



**CITY of NOVI CITY COUNCIL**

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**Agenda Item C  
March 5, 2007**

**SUBJECT:** Award Shared Services Inventory and Opportunities Project to Plante & Moran, PLLC in an amount not to exceed \$4,750.

**SUBMITTING DEPARTMENT:** City Manager

**CITY MANAGER APPROVAL:**

As a result of the strategic planning process and development of annual City goals, the City identified the need to inventory existing shared service arrangements the City has established with surrounding communities and public entities (e.g. four school districts within the City limits). The project will also include identifying possible future opportunities. This report will be a valuable evaluation tool in measuring, evaluating, and expanding arrangements that help maximize City resources consistent with the goal setting process. In addition, there has been discussion at the State level for cities and townships to provide demonstration of shared services for future state shared revenue consideration.

Attached is the Plante & Moran, PLLC service agreement. Plante & Moran would develop a questionnaire for departments, conduct interviews, percolate the results and make recommendations. Plante & Moran has experience with Novi but also has particular unique experience with the shared services reviews. The principal on the proposed Novi project is currently also working with the cities of Wolverine Lake, Wixom, and Walled Lake on shared dispatch. As a new initiative, a budget amendment will be necessary at a future date.

**RECOMMENDED ACTION: SUBJECT:** Award Shared Services Inventory and Opportunities Project to Plante & Moran, PLLC in an amount not to exceed \$4,750.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Capello				
Council Member Gatt				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Nagy				
Council Member Paul				



**Plante & Moran, PLLC**  
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P.O. Box 307  
Southfield, MI 48037-0307  
Tel: 248.352.2500  
Fax: 248.352.0018  
plantemoran.com

February 16, 2007

Mr. Clay Pearson  
City Manager  
City of Novi  
45175 W. Ten Mile Road  
Novi, MI 48375

Dear Mr. Pearson:

We are pleased to submit this proposal to provide management consulting services to the City of Novi. Based upon our understanding of your requirements, we believe that Plante & Moran is well qualified to assist you and your organization. This proposal letter is structured to outline our understanding of your needs and our proposed approach, project costs and timing, and relevant background information concerning the Firm and consultants who will work with the City.

### **Statement of Understanding**

Based upon our meeting last week, we understand that as a result of your strategic planning process and development of annual City goals, you would like to inventory the current shared service arrangements the City has established with surrounding communities and public entities (e.g. four school districts within the City limits). You are aware of several joint efforts and/or shared service arrangements throughout the City, but you would like to formalize the list and identify any possible future opportunities, as applicable. You have identified that within the City you likely have some formal arrangements and some informal arrangements, which will also be inventoried.

The intent is for this to be Phase I of a two-phased process whereby the City develops a more formalized framework for evaluating future shared service opportunities and identifies potential future collaboration options for the City to evaluate and possibly pursue. The Phase I project will take place through targeted interviews with each department for identification of all current shared or cooperative service arrangements in existence today. The Departments to be included in this review are the following:

- Planning
- Building
- Human Resources
- Information Technology
- Fire Department



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- Finance Department
- Parks, Recreation and Forestry
- Police Department
- Public Works
- Community Relations
- Neighborhood Services
- Engineering

Phase II will take place at a later date and we plan to provide a proposal, as desired, under separate cover for the City to consider upon completion of the first phase of the project.

### **Project Approach**

While we have similar experience, our proposal focuses on providing the City of Novi with recommendations that address its unique circumstances and requirements. Our proven methodologies and approaches have successfully helped several other Cities, Villages, and Townships throughout the State.

Step 1 – Collect and review relevant documentation, including:

- Department Organization Charts
- Annual City Budget
- List of known shared service arrangements by department, if available
- Contractual agreements for collaborative efforts, if any

Step 2 – Prepare and disseminate a shared service / collaboration questionnaire. Plante and Moran will develop a preliminary questionnaire for all departments to complete prior to their individual shared services interview. We will compile the questionnaire and distribute it electronically to City employees upon provision of an email list from the City or alternatively we will supply the questionnaire to a City representative for distribution. The questionnaire will be designed to capture the following type of information in preparation for our interview sessions:

- Current collaborative efforts
- Formality of arrangements
- Contracts for services
- Governance structure of arrangements
- Costs of current shared arrangements
- Benefits of current shared arrangements
- Collaboration challenges
- Possible future projects
- Possible future partners

Step 3 – Conduct interviews with City staff to collect an inventory of shared service arrangements, both informal and formal. Individual department interviews will be conducted with the departments listed below. Multiple representatives are welcome to attend the interview sessions to ensure we capture a comprehensive inventory of all

shared service agreements, arrangements and joint ventures within the City. We would like to collect completed questionnaires during the interview sessions for preliminary documentation of current arrangements. Each interview is intended to take approximately 45 minutes and will be attended by one Plante & Moran representative. We anticipate the City will coordinate the interview schedule and make us aware of the times and location.

- Planning
- Building
- Human Resources
- Information Technology
- Fire Department
- Finance Department
- Parks, Recreation and Forestry
- Police Department
- Public Works
- Community Relations
- Neighborhood Services
- Engineering

We expect a total of approximately 12 on-site interviews within the scope of the engagement, in order to gather the relevant information.

Step 4 – Prepare a draft inventory document (in matrix format) noting our key interview findings and results, including but not limited to the following topics:

- Current collaborative efforts
- Formality of arrangements
- Contracts for services
- Governance structure of arrangements
- Costs of current shared arrangements
- Benefits of current shared arrangements
- Collaboration challenges
- Possible future projects
- Possible future partners

Step 5 – Conduct a meeting with the City Manager and other appropriate parties involved in the study to review the draft shared services inventory document.

Step 6 – Based on the outcomes of the draft meeting, prepare final shared services report revisions, as appropriate, for completion of a final document.

Step 7 – Publish the final document.

### **Project Staffing**

One key to project success can be found in the abilities of the individuals assigned to the engagement. Given the scope, nature, complexity, and timing of this assignment, we suggest using the following consultants to perform this engagement. The team for this project is comprised of individuals who have experience in public sector collaboration and shared service endeavors.

**Mr. Adam J. Rujan**, a Partner with the Government Consulting practice, will assume overall responsibility for the project. He has more than twenty years experience consulting to government and public sector organizations. Mr. Rujan's experience includes assisting a multitude of agencies with organizational reviews, operational analyses, productivity and cost studies, and system reviews. He has developed specific expertise in assisting organizations understand and implement new technology. He is a frequent presenter and has authored numerous articles on improving organizational efficiency and effectiveness. Mr. Rujan earned a B.S. degree in engineering from Wayne State University and an M.B.A. from the University of Michigan.

**Ms. Christine Andrysiak**, a Manager with Plante & Moran, will serve as the overall project manager. She has more than fourteen years of organizational and operations consulting experience. Ms. Andrysiak has extensive experience in both conducting and managing large-scale organizational review, operations improvement, staffing, budgeting and standard setting projects to improve operational efficiency. She has assisted numerous governmental entities with organizational improvement initiatives focused on reducing processing time, improving customer service levels, and enhancing operational effectiveness, including many financial operations review projects. Ms. Andrysiak has a Bachelor of Science in Industrial and Operations Engineering Degree and a Master of Business Administration Degree (High Distinction) from the University of Michigan, Ann Arbor. She is a member of Beta Gamma Sigma, the National Honorary Business Society, and the National Association for Female Executives.

**Ms. Laurie Zyla**, a Consultant with Plante & Moran, has several years of industry experience in the operations and information technology fields. She has experience in conducting functional interview sessions, developing technology requirements and assisting governmental entities with organizational and technology planning efforts through the Michigan Suburbs Alliance. Ms. Zyla has a Bachelor of Science in Computer Science from the University of Michigan, Ann Arbor and a Master in International Business from Brandeis University.

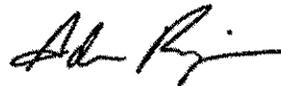
### ***Project Cost and Timing***

Plante & Moran is prepared to begin project work upon your approval. Total costs associated with the project will not exceed \$4,750. Consistent with our standard practice, we will invoice only for actually incurred fees and direct expenses. In the event that actual costs are lower than our estimates, we will invoice accordingly. This project is expected to be completed within 30 to 45 days; however we are flexible to complete the project according to your required schedule.

We look forward to the opportunity to be of service to the City of Novi. We are confident that our professional staff has the experience and expertise to assist you in this important matter. If you have any questions, please do not hesitate to call me at (248) 223-3328 or Christine Andrysiak at (248) 223-3330.

Very truly yours,

**PLANTE & MORAN, PLLC**



Adam Rujan

Partner



Christine Andrysiak

Manager

**ACCEPTANCE**

February 16, 2007

This page may be completed and faxed, e-mailed or mailed to my attention at the address below to indicate acceptance of this proposal:

Christine Andrysiak  
Plante & Moran, PLLC  
27400 Northwestern Highway  
PO Box 307  
Southfield, MI 48037-0307

Telephone, Office: (248) 223-3330  
Fax: (248) 603-5508  
E-Mail: [Christine.Andrysiak@plantemoran.com](mailto:Christine.Andrysiak@plantemoran.com)

We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as described in our engagement letter dated 2/16/07, subject to the terms and conditions (Appendix A) outlined herein, please sign the enclosed copy and return it to us.

Accepted:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX A**  
**Plante & Moran, PLLC**  
**Standard Terms and Conditions**

February 16, 2007

## PLANTE & MORAN, PLLC - STANDARD TERMS AND CONDITIONS

The following describes the terms and conditions under which Plante & Moran will render professional services as outlined in the accompanying proposal to the City of Novi ("City") dated February 16, 2007.

Project Deliverables: At the conclusion of our project activities, we will provide you with a written report as described in our proposal. Our report will be restricted solely to use by management of the City and you agree that our report will not be distributed to any outside parties for any purpose other than to carry out legal responsibilities of the City. We will have no responsibility to update our report for any events or circumstances that occur or become known subsequent to the date of that report.

Management Responsibilities: The consulting services we will provide are inherently advisory in nature and we have no responsibility for any management decisions or management functions in connection with our engagement to provide these services. Further, you acknowledge that the City is responsible for all such management decisions and management functions; for evaluating the adequacy and results of the services we will provide and accepting responsibility for the results of those services; and for establishing and maintaining internal controls, including monitoring ongoing activities, in connection with our engagement. You have designated Patricia Wartella, Councilmember to oversee the services we will provide.

Nature of Services: Our project activities will be based on information and records provided to us by the City. We will rely on such underlying information and records and our project activities will not include audit or verification of the information and records provided to us in connection with our project activities.

The project activities we will perform will not constitute an examination or audit of any of the City's financial statements provided to us in connection with the project. The objective of our engagement is not to express an opinion on the City's internal controls in accordance with standards issued by the American Institute of Certified Public Accountants and, accordingly, will express no such opinion. Rather, we will be focused on the City's vulnerability to embezzlement.

Workpapers: Professional standards require that we create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are the property of Plante & Moran, PLLC. We will maintain the confidentiality of all such workpapers. Both the City and Plante & Moran, PLLC acknowledge, however, that we may be required to make our workpapers available to regulatory authorities or by court order or subpoena. We agree to inform you if such a request is made and agree to cooperate with you should you attempt, at your cost, to limit such access. Upon the City's written request, we may allow others to view any workpapers remaining in our possession if there is a specific business purpose for such a review. We reserve the right to destroy any workpapers created in the course of this engagement in accordance with our record destruction policies.