

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING A) RESOLUTION NO. 93-1880
CONTRACT WITH TALBOT, KORVOLA &)
WARWICK FOR FY 93-94 PERFORMANCE) Introduced by
AUDIT SERVICES) Governmental Affairs Committee

WHEREAS, The Metro Council has entered into a Personal Services Contract with Talbot, Korvola & Warwick for Performance Audit Services (Metro Contract No. 902742); and


WHEREAS, The term of the Contract is from September 25, 1992 through June 30, 1995 with periodic amendments being required to determine a new Scope of Work and additional contract costs; and

WHEREAS, The Governmental Affairs Committee recommends that the third Performance Audit for FY 1993-94 focus on the Metro Public Affairs Function, now, therefore,

BE IT RESOLVED,

1. That the Metro Council acting as the Contract Review Board exempts Contract Amendment No. 2 from the competitive procurement procedures of Section 2.04.053.
2. That the Metro Council approves Amendment No. 2 attached hereto to the contract with Talbot, Korvola & Warwick for performance audit services.

ADOPTED by the Metro Council this 9th day of December, 1993.



Judy Wyers, Presiding Officer

AMENDMENT NO. 2

ADDITIONAL SCOPE OF WORK AND CONTRACT AMOUNT

That Contract between Metropolitan Service District, hereinafter referred to as "Metro", and Talbot, Korvola & Warwick hereinafter referred to as "CONTRACTOR" dated November 13, 1992, for Performance Audit Services, Contract No. 902742 is hereby amended to 1) add the Scope of Work for FY 93-94 as described in Exhibit A attached hereto; and 2) increase the maximum amount that Metro shall pay to the CONTRACTOR for services provided to NINETY FIVE THOUSAND AND NO/100TH (\$95,000) dollars.

All other terms of the Contract remain in full force and effect.

DATED this _____ day of December, 1993.

CONTRACTOR

METRO

By: _____

By: _____

METRO PUBLIC AFFAIRS DEPARTMENT SCOPE OF WORK

This exhibit describes the contractor's work plan, deliverables, and budget for conducting a performance audit of Metro's Public Affairs Department and related activities.

The performance audit will be conducted in two separate phases: a preliminary information gathering/survey phase (Phase I) and in-depth review/audit phase (Phase II). Phase I will gather detailed information on the Department, ascertain if concerns exist that warrant further examination and determine audit feasibility. Specific objectives will be developed based on this preliminary analysis. Under Phase II, the contractor will conduct an in-depth review of those areas identified in Phase I which warrant further review.

The audit will be conducted in accordance with Generally Accepted Performance Auditing Standards.

WORK PLAN

The work plan for the completion of the performance audit of the District's Public Affairs Department and related activities follows. It is based on the assumption that the Council's Governmental Affairs Committee will perform oversight of this performance audit. If a different oversight arrangement is adopted by the Council, the contractor will modify the work program accordingly.

The level of effort, distributed by professional staff level, for the tasks set forth in the contractor's work plan are shown in the budget section of this scope of work. The contractor agrees to complete the work within 120 days of the execution of this contract.

PHASE I - PRELIMINARY INFORMATION/SURVEY

Task 1 - Conduct Start-up Activities

This task includes:

- a). Entrance conference with key elected officials and management staff to introduce audit team, refine scope and audit objectives and discuss project coordination.
- b). Collection and review of general documents regarding the Public Affairs Department and related activities of Metro.

Task 2 - Establishment of a Basis for Evaluation

This task includes conducting interviews with applicable persons to gather additional information and to establish the specific objectives of the program which can be objectively reviewed.

- a). Document the current policies under which public affairs activities are conducted throughout the Metro organization:
 - Organization
 - Costs
 - Allocation of resources
 - Other

- b). Analyze current methods for budgeting of public affairs activities:
 - Determine how activities are budgeted.
 - Assess the methodology used for the actual application of costs.
 - Develop a framework for establishing whether objectives are achieved with current practices.

- c). Document public affairs activities, both within the formal Public Affairs organization and throughout Metro by operational entity:
 - Council
 - Executive Office
 - Planning
 - Finance and Management Information
 - Regional Facilities Department
 - MERC
 - Solid Waste Department
 - Counsel
 - Zoo

- d). Document the public affairs activities performed at Metro by functional area:
 - Public information preparation and dissemination
 - Media relations
 - Graphics arts
 - Public involvement
 - Other

- e). Determine the level of performance related documentation which exists (as applicable) for each activity:
 - Time spent
 - "Client" satisfaction
 - Volume of work
 - Other

- f). Document the current policy relative to the equitable charging of costs to areas of development:
 - Develop proforma schedules for alternatives.
 - Assess the changes necessary to current accounting systems.

- g). Prepare a brief report outlining findings and expanding on the items outlined below for analysis under Phase II.

PHASE II - DETAILED REVIEW

Task 3 - Perform In-Depth Study

This task will assess the results developed in Phase I and develop specific objectives to achieve during the review/audit phase of the project. Detailed analysis of the identified areas for further review will take place.

Task 4 - Preparation of the Audit Report

This task will include:

- a). Preparation of the draft audit report which summarizes the following:
 - Scope of work performed.
 - Methodology for conducting the study.
 - Major findings in each area reviewed.
 - Conclusions of the study.
 - Recommendations to improve performance.

- b). Review the draft report with Council staff and key management staff to:
 - Provide an opportunity for additional explanation or clarification regarding the results of the study.
 - Discuss the appropriateness and feasibility of contractor's recommendations.

- c). Review the draft report with Council Governmental Affairs Committee to:
 - Present the results of the study.
 - Clarify any questions raised by the Committee.

- d). Finalize the report:
 - Make any necessary changes to the draft report based upon the review and comments.
 - Present the final written report to the Metro Council.

DELIVERABLES

Based on the Scope of Work, the contractor will provide the following deliverables:

- 1) Task 2, item 'g' - Report of preliminary findings.
- 2) Task 4 - Draft report of findings, conclusions, and recommendations developed in Phase II - detailed review.
- 3) Task 4 - At least 30 copies of the final report

METRO CONTRACT MANAGER

The Council Administrator shall serve as contract manager for this contract. The contractor agrees to provide periodic status reports to the contract manager and Governmental Affairs Committee as mutually agreed to by the contractor and contract manager.

BUDGET

The proposed costs to accomplish this scope of work are as follows:

PROFESSIONAL	PHASE I			PHASE II		
	Hours	Rate	Fee	Hours	Fee	Total
Principal/Partner Jack Talbot	30	\$100	\$3,000	32	\$ 3,200	\$ 6,200
Manager Brad Rafish	50	\$ 70	3,500	168	11,760	15,260
Consultant Rob Buckingham	80	\$ 45	3,600	210	9,450	13,050
TOTAL	160		\$10,100	410	\$24,410	\$34,510

EXPENSES

Report production	Draft	190
	Final	300

Total Audit Costs	\$35,000
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The rates shown are for fiscal year 1993-94 work. Contractor agrees that Mr. Jack Talbot and Mr. Brad Rafish will serve as the principal and manager respectively for the term of this contract unless Metro agrees to change the person(s) so designated.

GOVERNMENTAL AFFAIRS COMMITTEE REPORT

RESOLUTION NO. 93-1880, AMENDING A CONTRACT WITH TALBOT, KORVOLA & WARWICK FOR FY 93-94 PERFORMANCE AUDIT SERVICES.

Date: December 6, 1993

Presented by: Councilor Gardner

COMMITTEE RECOMMENDATION: At its December 2, 1993 meeting the Governmental Affairs Committee voted 5-0 to recommend Council adoption of Resolution No. 93-1880. All committee members were present and voted in favor.

COMMITTEE DISCUSSION/ISSUES: Council Analyst Casey Short presented the staff report. He said this resolution is in draft form, for consideration by the Committee; if they forward it to the Council, it will require a motion to file with the Council Clerk and recommend adoption. The purpose of the resolution is to amend the contract with Talbot, Korvola, and Warwick for performance audit services, to have their third performance audit be of the Public Affairs Department at a cost of \$35,000. He discussed the scope of work and summarized the information in a December 1 memo to the committee from him and Council Administrator Don Carlson.

In response to a question from Councilor Hansen, Mr. Short and Jack Talbot of the contracting firm said they expected the performance audit to be completed in time for recommendations to be included in the FY 94-95 budget, probably in late March or early April, 1994.

Councilor Wyers asked for clarification on the costs of the contract. Mr. Short and Mr. Talbot said this is the second year of a three-year contract for up to \$180,000, with \$60,000 budgeted each year. The full \$60,000 was expended in 1992-93, and this amendment would raise the total amount spent to \$95,000; the \$35,000 proposed for this amendment would be the first expenditure against this contract in FY 93-94.

Councilor Wyers said she had heard from the Executive's office that they only became aware this contract was being proposed the day before the committee meeting, and commented that this showed a problem with the process. She wants to eliminate surprises between the Council and the Executive, and asked that more attention be paid to notice of such issues in the future.

Councilor Gardner asked for clarification of the Scope of Work as submitted in the draft resolution. In section d) of Task 2, he asked if the audit of public involvement activities would encompass just the Public Affairs Department or the agency as a whole. Mr. Talbot said he envisioned the audit to include a look at such programs throughout the agency in Phase I, in order to determine if there are problems to be explored more fully in Phase 2.

Councilor Moore said she wanted to be sure the scope of work was clear to the contractor and staff administering the contract, and that it reflected that the Phase I research would look at public affairs issues and programs agency-wide, not just in the Public Affairs Department. The committee concurred that the broader look was what it wanted, and amended the draft scope of work to reflect that direction. The amendments included making the words, "Public Affairs" lower-case where applicable on page 2 of the Scope of Work, and changing section b) of Task 2 to refer to "public affairs activities" rather than "Public Affairs office."