

Millcreek Township

EARLY INTERVENTION PROGRAM PROPOSAL AND FIVE YEAR FINANCIAL PLAN

REQUEST FOR PROPOSAL

RESPOND NO LATER THAN:

May 19, 2017

INQUIRIES

Mark Zaksheske, Treasurer
mzaksheske@millcreektownship.com

INTRODUCTION

The Township of Millcreek (the "Township") was incorporated on March 12, 1800. The Township is located in Erie County (the "County") which is in the northwest corner of the Commonwealth of Pennsylvania (the "Commonwealth"). The Township is bordered by Lake Erie on the north, the City of Erie, the County Seat, on the northeast, Harborcreek Township on the east, on the south by McKean, Summit and Green Townships and to the west by Fairview Township. Covering a total area of approximately 29.5 square miles, the Township is situated approximately 125 miles north of the City of Pittsburgh. The Township's proximity to the City of Erie has afforded residents the comforts of suburban living while permitting the utilization of the Erie Metropolitan Area's cultural and recreational advantages and the security of a diversified economic base which provides numerous employment opportunities.

Government

The Township is a political subdivision of the Commonwealth governed by the Second Class Township Code operating under a Board of Supervisors form of local government. The Township employs a full-time treasurer, who serves as the chief administrator of the Township. There are three (3) elected supervisors who each serve six (6) year staggered terms. The supervisors are also employees of the Township as Municipal Administrators.

Population

The Township has seen a slight increase in the number of residents over the last two census. The 2000 census recorded 52,129 residents and the 2010 census saw that number climb to 53,515. The population was estimated at 53,914 in 2014.

A. PROPOSAL SUBMISSION

1. Five (5) copies of the sealed proposal must be submitted not later than 2 PM, May 19, 2017 to:

Mark Zaksheske, Treasurer
3608 West 26th Street
Erie, PA 16506

2. The envelope(s) must be marked prominently on the outside **"EARLY INTERVENTION PROGRAM PROPOSAL AND FIVE YEAR FINANCIAL PLAN"**.
3. Fee/Cost information shall be in a separate sealed envelope marked **"EARLY INTERVENTION PROGRAM PROPOSAL AND FIVE YEAR FINANCIAL PLAN"**.
4. Proposal must be mailed or hand delivered. No faxed proposals will be accepted.
5. Proposals will be handled confidentially by the Township during the pre-award process.
6. Acceptance of a proposal **and** contract award shall be contingent on the *Millcreek Township* being granted State Funding for the Early Intervention Program.

7. Millcreek Township will not be responsible for any expenses incurred by a Proposer in connection with this procurement.

B. QUESTIONS

Any questions concerning the Request for Proposal should be directed in writing to Mark Zaksheske, Treasurer, 3608 West 26th Street, Erie, PA 16506 Email: mzaksheske@millcreektownship.com.

I. GENERAL CONDITIONS

- A. No verbal instructions or verbal information to bidders will be binding on Millcreek Township. These written specifications will be considered clear and complete unless written attention is called to any apparent discrepancies or incompleteness before the opening of the proposals. Should any alterations to these specifications be made in the form of written addenda, they will be mailed, emailed and/or faxed to all bidders. These addenda shall then be considered to be part of these specifications.
- B. Submission of a proposal will be considered as conclusive evidence of the bidder's complete examination and understanding of the specifications.
- C. Millcreek Township reserve the right to reject any or all proposals; the right to request additional information from any proposer; the right in their sole discretion, to accept the proposal considered most favorable; and the right to waive minor irregularities in the procedures or proposals if it is deemed in the best interest of Millcreek Township.

Millcreek Township reserves the right to negotiate with proposers to establish variations from the original proposal(s), including proposed cost, which may be in the interest of Millcreek Township.

- D. The award will be made to the responsive and responsible bidder whose proposal, conforming to specifications will be most advantageous to Millcreek Township; price and other factors will be considered, such as delivery time, quality, service, experience and specific skills and disciplines represented on the consulting team, etc. The award may or may not be made to firm with the lowest cost.
- E. Millcreek Township shall have the right, without invalidating the contract, to make additions to or deductions from the items or work covered by the specifications. In case such deductions or additions are made, an equitable price adjustment shall be made between Millcreek Township and the Contractor. Any such adjustments in price shall be made in writing.
- F. Bidders requesting additional information and/or clarifications to the bid specifications shall submit the inquiries, in writing, not less than five (5) working days prior to the bid opening date. Inquiries received less than five (5) working days prior to the bid opening date will not receive responses. See paragraph "A" above for additional clarification.
- G. The bidder will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin or handicap. The bidder will take affirmative action to ensure that applicants are employed without regard to race, color, religion, sex, age, handicap, or national origin. Bidders will take steps to insure employees are treated during

employment without regard to race, color, religion, sex, age, handicap, or nation origin. Such action shall include but not be limited to the following: 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.

- H. The contractor shall not initiate work or incur any cost until such time as Millcreek Township receives confirmation that grant funds shall be available at which time Millcreek Township shall issue a Notice to Proceed
- I. CONTRACT TERMINATION: A contract may be canceled by the Millcreek Township by giving the Vendor sixty (60) days written notice of intent to cancel.
- J. INDEMNIFICATION: The success bidder shall assume the defense of and indemnify and hold harmless Millcreek Township, their officers, agents and employees from and against all claims, demands, actions, suits and proceeding by others and against all liability, both negligent and non-negligent, arising directly or indirectly out of the actions of the Firm/Proposer in their performance of this contract.
- K. INSURANCE: The successful bidder, prior to commencing work, shall provide at his/her own expense, the following insurance to Millcreek Township, evidenced by Certificates of Insurance. Each certificate shall require that notice be given, thirty (30) days prior to cancellation or material change in the policies, to the Township Treasurer.

Workers' Compensation including Occupational Disease and Employer's Liability Insurance

- 1. Statutory-amounts and coverage as required by Pennsylvania Workmen's Compensation and Occupational Disease Laws.
- 2. Employer's Liability – Bodily injury by:
 - a. Accident \$100,000 each
 - b. Disease \$500,000 minimum policy limit
 - c. Disease \$100,000 each employee

Liability

The successful bidder shall maintain a commercial general liability insurance policy, using an occurrence form of coverage. The required coverage forms are:

- 1. Comprehensive
- 2. Premises – Operation
- 3. Contractual Insurance
- 4. Independent Contractor

The Comprehensive General Liability Policy shall have a minimum limit of liability of \$300,000 minimum, per occurrence.

Automobile liability coverage with minimum combined single limits of \$300,000 per occurrence.

The successful bidder shall obtain total minimum coverage limits of \$1,000,000 per occurrence. The additional limits above the General Liability and Automobile Liability policies (required above) may be provided by Excess and/or Umbrella Liability policies.

The successful bidder shall provide evidence of professional liability coverage (Accountants Professional Liability Coverage) with limits to be acceptable to the Township Solicitor and the successful bidder shall have and maintain coverage for at least one year beyond completion of actual work.

All policies except Professional Liability shall name Millcreek Township, their officers, agents, and employees as additional insured. This coverage shall be reflected on the Certificates of Insurance.

Nothing contained in this section shall be construed as limiting the extent of the vendor's responsibility for payment of damages resulting from his operations under the contract.

II. SCOPE OF WORK

Millcreek Township has applied for grant funds offered by the Commonwealth of Pennsylvania, Department of Community and Economic Development's Early Intervention Program. The purpose of the program is to establish short-term and long-term financial and managerial objectives that will strengthen the fiscal capacity of the municipal government along with the integration of long-term community and economic development strategies that strengthen the area's tax base. The Early Intervention Program is designed, in part, based on the experiences of the City of Philadelphia in operating under the Pennsylvania Intergovernmental Cooperation Act (PICA) and on recommended financial management practices of the Government Finance Officers Association (GFOA).

III. ENGAGEMENT OBJECTIVES

With financial assistance from this program and assistance from the Consultant, the municipality will develop and implement a multi-year financial management program and strategies. The objectives of the engagement are to:

- A. Strengthen multi-year financial planning processes for the Township.
- B. Assist the Township on an early intervention basis to identify and address financial difficulties.
- C. Develop the internal capacity within the Township so that it is able to develop, adopt, monitor, and implement Multi-Year Financial Management plans and incorporate this process into the annual budget process.
- D. Assess possible revenue creation in a community which has limited taxation ability.
- E. Conduct related management studies that will improve the management, financial administration, and economic development activities within the Township. This part of the study should include but not be limited to an analysis of the appropriate structure, command,

scheduling, and staffing levels of each department and a review of current practices compared to established “best practices” and standards of excellence for local government service delivery. It should also include a review of all current collective bargaining agreements and recommendations regarding cost containment and cost sharing for relevant departments and operations.

- F. Implement a system of multi-year revenue and expenditure financial monitoring and trend analysis so that Millcreek Township can anticipate and plan for future financial circumstances. This includes analysis of retirement plans, liability and health insurance coverage and cost.
- G. Provide a mechanism by which the Township may adopt prioritized short and long term goals and objectives.
- H. Explore the opportunities for promoting multi-municipal and regional cooperation strategies and cost-sharing among area local governments.
- I. Create a methodology by which the Township can further the integration of sound community and economic development strategies to encourage the economic growth of the Township’s tax base over a multi-year period.

IV. STATEMENT OF WORK TO BE PERFORMED

The Early Intervention Program is guided by a philosophy that establishes five (5) specific measures that a local government can take to manage its financial position and achieve or maintain its long-term economic viability: 1) expenditure reduction; 2) revenue enhancement; 3) implementation of a long-term economic development strategy; 4) adoption of best management practices to achieve operating efficiencies; and 5) pursuit of intergovernmental cost sharing strategies.

The Early Intervention Program requires that the municipality prioritize its most critical needs and establish a process that ensures that resources are focused on areas of highest priority, thus creating a “triage” approach to fiscal distress intervention.

The Early Intervention Program must be designed to meet the individual and specific needs of Millcreek Township. The development of the plan is to be divided into 5 steps:

Step 1 Financial Condition Assessment – This assessment is to be performed as a means to establish a realistic baseline of the municipality’s historic and financial condition. This review should include a minimum of four (4) years of detailed historical financial data.

Step 2 Financial Trend Analysis – Performed over a multi-year period, this analysis will project future revenue, expenditure, economic and demographic trends for at least a three (3) year period so that Millcreek Township can understand its future financial position and take immediate steps to counteract any negative trends.

Step 3 Management Audit – Audit is to include narrative summaries of each department comprised of budget and personnel information as well as other relevant data. This data is to be supported by interviews with the Board of Supervisors, Department Heads, and key staff members, as may be required, in order to facilitate the most comprehensive view of the Township’s most critical operational needs. Recommended structure, command, scheduling and staffing levels (based on “best

practices” for local government service delivery) should be provided for each department so that it will be possible for management to use a “benchmarking” strategy to address operational deficiencies. The management audit shall encompass any and all areas outlined by the Township during the interview and consultant selection process.

Step 4 Multi-Year Plan Adoption – The Plan, at its foundation, will identify the Township’s top three financial management priorities. Additional prioritization should be conducted at the departmental level, and interdepartmental objectives that are Township-wide or County-wide in nature. These should be detailed in the Plan. Each objective is to contain a detailed action plan that describes: 1) what is to be achieved; 2) the budgetary impact; 3) the timing and deadlines for each action step; and 4) which employee or agency has the primary responsibility for the objective.

Step 5 Implementation - The plan will include the consultant’s strategy for follow-up and involvement in the implementation of the recommendations in the plan.

V. SUPPORT TEAM

The consultant will be expected to work with a consortium of individuals representing the Township’s management, Elected Officials and community members appointed by the Board of Supervisors of the Township.

VI. REPORTS REQUIRED

The following reports as detailed above in Section V are expected during the course of, and at the completion of the engagement:

- A. Assessment of the Township’s Financial Condition
- B. Financial Trend Analysis
- C. Management Audit
- D. Five-Year Plan

VII. SCHEDULE

During the review, the consultant may be required to meet with various elected or appointed officials, department heads, staff members or members of the public to discuss the progress of the engagement or related matters.

All reports are to be presented publicly to the governing body of the Township no later than the following dates:

RFP Solicitation, Review, and Consultant Selection	4 Weeks
Deliverable #1:	8 Weeks

Financial Condition Assessment
Financial Trend Forecasting

Deliverable #2:	8 Weeks
Management Audit	
Public Meeting #1:	2 Weeks
Present initial findings to the public	
Deliverable #3:	4 Weeks
Draft Multi-Year EIP Plan	
Public Meeting #2:	2 Weeks
Present Draft Plan recommendations to the public	
Deliverable #4:	2 Weeks
Final Multi-Year EIP Plan	
Final Plan Public Hearing & Adoption	2 Weeks

The consultant may recommend changes to the timeline above; however, the Project Team will make the ultimate decision as to the schedule.

VIII. PROPOSAL

Proposals are to be submitted in two (2) parts with each sealed in a separate envelope. The first part of the proposal (marked "Technical Proposal") shall cover the technical aspects as thereafter explained, but shall not include any mention of fees or out-of-pocket expenses to be billed to the Township. The second part of the proposal (marked "Price Proposal") shall include details as to fees charged and out-of-pocket expenses to be billed. Four (4) copies of the Technical Proposal and the Price Proposal are required. Millcreek Township also require a CD with the "Technical Proposal" and "Price Proposal" be included.

A. Technical Proposals should include the following information in the order detailed:

1. Title Page – List the RFP subject, the name of the firm, the local address, telephone number, name of the contract person and date.
2. Table of Contents – Include a clear identification of the material included in the proposal by page number.
3. Letter of Transmittal – Limit two (2) pages. Make a positive commitment to perform the required work within the time period requested. Also, give the name(s) of the person(s)

who will be authorized to make representation for your firm, their title, and telephone numbers.

4. Profile of Proposer – State whether your firm is local, national or international in size. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at the office. Briefly describe the range of activities performed by the local office such as auditing, accounting, tax services and management advisory services.
5. Summary of the Proposer's Qualifications – Describe the recent local and/or regional financial management review experience similar to the type requested in the proposal and give the names and telephone numbers of client officials who might be contacted regarding your firm's work. At least three (3) references are requested.

Provide a brief resume for each of the persons to be assigned to the engagement. At a minimum, detailed information should be provided for the consultant in charge of the review, and the financial advisor who will be in charge of the field work. Resumes should include educational and professional experience with particular emphasis on financial consultation to governmental units. Briefly describe your firm's professional development program, including the approximate number of hours of continuing professional education provided to members of your firm annually. Also, indicate whether the continuing professional education program of your firm is of an internal or external nature.

Provide details as to the capability of your firm to provide financial management advisory services over a multi-year period.

6. Management Review Approach – Make a statement indicating your understanding as to the scope of work requested and briefly describe your firm's management review approach and give specific illustrations of the review procedures which will be employed. Submit at least one (1) sample of a recent management audit report prepared by your firm for a governmental unit.
7. Utilization of Township Resources – The Proposer should provide an estimate of the number of hours which will be required of: (1) The Township's staff in assisting in the provision of data and (2) management staff in providing interviews.
8. Additional Data – Include in this section any pertinent information not covered in any of the previous sections. If there is no additional information to present, please so state.

B. Price Proposals shall include the following information for each year:

1. Compensation – The estimated **maximum** number of hours and hourly rates by staff classification necessary to complete the engagement. The estimated out-of-pocket costs and the resulting all-inclusive **maximum fee** for which the requested work will be done.
2. Billings and Payment Terms – Proposers should include what payment terms are required, although monthly progress billings are preferred for both the consultant fees and out-of-pocket expenses. Billings should show the total professional hours, by classification, together with applicable rates and extensions, actual travel expenses incurred, and a reasonable itemization of other out- of –pocket expenses.

IX. EVALUATION OF THE PROPOSALS

In general, the Technical Proposals will be evaluated in terms of: (1) the Proposer's demonstrated understanding of the Township's requirements and plans for meeting them; (2) the professional qualifications and related experience of the persons assigned to the engagement; (3) the prior experience and reputation of the Proposer in performing municipal management audits, and (4) the organization size and structure of the Proposer.

After the three (3) best Technical Proposals have been selected including the Price Proposals of these three (3) firms, an award will then be made to the firm which, in the opinion of the governing body of the Township submitted the most beneficial proposal, cost and other factors considered. Please note that the award may or may not be made to the firm submitting the lowest cost proposal.

Millcreek Township reserves the right to reject any and all proposals submitted and to request additional information from Proposers. Notice is also given of the possibility that an award may be made without discussion or after limited negotiations. It is, therefore, important that all proposals contain the most favorable terms possible, and should be complete in all respects.

Proposals will be evaluated by a team consisting representatives of the governing body of Millcreek Township, a regional representative of the DCED/CLGS and others as selected by the Board of Supervisors of Millcreek Township.