




City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

To: Mayor McConnell and Assembly Members
From: Mark Gorman, Administrator 
Date: May 21, 2014
Re: Municipal Solutions Efficiency and Cost Savings Contract

Recommendation: Request approval to enter into a contract with Municipal Solutions, LLC for an efficiency and cost savings study. The contract is enclosed (Attachment A).

Background:

In January of 2014, at one of its visioning sessions, the Assembly directed the Administrator to examine options for an outside study to examine how to gain efficiencies and reduce costs within the Municipality.

In response to the Assembly's direction, Administration requested proposals from external organizations for the study. Three proposals were received and two were deemed to be responsive.

A team of Municipal Department Heads, under the leadership of the Administrator, evaluated the two responsive proposals and decided that the attached proposal from Municipal Solutions best met the needs of the municipality.

Discussion of Services to be Provided:

Municipal Solutions will conduct an efficiency study. Through the study, Municipal Solutions will accomplish the following:

- provide clear cost and service justifications for services provided to citizens and taxpayers;
- provide cost containment recommendations to either increase efficiencies and contain or reduce costs;
- provide recommendations for enhanced services which will provide employees with the tools to effectively represent and deliver the tasks of government; and,
- make recommendations as to the streamlining of operations in order to increase the productivity of existing personnel and provide policy makers with essential management information.

How is an Efficiency Study conducted? Municipal Solutions will examine and report on the comprehensive health of the Municipality. Among the areas Municipal Solutions may examine are the following:

- Accounting & Budgeting
- ADA Compliance
- Cooperative Service Analysis
- Customer Service
- Litigation Analysis
- Management Options
- Organizational Structure
- Personnel / Staffing
- Procurement & Purchasing
- Records Storage
- Revenue Analysis
- Risk Management Analysis
- Rules, Policies and Procedures
- Technology Asset Management

What type of report will the Municipality receive? We will receive a detailed report of findings - with affirmation / validation of the current efficiencies and also recommendations for greater efficiencies.

Is the Municipality bound or required to implement any of the recommendations? No, the report is advisory in nature.

Fiscal Note:

The cost of the efficiency study is not to exceed \$52,000 and will be charged to Department 8, General Office.

The Municipality plans to pay for the study with sales taxes collected in the 1st Quarter CY2014, which have exceeded planned amounts by \$52,000.

Results from efficiency studies performed in other Municipalities indicate that, if recommended efficiency improvements are implemented, costs savings equal to, or greater than, the cost of the study will be realized.