



# City of Rialto

## Legislation Details (With Text)

**File #:** CC-19-975    **Version:** 1    **Name:**  
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**Title:** Request City Council to Approve and Amend the existing Professional Services Agreement with Harvey M. Rose Associates, LLC in an additive amount Not-To-Exceed \$231,280 to complete additional work and 1) Conduct an Assessment of the City's Development Services, Building and Safety, Business Licensing, Planning, Code Enforcement, and Economic Development Functions and 2) Conduct a Comprehensive Audit of the Contracts of Sale and All Related Agreements between the City of Rialto/Successor Agency/San Bernardino International Airport Authority and Lewis-Hillwood Rialto LLC.  
**(ACTION)**

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Professional Services Agreement form - 1st Amendment - HMR - DS.pdf, 2. HMR Audit Proposal.Rialto Devp Svcs.10.02.19 (1).pdf, 3. HMR Proposal Rialto Airport Audit.10.3.19.pdf

Date	Ver.	Action By	Action	Result
10/8/2019	1	City Council		

For City Council Meeting [October 8, 2019]

**TO:** Honorable Mayor and City Council

**APPROVAL:** Rod Foster, City Administrator

**FROM:** Sean Grayson, Acting Public Works Director

Request City Council to Approve and Amend the existing Professional Services Agreement with Harvey M. Rose Associates, LLC in an additive amount Not-To-Exceed \$231,280 to complete additional work and 1) Conduct an Assessment of the City's Development Services, Building and Safety, Business Licensing, Planning, Code Enforcement, and Economic Development Functions and 2) Conduct a Comprehensive Audit of the Contracts of Sale and All Related Agreements between the City of Rialto/Successor Agency/San Bernardino International Airport Authority and Lewis-Hillwood Rialto LLC.

**(ACTION)**

### **BACKGROUND**

In August 2019 the City's Assistant City Administrator/Director of Development Services retired. The City has initiated a change of the title of Development Services to Community Development and has conducted a recruitment for the position of Community Development Director. The City has determined that an assessment of the Development Services/Community Development and its functions would be necessary to establish expectations and benchmark performance levels for both the Department and a future Director.

At the September 24, 2019, City Council Meeting, the Council directed that a single focus audit of all contracts and related agreements between the City of Rialto, the City Successor Agency, the San Bernardino International Airport (SBIA), and Lewis-Hillwood Rialto LLC be conducted.

### **ANALYSIS/DISCUSSION**

There is an organizational need to provide comprehensive assessment of City departments and their overall performance. Similarly, there is a need to generate organizational, staff and leadership development programs, and processes throughout the City. In order to bring about timely and coordinated organizational development initiatives, the City will require the use of outside subject matter experts. **Consistent with City Council direction on the previous Human Resources and Public Works assessment actions, such assessments will include consultation and meeting with the City Council members individually as part of the scope of work.**

The City has not previously conducted a formal assessment of the Development Services/Community Development Department or its functions. The complexity of the Public Works function has increased over time. Legal and regulatory compliance are continually changing and the public expectation for transparency has never been greater. A holistic approach is needed to assess the overall Department and its functions. This assessment will serve as a road map to maintain areas of high performance and to address areas where there is an opportunity to improve.

Similarly, the City has not previously conducted an audit of the contracts and related agreements between the City, the City Successor Agency, the San Bernardino International Airport (SBIA), and Lewis-Hillwood Rialto LLC. There have been amendments to and progress on the various contract and agreement elements. In order to provide transparency to the community and ensure compliance with expectations, an outside independent audit will provide such assurances/expectations. These contracts and related agreements are maintained by the Development Services/Community Development Department such that combining the assessment and audit bring benefit to both actions.

An informal solicitation of scope of work and cost for professional services for the assessment of Development Services/Community Development and the single focus audit was conducted. Harvey M. Rose Associates was determined to be the best choice based on breadth and depth of experience in the field and the specific needs of the assessment and audit. Harvey M. Rose Associates, LLC will provide a systematic and comprehensive assessment with objectives, to provide an efficiency evaluation that provides a deep and broad look at the structure of the Department and its divisions, as well as its effectiveness in providing services to the public, working with other departments within the City, and effectively communicating with City management and policy makers. The proposal includes an Initial Risk Assessment followed by a risk focused in-depth analysis and reporting. The proposal also includes a separate audit, working on a parallel timeline, of the contracts and related agreements relating to Lewis-Hillwood Rialto, LCC. Harvey M. Rose Associates, LLC has extensive experience in performance audits across a wide spectrum of public services. The principal, Mr. Dan Doncher, and the analysts listed in the proposal all have extensive Public Works specific municipal review experience. Harvey M. Rose Associates, LLC has performed recent relevant assessments in the Sacramento; Beverly Hills; the Port of Los Angeles; the City/County of San Francisco, Santa Clara County; and the Cities of Watsonville, Victorville, Colton, and is currently engaged with an assessment of the Public Works Department in the City of Rialto. Additionally, Harvey M. Rose Associates conducted an audit of the San Bernardino International Airport Authority (SBIAA).

The project approach and methodology that was provided by Harvey M. Rose Associates, LLC to

provide the Development Services/Community Development assessment and the specific audit is in the attached proposal. The cost of this specific work scope is \$81,000 for the assessment and \$150,280 for the audit for a combined total contract of \$231,280. The timeline for completion of all work is approximately six (6) months with both the assessment and the audit being phased and working on parallel timelines.

### **ENVIRONMENTAL IMPACT**

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Pursuant to Section 15378 (b)(5) a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

### **GENERAL PLAN CONSISTENCY**

This action is consistent with Guiding Principle 3A in the General Plan:

*Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.*

### **LEGAL REVIEW**

The City Attorney has reviewed and supports this staff report

### **FINANCIAL IMPACT**

#### Operating Budget Impact

Funding for services outlined herein is available in account 010-500-1148-2011.

#### Capital Improvement Budget Impact

There is no capital improvement budget impact.

#### Licensing

Prior to execution of the Professional Services Agreement, Harvey M. Rose Associates shall submit a business license application and pay a Business License tax at the rate of \$104, as well as Administration and State fees.

### **RECOMMENDATION**

Staff recommends that the City Council:

Approve and Amend the existing Professional Services Agreement with Harvey M. Rose Associates, LLC in an additive amount not-to-exceed \$231,280 to complete this additional work and 1) Conduct an assessment of the City's Development Services, Building and Safety, Business Licensing, Planning, Code Enforcement, and Economic Development Functions and 2) Conduct a comprehensive audit of the contracts of sale and all related agreements between the City of Rialto/Successor Agency/San Bernardino International Airport Authority and Lewis-Hillwood Rialto LLC.