AGENDA BILL INFORMATION

TITLE:	AB23-037: CITY OF SNOQUALMIE AGREEMENT FOR CONSULTANT SERVICES IT Management, Operations, and Staffing Assessment	☐ Discussion Only ☒ Action Needed:
PROPOSED ACTION:	Authorize the Mayor to execute the Agreement for Consultant Services with BerryDunn for IT Management, Operations, and Staffing Assessment in an amount not to exceed $58,735.	☒ Motion ☐ Ordinance ☐ Resolution

REVIEW:	Department Director/Peer	Jen Ferguson	3/3/2023
	Finance	Jen Ferguson	3/3/2023
	Legal	Anna Astrakhan	3/10/2023
	City Administrator	Mike Sauerwein	

DEPARTMENT:	Information Technology	
STAFF:	Sarah Reeder	
COMMITTEE:	Finance & Administration	**COMMITTEE DATE:** March 7, 2023
MEMBERS:	Bryan Holloway James Mayhew Rob Wotton	
EXHIBITS:	1. AB23-037x1 Berry Dunn 2023 Agreement (3.3.23)_ 2. AB23-037x2 BerryDunn Proposal 3. AB23-037x3 Recruiting 101_ 5 Tips for Better Communication with Hiring Managers	

AMOUNT OF EXPENDITURE	$ 58,735
AMOUNT BUDGETED	$ 38,000
APPROPRIATION REQUESTED	$ n/a

SUMMARY

INTRODUCTION

The purpose of this agenda bill is for City Council consideration and approval of the agreement between BerryDunn and the City of Snoqualmie for the IT Management, Operations, and Staffing Assessment.

LEGISLATIVE HISTORY

On November 10th, 2023, The City of Snoqualmie and Berry, Dunn, McNeil, and Parker, LLC entered into an agreement for IT Project Management Program and Capacity Modeling services The not to exceed amount of this agreement was within the Mayor's signing authority. At the start of this engagement the City believed that the issues IT were facing was based on the lack of project governance and extended poor performance of previous leadership aligning IT projects with City goals and objectives. The initial work performed under this contract uncovered issues within the structure and practices within IT that needed to be resolved prior to governance work being effective. At this point it was determined that an amendment to the and scope of work would be needed.

BACKGROUND

The IT Department's personnel structure, operational management plan, and communication plan are out of date and out of alignment with industry standards. This has led to system failures, data loss, interruption of City workflow, increased risk in noncompliance with data retention policies, and lack of proper tools for City employees. Further delay in identifying the root cause of these issues and developing operation standards that are in alignment with City goals, could result in system failures, critical data loss, and inability for the City to perform crucial work.

After multiple internal discussions, it was determined that engaging BerryDunn in an IT Program Management and Capacity Planning project would be beneficial. Phase one of the project included fact-finding sessions with each City Department. These sessions identified some misalignment between the goals of City and the IT Department. After the preliminary findings were discussed with the City Administrative Staff, it was determined that an expanded scope of work would provide the most benefit. Program Management and Capacity Planning support would not be effective if the IT department, its structure, governance, and operational management were not in alignment with the City needs.
It is important that City Leadership identifies and understands the core competencies needed in an IT Department to meet the goals they have laid out for the City. There is significant risk in filling key positions without being able to identify what skills are needed to successfully reach goals and objectives. City Leadership needs a strong understanding of what level of service IT should be providing for a city of its size. There needs to be clearly defined expectations that are realistic and actionable in place when a New Director is hired.

ANALYSIS

After initial discovery into the project work, BerryDunn came back with the following recommendation and the basis for the change in project scope.

"*In December, BerryDunn began working with the City and its IT Department. Initially, our aim was to create an IT Project Management Program and Capacity Model, which would serve as a framework for managing the City's technology project portfolio and IT staff's capacity to execute those projects. As our team began the proposed fact-finding meetings with City departments, participants expressed a strong desire to report on IT service-related performance. It became clear that with IT staff capacity based primarily on IT service desk ticket data, City departments will not buy-in to the IT Project Management Program and Capacity Model we initially planned to develop.*

Additionally, we have learned that City leadership would like more information on the IT Department's staffing—including its organizational structure, positions, skills, capabilities, and gaps in best practice—after a salary and compensation study was unable to find regional peers with IT departments of similar size, structure, and skillsets.

In light of the initial feedback our team gathered from City department stakeholders, as well as the desire to better understand the IT Department's current staffing, we recommend changing the scope of our

engagement from an IT Project Management Program and Capacity Model to an IT Operations, Management, and Staffing Assessment. This assessment will provide the City with an objective analysis of the IT Department and answer City leadership's IT Department staffing questions. This assessment will highlight the operations, management, and staffing areas that are performing at or beyond the level similarly sized cities and identify areas for improvement. The assessment will provide the City with clear, actionable recommendations that it may use to close the identified service level gaps."

To help the City determine if this was the right approach, we requested that BerryDunn provide us with practical examples from previous clients.

BerryDunn has provided some insight into the process used with other clients in similar situations.

"Our report will serve as a recommendation and in the case of staff organizational structure and skills, our recommendation will have at least 2 options. We will undoubtedly recommend that a new IT Director make their own decision on staffing and structure, using our report as one input to their decision-making process. We will recommend that a new IT Director have at least 60 days on the job before executing any organizational structure, position, or staffing changes.

We've engaged with 2 organizations in the last 3 years that used our report in just that way – serving as an objective assessment of what the new CIO, in one case, and IT Manager, in another case, was coming into and gave them insights to develop their action plan for the role. In both instances, our recommended organizational structures were not adopted exactly as recommended, but instead had one or two changes based on the incumbents in the positions. The new leaders had greater time to observe and assess the individual staff and their responsibilities before making reorganization decisions. Also in both instances, the new leader acknowledged the validity of BerryDunn's assessment recommendations and that our report will help him/her measure their own performance in making needed changes in the organization".

We also researched additional reputable sources for best practices in hiring to ensure that these recommendations were in alignment with the City's needs. The Society of Human Resource Management's Article "Recruiting 101: 5 Tips for Better Communication with Hiring Managers," written by Roy Maurer, lists the first tip as going in prepared. The article discusses how not preparing hiring managers with current information on the industry or role will lead them to relying on previous experience which may not be complete or not in alignment with current practices (Exhibit AB23-037x3).

BUDGET IMPACTS

The additional cost and expanded scope of this project is critical to ensure that the right roles exist and filled by the right individuals within the IT organization. The updated and overall agreement cost is $72,550 (Original agreement $44,995 plus expanded scope cost of $27,555) The original agreement has expired with only $13,815 invoiced against leaving $31,180 unspent on the original agreement, so the new agreement is proposed to be $58,735 which includes the remaining portion of the expired agreement plus the expanded scope cost ($27,555 plus $31,180). To cover the new agreement amount of $58,735, there will be unused salary & benefit budget line items due to position vacancies. No budget amendment is needed for this project.

NEXT STEPS

PROPOSED ACTION

Move to Authorize the Mayor to execute the Agreement for Consultant Services with BerryDunn for IT Management, Operations, and Staffing Assessment in an amount not to exceed $58,735.