

CLARK COUNTY STAFF REPORT

DEPARTMENT: Budget Office

DATE: August 29, 2016

REQUESTED ACTION:

To approve the contract with the Center for Priority Based Budgeting, in order to provide advisory, analytical and facilitation assistance in the development and implementation of a Priority Based Budgeting (PBB) process.

____ Consent ____ Hearing X County Manager

BACKGROUND

In the 2017-2018 budget, the Council directed the Budget Office to identify programs, including mandates, services, expenses and revenues. The identification of programs is an integral step of the process of moving from baseline budgeting to priority based budgeting.

Priority based budgeting will turn Clark County into a results-focused organization. This process:

- Ensures resource allocation (budget) is aligned with community expectations / priorities (results).
- Clearly articulates how much it costs to provide services and what will be lost of funding for services is reduced.
- Better communicates financial information to decision makers and the public.
- Avoids “across the board cuts” blind approach to managing financial crises and enables governments to be fiscally prepared for disasters, economic downturns and other unexpected events.
- Supports a sustainable budget rather than a balanced budget (long-term, not short-term).
- It is a leading practice in local government (GFOA, IGMA best practice).

The Budget Office will be using priority based budgeting business processes in the implementation and setup of the budget software system. In order to successfully implement the new business process and inform the proper setup of future budget software, the Budget Office is requesting to enter into a contract with the Center for Priority Based Budgeting (CPBB), which will provide advisory, analytical and facilitation assistance. CPBB worked with dozens of governments to implement priority based processes, developed templates and tools, and are affordable to use. County staff time and expertise are insufficient as budget staff are currently focused on a manual process, operating without software, and on interventions to balance the budget for the next cycle. Budget staff would be “re-inventing the wheel” by engineering the process without expert input and experience. Staff would risk costly and time-taking mistakes, and possibly failing, if trying to implement the new business process and to inform the setup of new software without adequate resources and support.

COUNCIL POLICY IMPLICATIONS

N/A

ADMINISTRATIVE POLICY IMPLICATIONS

N/A

COMMUNITY OUTREACH

N/A

BUDGET IMPLICATIONS

The one time cost of phase I of the project (identifying and costing out programs) is \$19,500, to be expanded from existing funds appropriated for the Enterprise Resource Planning replacement investigation project. Phase II of the project consists of identifying and defining community results or objectives based on the strategic plan, scoring programs through a peer review process, and setting up the budgetary allocation process to reflect priorities by program; the cost of phase II is \$27,000; this amount will be requested in the final 2016 supplemental, as part of the cost to purchase and implement budget software, based on a priority approach to budgeting business process.

YES	NO	
X		Action falls within existing budget capacity.
		Action falls within existing budget capacity but requires a change of purpose within existing appropriation
		Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager.

BUDGET DETAILS

Local Fund Dollar Amount	\$19,500 (one time)
Grant Fund Dollar Amount	
Account	Fund 3194 (IT projects)
Company Name	

DISTRIBUTION:

Board staff will post all staff reports to The Grid. <http://www.clark.wa.gov/thegrid/>


Adriana Prata, Budget Director

APPROVED: 
Mark McCauley, County Manager

DATE: 10/25/16

BUDGET IMPACT ATTACHMENT

Part I: Narrative Explanation

The one time cost of phase I of the project (identifying and costing out programs) is \$19,500, to be expanded from existing funds appropriated for the Enterprise Resource Planning replacement investigation project. Phase II of the project consists of identifying and defining community results or objectives based on the strategic plan, scoring programs through a peer review process, and setting up the budgetary allocation process to reflect priorities by program; the cost of phase II is \$27,000; this amount will be requested in the final 2016 supplemental, as part of the cost to purchase and implement budget software, based on a priority approach to budgeting business process.

Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
3194		\$19,500				
Total		\$19,500				

II. A – Revenues consist of Fund 3194 (IT projects fund) existing resources set aside for phase I of the ERP project.

Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		GF	Total	GF	Total	GF	Total
3194			\$19,500				
Total			\$19,500				

III. B – Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual		\$19,500				
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers						
Debt Service						
Total		\$19,500				

Professional Services Contract

Contract Purchase No. _____

THIS CONTRACT, entered this _____ day of _____ 2016, by and between CLARK COUNTY, after this called "County," a political subdivision of the State of Washington, and ***Center for Priority Based Budgeting***, after this called "Contractor."

WITNESSETH

WHEREAS, the Contractor has been chosen through a sole source evaluation by the County and has the expertise to provide professional priority based budgeting services and to perform those services set out in the attached proposal and incorporated by this reference as Exhibit A.

WHEREAS, Clark County does not have available staff to provide such services for the benefit of the services of Clark County, NOW, THEREFORE,

THE COUNTY AND THE CONTRACTOR MUTUALLY AGREE AS FOLLOWS:

1. Services. The Contractor shall perform services as set forth in Exhibit A.
2. Time. The contract shall be effective beginning September 19, 2016 and ending December 31, 2018.
3. Compensation. County shall pay the Contractor for performing said services upon receipt of a written invoice. The parties mutually agree that in no event shall the billing exceed nineteen thousand five hundred dollars (\$19,500) without prior approval of the County.
4. Termination. The County may terminate this contract immediately upon any breach by Contractor in the duties of Contractor as set forth in Contract. The waiver by the

County of one or more breaches shall not be construed as a waiver of any subsequent breach or breaches. Further, County may terminate this Contract upon immediate notice to Contractor in the event that the funding for the project ceases or is reduced in amount. The Contractor will be reimbursed for services expended up to the date of termination.

5. Independent Contractor. The Contractor shall always be an independent Contractor and not an employee of the County, and shall not be entitled to compensation or benefits of any kind except as specifically provided herein.

6. Indemnification / Hold Harmless. The Consultant shall defend, indemnify and hold the County, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the County. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the County, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

7. Wage and hour compliance. Contractor shall comply with all applicable provisions of the Fair Labor Standards Act and any other legislation affecting its employees and the rules and regulations issued thereunder insofar as applicable to its employees and shall always save County free, clear and harmless from all actions, claims, demands and expenses arising out of said act and the rules and regulations that are or may be promulgated in connection with said act.

8. Social Security and Other Taxes. The Contractor assumes full responsibility for the payment of all payroll taxes, use, sales, income or other form of taxes, fees, licenses, excises, or payments required by any city, federal or state legislation that is now or may during the term of this agreement be enacted as to all persons employed by the Contractor in performance of the work pursuant to this Contract and shall assume exclusive liability therefore, and meet all requirement's thereunder pursuant to any rules and regulations that are now and may be promulgated in connection therewith.

9. Contract Documents: Contract documents consist of this Agreement, Exhibit A Scope of Work for Phase 1, and Exhibit B Budget Documents. Scope of Work for Phase 2 of the project shall be Exhibit C and shall be developed at a later date and approved by the County Manager and attached to the Agreement.

10. Equal Employment Opportunity: The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, age, disability, marital status or national origin.

11. Changes: County may, from time to time, require changes in the scope of the services to be performed hereunder. Changes, including any increase or decrease in the amount of the Contractor's compensation, which are mutually agreed upon by and between

County and the Contractor, shall be in writing, signed by both parties and incorporated in the written amendments to the Contract.

12. Public records act: Notwithstanding the provisions of this Contract to the contrary, to the extent any record, including any electronic, audio, paper or other media, is required to be kept or indexed as a public record in accordance with the Washington Public Records Act, RCW Chapter 42.56, as may hereafter be amended, Contractor agrees to maintain all records constituting public records and to produce or assist Clark County in producing such records, within the time frames and parameters set forth in state law. Contractor further agrees that upon receipt of any written public record request, Contractor shall, within two business days, notify Clark County by providing a copy of the request to the Clark County Public Records Officer.

13. Governing Law. This agreement shall be governed by the laws of the State of Washington. Venue for any litigation shall be in Superior Court for the State of Washington in Clark County, Washington.

14. Confidentiality. With respect to all information relating to County that is confidential and clearly so designated, the Contractor agrees to keep such information confidential.

15. Conflict of Interest. The Contractor covenants it has had no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services under this agreement. The Contractor further covenants that no person having such interest shall be employed by it, or shall perform services as an independent contractor with it, in the performance of this Contract.

16. Consent and Understanding. This agreement contains a complete and integrated understanding of the contract between the parties and supersedes any understandings,

agreement, or negotiations, whether oral or written, not set forth within the agreement or in written amendments executed by both parties.

17. Severability. If any provision of this agreement is held invalid, the remainder would then continue to conform to the terms and requirements of applicable law.

IN WITNESS THEREOF, County and the Contractor have executed this contract on the date first above written.

CLARK COUNTY


Mark McCauley, County Manager

Center for Priority Based Budgeting


By

Philip McEwen
Printed Name

CFO 10/5/16
Title

Approved As To Form Only:
ANTHONY F. GOLIK
Prosecuting Attorney

By 
Deputy Civil Prosecutor

Vendor/Contractor:

Have you or any of your employees who will be directly compensated retired from a Washington State Retirement System using the 2008 Early Retirement Factor?

☐ Yes

☒ No

If yes, please provide the name and social security number for each retiree to Clark County Purchasing.