

## LRB-FISCAL REVIEW SECTION ANALYSIS

**FINANCE & PERSONNEL COMMITTEE  
FEBRUARY 5, 2003**

**ITEMS 10 - 11, FILE #021517  
AND FILE #021516**

**Marianne Celeste Walsh  
Fiscal Manager**

**File #021517 is a Communication** relative to requesting Common Council authorization to produce and distribute a Request for Proposal (RFP) for an FMIS (Financial Management Information Systems) Application Service Provider.

**File #021516 is a Resolution** authorizing the Department of Administration to issue a Request for Proposal for an Application Service Provider for the City's Financial Management Information Systems.

### **Background**

**On April 20, 1999, the Common Council adopted File Number 990089, a resolution relative to outsourcing or privatizing of City services.** This file established a policy that formal authorization and approval of the Common Council by resolution shall be required to outsource or privatize any City service or function which may result in the reduction, elimination or privatization of any City positions. It also established the following procedure relative to such requests:

1. Requesting departments shall prepare a written request accompanied by a written report specifying the service or function to be outsourced or privatized, and the substantiating reasons therefore, including but not limited to factual information concerning current level of service and associated costs, projected cost savings, anticipated change in level or quality of service provided, and specific positions to be affected.
2. The department's written request and written report shall be submitted to the Common Council, and a communication file shall then be referred to the appropriate Common Council committee and to the Finance & Personnel Committee to allow public hearing and review of the request.
3. Any subsequent approval of a request to outsource or privatize services which may result in the reduction, elimination or privatization of any City positions shall be authorized only by approval of the Common Council.

On September 24, 2002, the Common Council adopted File Number 020756, a resolution amending City policy relating to the outsourcing or privatizing of City

services. This resolution amended the original policy resolution, File Number 990089, to further provide that Council authority and approval by resolution shall also be required to permit study or analysis of outsourcing or privatization to be performed by anyone other than City staff.

### **Discussion**

**File Number 021517 (Item #10)** is the communication file from DOA relative to requesting Common Council authorization to produce and distribute an RFP for an FMIS Application Service Provider. ***This communication file includes a detailed report from DOA which meets all criteria set forth in the aforementioned policy resolutions***

**File Number 021516 (Item #11)** is the resolution authorizing DOA to issue an RFP, also in accordance with the applicable policy resolutions. This file further authorizes DOA to expend up to \$25,000 from its 2003 Operating Expenditures Account for consulting purposes, to retain a consultant with relevant expertise to assist in the development of an RFP most appropriate to the City's needs. The resolution further directs the appropriate City officials to assist the DOA and its consultant as needed. And, upon receipt of responses to the RFP, the DOA must obtain Common Council approval by resolution of any resulting agreement.

### **Fiscal Impact**

Resolution File Number 021516 (Item #11) authorizes DOA to expend up to \$25,000 from its 2003 Operating Expenditures Account for consulting purposes, to retain a consultant.

Prepared by: Marianne C. Walsh, Fiscal Manager  
LRB-Fiscal Review Section  
X8686

cc: Michael Soika  
Randy Gschwind  
Sandy Rotar  
Katie O'Sullivan  
W. Martin Morics

rg.asp.report