device that is used consistently to provide decision makers with financial information at a summarized level.

This graphic is a depiction of the "***Fiscal Health Diagnostic Tool,***" created by ***CPBB,*** to help illustrate how an organization utilize a simple model to communicate its fiscal "*condition,*" monitor its ***Fiscal Health*** and do interactive, real-time scenario planning and forecasting with decision makers.



The screen capture above is from the web-based "Fiscal Health Diagnostic Tool"

The implementation process to develop the web-based "***Fiscal Health Diagnostic Tool***" is described in further detail on the pages that follow.

Initial Data Collection

Depending on the amount of financial history that the ***City of Joplin*** wants to incorporate and how easily the most accurate and complete financial records can be produced, ***CPBB*** will provide templates and advisory assistance to the ***City*** in accumulating the data required to sufficiently populate the model. Most of the data needed to develop the model should reside in the organization's financial system (i.e. historical and budgeted revenue and expenditure amounts). In addition, the ***City*** will need to gather information from its adopted reserve policies in the funds to be modeled (or minimum reserve thresholds) as well as information related to its "Capital Improvement Plan" (CIP). With regard to the data that is pertinent to future financial forecasts, ***CPBB*** will work with the organization to determine what (if any) data exists already that could aid in the development of revenue/expenditure forecast and future scenario planning.

Ongoing versus One-time Analysis

CPBB will work with the ***City*** to review both revenues and expenditures, in order to differentiate between *"**ongoing**"* and *"**one-time**"* sources and uses. ***CPBB*** will provide feedback and recommendations to the ***City*** in order to appropriately classify the sources and uses as *"**ongoing**"* or *"**one-time**"* in nature, and in some instances may propose that a portion of a particular source or use be split between a classification of *"**ongoing**"* and *"**one-time**"* - where a portion of the source or use is determined to be reliable or predictable, and another portion is more volatile or speculative.

- ***Revenue Analysis:*** For each of the funds being modeled, the total sources of revenue to the organization will be differentiated between *"**ongoing**"* sources – those that are reliable or predictable sources of income - and *"**one-time**"* sources – those that can only be *"spent"* once. Examples of *"**ongoing**"* revenue streams include the *"reliable"* component of sales tax revenues, franchise fees, utility rates and charges based on system demand, and perhaps a conservative estimate for interest income revenues associated with reserved fund balances. Examples of *"**one-time**"* sources include fund balance (*reserved or unreserved*), grants that are one-time in nature or have a certain "expiration" date, fees for a specific projects or initiative, and potentially volatile interest income.

- ***Expenditure Analysis:*** For each of the funds being modeled, total expenditures will also be differentiated between *"**ongoing**"* costs - those expenses for costs related to the ongoing operations of the organization – and those uses that are more *"**one-time*** in nature. Examples of *"**ongoing**"* costs include personnel *(salary and benefits)*, supplies, energy, regular maintenance and other daily expenditures association with the day-to-day "running" of the organization. Examples of those expenditures that are more *"**one-time**"* in nature include capital project expenditures, other projects or initiatives undertaken once or on a less than annual basis, emergency / contingency initiatives, or other non-recurring expenses.

The graphic below illustrates the process of organizing revenues and expenses into either "Ongoing" or "One-time" (or both) categories

Fund: General Fund

Income (Add Year)

	Ongoing	One Time	Total				
2009	$1,000,000	$100,000	$1,100,000	(-)	2010	$1,100,000	$0	$1,100,000	(-)
2011	$1,200,000	$0	$1,200,000	(-)	2012	$1,300,000	$0	$1,300,000	(-)
2013	$1,400,000	$0	$1,400,000	(-)	2014	$1,500,000	$0	$1,500,000	(-)
2015	$1,550,000	$0	$1,550,000	(-)	2016	$1,600,000	$0	$1,600,000	(-)
2017	$1,620,000	$0	$1,620,000	(-)	2018	$1,620,500	$0	$1,620,500	(-)

Fund Balance (Add Year)

	Ongoing	One Time	Total				
2010	$0	$100,000	$100,000	(-)	2011	$0	$200,000	$200,000	(-)
2012	$0	$900,000	$900,000	(-)	2013	$0	$1,515,000	$1,515,000	(-)
2014	$0	$2,145,450	$2,145,450	(-)	2015	$0	$2,391,814	$2,391,814	(-)
2016	$0	$2,391,814	$2,391,814	(-)	2017	$0	$2,391,814	$2,391,814	(-)
2018	$0	$2,391,814	$2,391,814	(-)	2019	$0	$4,012,314	$4,012,314	(-)

Sales Tax (Add Year)

	Ongoing	One Time	Total				
2011	$500,000	$0	$500,000	(-)	2012	$515,000	$0	$515,000	(-)
2013	$530,450	$0	$530,450	(-)	2014	$546,364	$0	$546,364	(-)
2015	$546,364	$0	$546,364	(-)	2016	$546,364	$0	$546,364	(-)

Initial Development of "Fiscal Health Diagnostic Tool"

The culmination of the analysis of "***ongoing***" and "**one-time**" sources and uses, combined with the additional data collected that relates to the ***City's*** financial policies (*for instance, the organization's reserved fund balance policies*) will provide ***CPBB*** with the requisite information to build the customized, web-based "***Fiscal Health Diagnostic Tool***". The initial "***Tool***" development will depict a perspective of the organization's current ***Fiscal Health,*** complete with the historical data for prior years. The final step of the process will generate the information required to allow the organization to develop future planning assumptions sufficient to support the use of the "***Tool***" as a "*scenario-planning*" dashboard.

Financial Forecasting

The maximum value of the ***"Fiscal Health Diagnostic Tool"*** is the ability to visually display a variety of historical, projected and "*what-if*" data, in an analytical format - a "dashboard" approach. This will provide a way for the ***City*** to assess and explore future scenarios and initiatives in an interactive and "real-time" environment. ***CPBB*** will work with the ***City*** to review future assumptions to be built into the model, as well as potential decisions that the organization wishes to model and then evaluate the impacts of those decisions.

As an example, ***CPBB*** will work with the ***City*** to determine an appropriate assumption (*or range of assumptions*) for future sales tax growth (*or decline*) and demonstrate how this assumption impacts the model. ***CPBB*** will demonstrate the "sensitivity" of the model with respect to these assumptions, and recommend to the organization where certain assumptions (like the growth or decline of sales tax revenues) should be considered a readily changeable variable, whereas other assumptions (for instance, a very small and less consequential revenue source such as donations made to the organization) are less impactful and therefore won't be included in the model's dashboard.

CPBB will also work with the **City** to develop an inventory of known future decisions, both of an "***ongoing***" and "***one-time***" nature that may impact the organization's future "*picture of* ***Fiscal Health.***" Clearly, a list of what is included in the organization's Capital Improvements Plan (*CIP*) relative to the accounting funds being modeled is an example of the types of future "decisions" that could be accepted, denied, or sequenced over various time periods, with each scenario producing a different outcome for the organization's future ***Fiscal Health***.

Final Refinement of the "Fiscal Health Diagnostic Tool"

With each of the assumptions developed, ***CPBB*** will complete the organization's "***Fiscal Health Diagnostic Tool"*** and train the appropriate staff as to how the models can be easily updated.

Fiscal Health is a concept promoted and highlighted by such associations as the GFOA, ICMA and the Alliance for Innovation. With the "***Fiscal Health Diagnostic Tool"***, the ***City of Joplin*** will have the capacity to:

- Communicate the City's "***picture of fiscal health***" to elected officials, City administration, staff, bargaining units, residents and other community stakeholders.
- Graphically depict the alignment of "***one-time***" and "***ongoing***" funding sources with the "***one-time"*** and "***ongoing***" expenditure needs of the organization.
- Effectively monitor the ***City of Joplin's Fiscal Health*** position to ensure that decisions made do not impact the level of financial health achieved.

- Access the impact of capital decisions on the ***City's*** financial position, including the evaluation of the impacts of "**ongoing**" operational costs associated with those "***one-time***" expenditures.
- Model the ***City's*** financial forecasts and document the assumptions on which they are based.
- Engage in interactive and *"real-time"* scenario planning.
- Demonstrate the impact of "*today's*" decisions on the ***City's*** five to ten year forecasts

It is anticipated that the development of the "***Fiscal Health Diagnostic Tool***" can be accomplished in a ***two to three month period***, depending on the ready availability of the data being provided to ***CPBB*** by the ***City.***

Proposed Timeline and Costs for Implementation and Future Phases

Once the proposed start date of September 2015 is confirmed, ***CPBB*** will work with the project implementation team to develop a timeline to implement the first year of ***Priority Based Budgeting*** for the ***City of Joplin***. For most implementations, it is expected that a minimum timeframe of ***five to six month*** is required. This timeframe can be expanded based on needs and conflicting workloads of the organization. This time frame may also vary depending on the level of citizen engagement that might be desired ***OR*** the amount of information that might already be in place before the work begins. Once the process is in place and ready to be utilized for the upcoming budget cycle, ***CPBB*** remains available for questions, guidance and general advisory assistance until the ***City*** completes its' budget process.

While the duration of the implementation process is anticipated to span several months, the actual workload placed on staff in the ***City*** is by no means of a "*day-to-day*" nature. The timeline allows for staff to manage their own internal workload and still participate effectively in the process. This timeline also provides for the scheduling of workshops, team meetings and the tasks performed off-site by ***CPBB*** in the development of the various templates used as well as the final ***"Resource Alignment Diagnostic Tool."*** Having experienced processes that burdened organizations with more intense time requirements and having been practitioners in a local government environment ourselves, ***CPBB*** has specifically designed this process to require staff to devote manageable amounts of time along the way as each step is completed.

CPBB's commitment as a mission-driven entity is to make this process available and affordable to any organization that wishes to receive the benefits it can provide. The necessary budget for any organization will depend on the size of the organization and the amount of work that has already been started before ***CPBB*** is engaged. Typically the budget required for the full implementation of ***Priority Based Budgeting***, exclusive of travel related expenses, is between $40,500 and $52,900. However, we pride ourselves in being flexible and reasonable as we engage in conversations with organizations about the implementation process and will work with you in negotiating costs.

Based on the scope outlined in this proposal, ***the total proposed budget for this project with the City Joplin for year one is $43,500.00*** based on the scope of services outlined above. Travel costs will be billed separately on an occurrence basis and will include airfare, lodging, ground transportation (*rental car, fuel, taxi service*); airport parking and a modest individual per diem *($60 per day)*. It is expected that there will be two site visits to the City, one at the commencement of the project to provide an overall orientation and one at the conclusion of the project to present the final "***Resource Alignment Diagnostic Tool***". ***CPBB*** agrees to work cooperatively with the ***City*** to reduce travel costs to the greatest extent possible while still meeting the requirements specified in this proposal.

The ***City*** may be asked and should be prepared to provide certain office supply items for use in onsite workshops such as paper, markers, white boards, and other needs as requested by ***CPBB***. These items are estimated to cost no more than $300.

To assist the City in the refreshment of the ***PBB*** process for a subsequent two-year period after the initial implementation, ***CPBB*** proposes an ***annual cost of $9,500.***

As the City is aware, CPBB has offered to donate the cost of developing the initial ***"Fiscal Health Diagnostic Tool"*** in response to devastating disaster on May 22, 2011. This provides for the modeling of up to three (3) individual accounting funds and access to the online tool for a period of one-year. The equivalent value of this donation is $4,000 for the initial one-year subscription. The City may choose to model additional accounting funds with the initial cost depicted below being reduced by the donated $4,000 amount. For the subsequent two-year period, ***CPBB*** proposes an ***annual subscription fee of $3,500 for the three (3) accounting funds*** donated to the City in year one. The fee structure below will outline the ongoing costs to the City if more than three (3) accounting funds are desired to be modeled.

"FISCAL HEALTH DIAGNOSTIC TOOL" *Subscription Structure*

Number of Accounting Funds	Number of Users	Total Initial Annual Subscription	Total Ongoing Annual Subscription
1	1-3	$ 3,500	$ 3,000
2-3	1-3	$ 4,000	$ 3,500
4-6	4-10	$ 5,500	$ 4,500
7-10	11-20	$ 7,500	$ 6,000
11-20	20-25	$ 9,500	$ 8,000
Over 21	Over 26	$ 11,000	$ 10,000

The quotation of fees and compensation shall remain firm for ***a period of 120 calendar days*** from the submission of this proposal.

1.4.5 References

The following examples of engagements with local government entities are meant to be illustrative of the types of advisory services offered by ***CPBB.*** While ***CPBB*** prides itself in tailoring the process to the needs of each organization, the work done with all organizations is of a similar nature. Based on the number of local governments that have introduced this process into their culture, ***CPBB*** feels they have the technical and creative skill set to work with any entity that wishes to embrace the concepts of ***Priority Based Budgeting***.

1. ***CITY OF BOULDER, COLORADO*** – *November, 2009 – June, 2010 - Implementation of Priority Based Budgeting. The City is in its 5th year of* ***PBB***

    a. *Project Managers:* ***Mr. Bob Eichem****, CFO (and current Board President of GFOA). Phone 303-441-1819. Email:* ***eichemb@bouldercolorado.gov*** *OR* ***Ms. Peggy Bunzli****, Budget Manager. Email:* ***bunzlip@bouldercolorado.gov***

    b. *Project Highlights: CPBB provided facilitation of community engagement to help the City identify and define its Results. CPBB also provided training, coaching and assistance in all phases of implementation from development of Results Definitions; identification of programs; development of program costs; completion of program evaluation (scoring); facilitation of Peer Review and ultimate development of "Resource Alignment Diagnostic Tool".*

2. ***CITY OF WHEAT RIDGE, COLORADO*** – *June, 2011 - September, 2012 - Implementation of Priority Based Budgeting and development of "Fiscal Health Diagnostic Tool". The City is in its 4th year of* ***PBB and Fiscal Health***

    a. *Project Manager:* ***Ms. Heather Geyer****, Administrative Services Director. Phone 303-235-2826,. Email:* ***hgeyer@ci.wheatridge.co.us***

    b. *Project Highlights: CPBB provided training, coaching and assistance in all phases of implementation of Priority Based Budgeting from the identification of Results, development of Results Definitions; identification of programs; development of program costs; completion of program evaluation (scoring); facilitation of Peer Review and ultimate development of "Resource Alignment Diagnostic Tool". CPBB also assisted the City in the development of its "Fiscal Health Diagnostic Tool" which was used to initiate discussions with the City Council related to a proposed tax initiative to be placed on the ballot.*

3. ***DOUGLAS COUNTY, NEVADA*** – *September, 2011 – March, 2012 - Implementation of Priority Based Budgeting. The County has completed its 3rd year of* ***PBB***

    a. *Project Managers:* ***Mr. Stephen Mokrohisky****, former County Administrator and Finance Director (currently County Administrator for Lane County, Oregon). Email:* ***steve.mokrohisky@co.lane.or.us*** OR Ms. Christine Vuletich, Assistant County Administrator and CFO. Phone: 775-782-9097. Email: **cvuletich@co.douglas.nv.us**

b. *Project Highlights: CPBB provided training, coaching and assistance in all phases of implementation of Priority Based Budgeting from the identification of Results, development of Results Definitions; identification of programs; development of program costs; completion of program evaluation (scoring); facilitation of Peer Review and ultimate development of "Resource Alignment Diagnostic Tool". CPBB also assisted with the development of an online citizen survey tool provided by Peak Democracy to reach out to the community in the validation of Results and Results Definitions. The County achieved an increased bond rating during this period with the rating agencies listed their efforts in Priority Based Budgeting and Fiscal Health Modeling as one of the contributing positive factors. They also were also recognized statewide for their accomplishments.*

4. ***CITY OF CINCINNATI, OHIO*** *– May – September, 2012 - Implementation of Priority Based Budgeting*

   a. *Project Manager:* ***Ms. Lea Eriksen****, Budget Director (now Budget Manager for the City of Long Beach, California. Phone 562-570-6533. Email:* **lea.eriksen@longbeach.gov**

   b. *Project Highlights: Robust citizen engagement to identify Results (partnered with Novak Consulting Group, Inc.). CPBB provided training, coaching and assistance in all phases of implementation from development of Results Definitions; identification of programs; development of program costs; completion of program evaluation (scoring); facilitation of Peer Review and ultimate development of "Resource Alignment Diagnostic Tool". Provided training in utilization of tool and development of "5 Policy Questions" to lead Council Discussion. Helped City evaluate resource alignment of a $967 million budget with their priority results to address a $34 million General Fund budget deficit.* According to Council: *"Priority-driven budgeting offers a common-sense, strategic alternative to conventional budgeting. It creates a fundamental change in the way resources are allocated by using a collaborative, evidence-based approach to measure services against community priorities. By bringing together community leaders and citizens to determine strategic priorities, the city can align resources with what the community values most, and create service efficiencies and innovation."*

5. ***CITY OF GOODYEAR, ARIZONA*** *– September, 2013 – February, 2014 - Implementation of Priarity Based Budgeting. The City has completed its 2nd year of* ***PBB***

   a. *Project Manager:* ***Ms. Wynette Reed****, Assistant City Manager. Phone 623-882-7058 Email:* ***wynette.reed@goodyearaz.gov***

   b. *Project Highlights: : CPBB provided training, coaching and assistance in all phases of implementation of Priority Based Budgeting from the identification of Results, development of Results Definitions; identificotion of programs; development of program costs; completion of program evoluotion (scoring); facilitation of Peer Review and ultimate development of "Resource Alignment Diagnostic Tool".*

6. ***CITY OF BRANSON, MISSOURI*** – *January, 2014 – July, 2015 - Implementation of Priority Based Budgeting.*

   a. *Project Manager:* ***Ms. Jamie Rouch****, Finance Director. Phone 417-337-8538. Email:* **jrouch@bransonmo.gov**

   b. *Project Highlights: CPBB provided training, coaching and assistance in all phases of implementation of Priority Based Budgeting from the identification of Results, development of Results Definitions; identification of programs; development of program costs; completion of program evaluation (scoring); facilitation of Peer Review and ultimate development of "Resource Alignment Diagnostic Tool". The City chose a two-year implementation in response to a request by their Boord of Alderman ta find a process that will ensure that their budget process aligned spending with their recently adopted "Cammunity Plan 2030".*

7. OTHER CONTACTS

a. ***CITY OF SALINAS, CA*** – *Mr. Ray Corpuz, City Manager at* ***ray.corpuz@ci.salinas.ca.us*** *or Mr. Matt Pressey Finance Director at* ***mattp@ci.salinas.ca.us***

b. ***CITY OF POST FALLS, IDAHO and CITY OF ENGLEWOOD, COLORADO*** – *Mr. Eric Keck, City Manager (currently serving in Englewood) at* ***ekeck@englewoodgov.org***

c. ***CITY OF SHAWNEE, KANSAS*** – *Ms. Carol Gonzales, City Manager at 913-742-6200 ar* ***cgonzales@ci.shawnee.ks.us***

d. ***CITY OF PLANO, TEXAS***– *Ms. Karen Rhodes-Whitley, Finance Director at 972-941-7472 or* ***karenr@plano.gov***

e. ***CITY OF LOVELAND, COLORADO***– *Mr. Bill Cahill, City Manager at* ***Bill.Cahill@cityofloveland.org***

f. ***CITY OF ROSWELL, GEORGIA*** – *Mr. Ryan Luckett, Budget Manager at* ***rluckett@roswellgov.com***

g. ***CITY OF BAINBRIDGE ISLAND, WASHINGTON*** – *Ms. Ellen Schroer, Finance Director ot* ***eschroer@bainbridgewa.gov***

h. ***GASTON COUNTY, NORTH CAROLINA*** – *Mr. Bryant Morehead, Finance Director at 704-886-3038 or* ***Bryant.Morehead@gastongov.com***

i. ***CITY OF TEMPLE CITY, CALIFORNIA*** – *Ms. Tracey Hause, Finonce Director at 626-285-2171 or* ***thause@templecity.us***

j. ***CITY OF KENMORE, WASHINGTON*** – *Ms. Joanne Gregory, Finance Director at* ***jgregory@kenmorewa.gov***

k. ***CITY OF FORT COLLINS, COLORADO*** – *Mr. Darin Atteberry, City Manager at 970-221-6505 ar* ***datteberry@fcgov.com***

l. ***CITY OF EDMONTON ALBERTA*** – *Mr. Todd Burge, Branch Manager, Client Financial Services at 780-423-1362 or* ***todd.burge@edmonton.ca*** *or Ms. Jodie Buksa, Director of Financial Strategies and Budgeting Planning at 780-5342 or* ***jodie.buksa@edmonton.ca***

m. ***CITY OF BILLINGS, MONTANA*** – *Ms. Tina Volek, City Administrator at 406-657-8430 or* ***VolekC@ci.billings.mt.us***

Testimonials

"Councilmen Larry Carney and Scott Dugan praised Pederson and Brown for the prioritization process. They called it a logicol ond understandable method of making some difficult decisions to come." - ***Grand Island (Nebraska) Independent Newspaper***

Using ROI for City Budgeting: Business Planning Meets Government Spending - the city of Boulder is going about this full spectrum analysis of the highest ROI where "return on investment" is the return of City programs on the results our citizens expect in the community.

- ***"Boulder Tomarrow" – Colorado Business Association on Priority Based Budgeting process***

Budget process requires clear priorities, vision - *By examining each of the 365 programs that are directed out of City Hall, the administration, mayor and city council are looking under every rock for ways to save taxpayer dollars and keep core services intact. It is a responsible and rotional woys to contral expense growth on progroms that may be well intended, but do not significantly support the community in the four core oreas.*

- Grand Island (Nebraska) Independent Newspaper

"I read with both pleasure ond envy the recent article on the city's (Grand Island) new Program Prioritization process. Pleosure because a discerning approach like this is the type of focused decision-moking model that successful businesses use. I am glad to see its use in our city's governonce. I am envious because it is the type of approach the Unicameral is moving toward with our recently initioted planning committee process. In this instance, the city of Grand Island is well ahead of the state of Nebrosko."

- Nebraska State Senator Mike Gloor on the Priority Based Budgeting Process

Walnut Creek, California, which must close a $20m (€14m, £12.5m) deficit for the 2010 financial year, is polling citizens on what services they value most, so it can make targeted cuts. Lorie Tinfow, assistant city manager, also expects the expansion of volunteer programs such as checking on the elderly at home. *"We are rethinking what services the city provides, whot we are paying for them and what we are expecting as American taxpoyers to get for that dollar,"* Ms. Tinfow said. - ***Financial Times, quoting Lorie Tinfow, City of Walnut Creek, California***

The City of Monterey is launching a public review of its budget priorities this fall and your participation is vital to the success of the Priority-based Budgeting project. In good times, the City allocated its resources to a wide range of programs and services. Now, the City needs to adjust to "the new normal" of reduced revenues. In Monterey, revenue from hotel, sales and property taxes have fallen to levels not seen in years. Significant recovery is unlikely for the next several years. So, the City needs to tighten its belt just like other municipalities, businesses and citizens have done.

- ***Press Release -City of Monterey, California***

"The process is called Priority-based Budgeting and it recasts the budget into programs instead of line items."

- ***Monterey County (California) Herald Newspaper***

The city of Boulder is looking to change the way it manages its annual budget. Under the new model, the programs that best help the city achieve the community's goals of having a safe, economically sustainable and socially vibrant place to live will receive top priority for funding. *Those programs that are duplicated, waste money or don't meet the community's goals could be cut.*

- ***Boulder (Colorado) Daily Camera Newspaper***

"Although Boulder is in a better financial condition than many of its peer cities, the economic outlook continues to be uncertain," said City Manager Jane Brautigam. "In response, we're taking a prudent and strategic approach to the 2011 recommended budget by focusing on achieving greater efficiencies in how services are delivered to the Boulder community. In many cases we have been able to reallocate staff and funding to those areas most likely to achieve community goals, and are reducing duplication of services to hold the line on spending at 2010 levels."

- ***Boulder (Colorado) Daily Camera Newspaper***

The new list divides the city's 443 programs into four categories, ranking them from highest to lowest priority, based on whether they help meet the community's general goals of cultivating a safe, economically sustainable and socially thriving community.

- ***Boulder (Colorado) Daily Camera Newspaper***

With budgets getting tighter across the country, more cities are turning to Prioritization. "*I just feel like we need to begin to put proactive steps in place so we can prepare the organization for what is ahead,*" said William Harrell, City Manager. *"Sure, we can just start eliminating things. But then is that what the citizens are saying? Is that what council is saying to us? This is a more disciplined and analytical approach."*

- ***(Chesapeake) Virginia Pilot Newspaper***

"It sounds intuitive but what we found was there was no real methodology to connect all of the things that government does" to what policymakers want to see for their cities."

- ***(Chesapeake) Virginia Pilot Newspaper***

Recent information from **Moody's** (the nation's largest bond rating agency) confirms that prioritization processes such as what Blue Ash is going through demonstrate a strategic approach to managing the current fiscal environment. So where do we go from here? The local government advisors developed a unique tool that Blue Ash can utilize for years to come as a part of the city's annual budgetary planning process. This tool will be valuable in assisting the council and administration in determining what services and programs contribute directly to the city's overall objectives, including the evaluation of any future new programs or services being considered.

- ***Press Release - City of Blue Ash, Ohio***

Even cities with a relatively well-off population are facing difficult choices due to falling revenues. In the eastern San Francisco bay area city of Walnut Creek, as in many other cities around the state, local officials faced the unpleasant task of cutting programs in 2009 due to budget shortfalls, and the more unpleasant task of explaining this to the public. Building on an ongoing tradition of collaboration with residents and community building programs, city staff and officials worked with consultants and

adopted a multi-stage public engagement ***Fiscal Health and Wellness*** prioritization process to educate and gather informed input from hundreds of residents.

- ***Institute for Local Government on Priority Based Budgeting process***

"PBB is attractive to the City because it relies on community input and the work of employees to be successful. In contrast to past years, decisions on potential funding reductions are expected to occur at the program level rather than at the level of individual budget line items that run across multiple programs. The results of this process are anticipated to enable decision makers to reallocate funding between programs based upon changing needs and priorities."

- ***Internal Memo - City of Fairfield, California***

San Jose Outcomes of Prioritization Approach:

- Increased connection of budget to City's Priority Results
- Stakeholder engagement in program priorities
- Rationale for reducing or eliminating programs that have the least impact on achieving the City's Priority Results

- ***City Manager's Budget Message, City of San Jose, California***

The Program Prioritization effort will inform the development of the City's 2010-2011 Proposed Budget and serve as a tool to identify potential service reductions and eliminations. The evaluation of programs as part of this process may also identify potential duplication of efforts or opportunities to consolidate similar programs and/or services that can deliver through partnership with other governmental agencies, non-profit agencies, or the private sector.

It is important to note that a high rating of a program will not guarantee that a program will be retained; nor does it guarantee that a lower-ranking program will be proposed for elimination. Also, the rankings do not reflect whether a program is being delivered in the most efficient manner. The prioritization process will provide valuable information for budget proposal development and City Council deliberation. It will not be the "only answer" to how best to rectify the City's budget shortfall.

- ***City Manager's Budget Message, City of San Jose, California***

1.4.6 Pending Claims

The ***Center for Priority Based Budgeting*** hereby declares and certifies that our organization is not currently subject to and has no expectation of current or future litigation or legal proceedings of any kind. There are no past or anticipated claims pending for work provided by ***CPBB*** and we are confident that there are no past, present or future legal obstacles that would impact the successfully delivery of services to the ***City of Joplin***.

CITY OF JOPLIN, MISSOURI
FORMAL BID TABULATION FORM

ITEMS VALUED OVER $15,000

BID #: 2015-RFP-08

BID ITEM DESCRIPTION: Priority Based Budgeting Services

BID OPENING DEADLINE: June 1, 2015 @ 10:00 a.m.

DEPARTMENT: City Manager's Office

REQUISITION NUMBER:_____

DATE & TIME OPENED: June 1, 2015 @ 1:00 p.m

OPENED BY: Sam Anselm, City Manager

WITNESSED BY: Brian Kelly, Asst. to CM

VENDOR NAME	DATE RECEIVED	CONTACT NAME	PHONE NUMBER	VENDOR DEBARRED OR SUSPENDED-Y OR N	BID AMOUNT
The PFM Group	5/29/2015	Dean Kaplan	215-557-1249	N	NTE $198,885.00
Priority Based Budgeting Ctr.	5/28/2015	Jon Johnson	720-361-3710	N	NTE $62,500.00
Grant Thornton LLP	N/A	Jack Reagan	703-637-2730	N	No Bid

****ATTACH ALL FORMAL BID DOCUMENTS FROM VENDORS****

1.

Priority Based Budgeting Services
RFP Evaluation - Scoring Summary

Evaluator #1

Respondent	Methodology	Experience	References	Cost	Staff	**TOTAL**	Rank
PFM Group	20	22	15	10	5	**72**	#2
PBB Center	28	25	15	20	4	**92**	#1

Evaluator #2

Respondent	Methodology	Experience	References	Cost	Staff	**TOTAL**	Rank
PFM Group	20	20	15	16	5	**76**	#2
PBB Center	30	23	15	24	4	**96**	#1

Evaluator #3

Respondent	Methodology	Experience	References	Cost	Staff	**TOTAL**	Rank
PFM Group	15	25	15	5	5	**65**	#2
PBB Center	27	25	15	23	5	**95**	#1

Evaluator #4

Respondent	Methodology	Experience	References	Cost	Staff	**TOTAL**	Rank
PFM Group	15	5	10	15	5	**50**	#2
PBB Center	30	25	15	25	5	**100**	#1

Respondent	Average Score
PFM Group	65.75
PBB Center	95.75