



Request for Services

City of Gary

On behalf Of

**City of Gary
Gary Sanitary District
Gary Storm Water Management District
Gary Public Transportation Corporation
Gary/Chicago International Airport Authority**

Solicitation For:

Fiscal Monitor

Response Due Date: July 2, 2009

**SECTION ONE
GENERAL INFORMATION AND REQUESTED SERVICES**

1.1 INTRODUCTION

In 2008, Indiana legislature passed Public Law 146 that caps property taxes at 1.5% of assessed value for homeowners, 2.5% for rental properties and farmland and 3.5% for businesses for taxes due in 2009. For 2010 and after, these rates drop further to 1%, 2%, and 3% respectively. The Distressed Unit Appeals Board (DUAB) was established to receive petitions from political subdivisions that expect to have a reduction in their property tax collections of at least five percent (5%) in a calendar year as a result of these caps on property tax bills.

The City of Gary (City), Gary Sanitary District (GSD), Gary Storm Water Management District (GSWMD), Gary Public Transportation Corporation (GPTC), and Gary/Chicago International Airport Authority (Airport) (collectively, the “petitioning units” or “Gary”) petitioned the DUAB on December 8, 2008 for relief from the caps. A hearing was held by the DUAB on January 5, 2009, where the petitioning units requested relief and presented multi-year financial plans. Upon review and evaluation by the DUAB staff, a report was submitted and formal resolution passed on May 20, 2009. As a condition of relief, the petitioning units are required to hire a fiscal monitor to perform the duties outlined within this Request for Services (RFS). For additional information regarding the DUAB or Gary’s petition, please refer to <http://www.in.gov/dlgf/7175.htm>.

It is the intent of the City, on behalf of all petitioning units, to solicit responses to this RFS in accordance with the statement of work, proposal preparation section, and specifications contained in this document. This RFS is being posted to the City and DUAB websites (<http://www.gary.in.us> ; <http://www.in.gov/dlgf/7175.htm>) for downloading. Neither this RFS nor any response (proposal) submitted hereto are to be construed as a legal offer.

1.2 PURPOSE OF THE RFS

The purpose of this RFS is to select a vendor that can satisfy the requirements mandated by the May 20, 2009, DUAB resolution as it pertains to the petitioning units. It is the intent of the City to contract with a vendor, experienced in successful restructuring and turnaround projects, to provide comprehensive organizational and financial management services. The selected vendor will assist the petitioning units in rehabilitating their financial affairs in the near-term with the ultimate objective of alleviating the petitioning units of their distressed status.

1.3 SUMMARY SCOPE OF WORK

1.3.1 90 Day Assessment and Report

To assist Gary in meeting the terms of the DUAB resolution, the prospective vendor shall provide a report within 90 days that assesses Gary’s financial condition as well as

outlines a prioritized course of action. The prospective vendor's response shall explain in detail that the vendor can provide the following services related to the assessment and development of a plan.

- Evaluate departmental structure and staffing for their overall alignment with Gary's core functions and service level requirements
 - Review personnel policy
 - Examine financial and service level data from all departments and units within Gary
- Assess the internal controls Gary has in place to monitor departmental policies, spending, and other management practices
- Scrutinize and comment on budget development, integrity, and transparency
- Study and evaluate the condition of Gary's fixed assets, equipment and infrastructure as well as its asset management policy to better utilize Gary's assets
- Review the terms and management of major contracts associated with Gary, including union contracts, in order to identify cost saving opportunities
- Document, validate, and review all outstanding obligations/ liabilities and their subsequent impact on Gary's financial status
- Provide bi-weekly reports to the DUAB staff and the City that summarizes the vendor's progress toward the performance of its duties

The report itself should summarize the assessment findings, in particular the petitioning units' current financial condition and internal control environment. The report should also include a plan to stabilize the financial situation and set the course for long-term transformation and sustainability. While the report should be comprehensive, it must incorporate the following items.

- Assist in developing an organizational plan designed to stabilize Gary's financials, alleviate distressed unit status, and begin the transformation for long-term sustainability
- Provide a summary of prioritized implementation recommendations based on the assessment
- Develop a course of action to satisfy all outstanding liabilities
- Analyze Gary's capacity to function within the restrictions of property tax caps, specifically noting any impact on service levels and/or public safety
- Draft a recommendation for the petitioners' anticipated 2010 DUAB appeal and budget based upon examination of revenues, expenditures, and corrective actions taken in the current year

- Plan and coordinate the use of funds from the American Recovery and Reinvestment Act of 2009 to maximize future impact while committing only to one-time expenses
- Suggest changes in accounting, reporting, and internal control systems
- Recommend actions to strengthen tax and other revenue collection methods with the goal of improving collection of current and delinquent accounts and assuring accountability
- Provide recommendations to strengthen the City's current economic development strategy that will expand the City's tax base. Place particular emphasis on the evaluation of the best use of vacant properties in the City.
- Submit refined cost projections to implement and oversee report recommendations
- Identify opportunities for improved contract terms and savings
- Propose additional options/scenarios that may be of long-term benefit to Gary including alternative service delivery methods such as shared services models, outsourcing, privatization, etc.

1.3.2 Ongoing Monitoring and Implementation Services

The ongoing role of the prospective vendor shall be determined upon receipt and review of its report. Based upon the recommendations presented in the report, and the level of expertise that is needed to realize such changes, it may be necessary for the prospective vendor to assist with implementation of specific report recommendations. Prospective implementation duties could reflect any combination of the aforementioned points in section 1.3.1.

The final scope of services will be based on the prospective vendors approach to the project and will be negotiated with the firm selected in a separately executed services agreement.

1.4 QUESTION/INQUIRY PROCESS

All questions/inquiries regarding this RFS must be submitted in writing by the deadline of **4:00 p.m. Central Time on June 24, 2009**. Questions/Inquiries should be submitted via email to both cgreen@ci.gary.in.us and cjohnston@omb.in.gov and must be received by the time and date indicated above.

Following the question/inquiry due date, Gary and DUAB personnel will compile a list of the questions/inquiries submitted by all Respondents. The responses will be posted to the aforementioned websites according to the RFS timetable established in Section 1.09. The question/inquiry and answer link will become active after responses to all questions have been compiled. Only answers posted on the websites will be considered official and valid by Gary. No Respondent shall rely upon, take any action, or make any decision based upon any verbal communication with any employee of the City or DUAB staff.

If it becomes necessary to revise any part of this RFS, or if additional information is necessary for a clearer interpretation of provisions of this RFS prior to the due date for proposals, an addendum will be posted on the Gary and DUAB websites. If such addenda issuance is necessary, the due date and time of proposals may be extended to accommodate such additional information requirements, if required.

1.5 DUE DATE FOR PROPOSALS

All proposals must be received at the addresses below by both Gary and the DUAB staff no later than **4:00 p.m. Central Time on July 2, 2009**. Each Respondent must submit **one original hard-copy** (marked "Original") and **one original CD-ROM (marked "Original")** including the Transmittal Letter and other related documentation as required in this RFS to both locations. The **original CD-ROM** will be considered the official response in evaluating responses for scoring and protest resolution. **The respondent's proposal response on this CD may be posted on the DUAB website, (<http://www.in.gov/dlgf/7175.htm>) if recommended for selection.** Each copy of the proposal must follow the format indicated in Section Two of this document. Unnecessarily elaborate brochures or other presentations, beyond those necessary to present a complete and effective proposal, are not desired. All proposals must be addressed to:

Celita Green
City of Gary
Department of Finance
401 Broadway, Room 100
Gary, IN 46402

Cris Johnston
Office of Management and Budget
1 North Capitol, Suite 900
Indianapolis, IN 46204

If you ship or mail solicitation responses: All proposal packages must be clearly marked with the RFS number, due date, and time due. Any proposal received after the due date and time will not be considered. Any late proposals will be returned, unopened, to the Respondent upon request. All rejected proposals not claimed within 30 days of the proposal due date will be destroyed.

No more than one proposal per Respondent may be submitted.

Gary accepts no obligations for costs incurred by Respondents in anticipation of being awarded a contract.

1.6 PRE-PROPOSAL CONFERENCE

It is the decision of Gary that no pre-proposal conference is required for this RFS.

1.7 PRICING

Pricing on this RFS must be firm and remain open for a period of not less than 180 days from the proposal due date.

Please refer to the Cost Proposal sub-section under Section 2 for a detailed discussion of the proposal pricing format and requirements.

1.8 PROPOSAL CLARIFICATIONS AND DISCUSSIONS, AND CONTRACT DISCUSSIONS

Gary reserves the right to request clarifications on proposals submitted to Gary. Gary also reserves the right to conduct proposal discussions, either oral or written, with Respondents. These discussions could include requests for additional information, requests for cost or technical proposal revision, etc. Additionally, in conducting discussions, Gary may use information derived from proposals submitted by competing Respondents only if the identity of the Respondent providing the information is not disclosed to others. Gary will provide equivalent information to all Respondents which have been chosen for discussions. Discussions, along with negotiations with responsible Respondents, may be conducted for any appropriate purpose.

The DUAB staff will schedule all discussions. Any information gathered through oral discussions must be confirmed in writing.

1.09 SUMMARY OF MILESTONES

The following timeline is only an illustration of the RFS process. The dates associated with each step are not to be considered binding. Due to the unpredictable nature of the evaluation period, these dates are commonly subject to change. At the conclusion of the evaluation process, all Respondents will be informed of the evaluation team's findings.

Key RFS Dates:

Activity	Date
Issue of RFS	June 17, 2009
Deadline to Submit Written Questions	June 24, 2009
Response to Written Questions/RFS Amendments	June 26, 2009
Submission of Proposals	July 2, 2009

<i>The dates for the following activities are target dates only. These activities may be completed earlier or later than the date shown.</i>	
Proposal Evaluation	July 6, 2009
Proposal Discussions/Clarifications (if necessary)	July 7-10, 2009 (if necessary)
Oral Presentations (if necessary)	July 13-15, 2009 (if necessary)
Contract Award	July 17, 2009

SECTION TWO PROPOSAL PREPARATION INSTRUCTIONS

2.1 GENERAL

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is described in this section. All Respondents are required to format their proposals in a manner consistent with the guidelines described below:

- Each item must be addressed in the Respondent's proposal.
- The Transmittal Letter must be in the form of a letter. The business and technical proposals must be organized under the specific section titles as listed below.

2.2 TRANSMITTAL LETTER

The Transmittal Letter must address the following topics except those specifically identified as "optional."

2.2.1 Agreement with Requirement listed in Section 1

The Respondent must explicitly acknowledge understanding of the general information presented in Section 1 and agreement with any requirements/conditions listed in Section 1.

2.2.2 Summary of Ability and Desire to Supply the Required Products or Services

The Transmittal Letter must briefly summarize the Respondent's ability to supply the requested products and/or services that meet the requirements defined in Section 3 of this RFS. The letter must also contain a statement indicating the Respondent's willingness to provide the requested services subject to the terms and conditions set forth in the RFS including, but not limited to, Gary's mandatory contract clauses.

2.2.3 Signature of Authorized Representative

A person authorized to commit the Respondent to its representations and who can certify that the information offered in the proposal meets all general conditions including the information requested in Section 2.3.4, must sign the Transmittal Letter. **In the Transmittal Letter, please indicate the principal contact for the proposal along with an address, telephone and fax number as well as an e-mail address.**

2.2.4 Respondent Notification

Unless otherwise indicated in the Transmittal Letter, Respondents will be notified via e-mail.

It is the Respondent's obligation to notify Gary of any changes in any address that may have occurred since the origination of this solicitation. Gary will not be held responsible for incorrect vendor/contractor addresses.

2.2.5 Other Information

This item is optional. Any other information the Respondent may wish to briefly summarize will be acceptable.

2.3 BUSINESS PROPOSAL

The Business Proposal must address the following topics except those specifically identified as "optional."

2.3.1 General

This section of the business proposal may be used to introduce or summarize any information the Respondent deems relevant or important to Gary's successful acquisition of the services requested in this RFS.

2.3.2 Respondent's Company Structure

The legal form of the Respondent's business organization, the state in which formed (accompanied by a certificate of authority), the number of offices the company has and locations of those offices, the types of business ventures in which the organization is involved, and a chart of the organization are to be included in this section. If the organization includes more than one product division, the division responsible for the development and marketing of the requested services in the United States must be described in more detail than other components of the organization. In addition, please provide a concise history of the organization.

2.3.3 Similar Experience and References

The Respondent must provide a complete list of government and private clients for whom Respondent or any of Respondent's parent companies, sister companies, subsidiaries, or other related entities, have provided services that are the same or similar to those services requested in this RFS since January 1, 2007. Provide dates and a brief description of the scope of work for each.

Additionally, if applicable, please identify any work performed for any of the petitioning units. Include dates of service and a brief description of the scope of work for each.

2.3.4 Subcontractors

The Respondent is responsible for the performance of any obligations that may result from this RFS, and shall not be relieved by the non-performance of any subcontractor.

Any Respondent's proposal must identify all subcontractors and describe the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Respondent must be in compliance with all Gary statutes, and will be subject to the provisions thereof. For each portion of the proposed products or services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in Gary's evaluation. The Respondent must furnish information to Gary as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by Gary. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate Gary officials, and such relationships must meet with the approval of Gary.

The Respondent must list any subcontractor's name, address and the state or country in which formed that is proposed to be used in providing the required products or services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFS or in completing the commitments documented in the proposal.

2.4 TECHNICAL PROPOSAL

The Technical Proposal must be divided into the sections as described below. Every point made in each section must be addressed in the order given. The same outline numbers must be used in the response. RFS language should not be repeated within the response. Where appropriate, supporting documentation may be referenced by a page and paragraph number. However, when this is done, the body of the technical proposal must contain a meaningful summary of the referenced material. The referenced document must be included as an appendix to the technical proposal with referenced sections clearly marked. If there are multiple references or multiple documents, these must be listed and organized for ease of use by Gary.

2.4.1 General

Please provide an overview of your proposal.

This section must set forth a proposed timeline to perform the tasks contained within the Scope of Work of this RFS with the understanding that a report must be issued within 90 days of contract. It should include a work plan that identifies how it intends to conduct

the assessment. The work plan should address the scaling-up of operations to accommodate any increase in workload, whether long or short-term.

Respondent must describe the office location(s), experience, certifications, licenses, and qualifications of the staff members who would work on any projects described in the Scope of Work under this RFS. Include a narrative description of any past work relating to operational and financial investigations performed by each person.

This section must also include identification and description of the methods that Respondent would use to perform the Scope of Work, including analytical models and methods of comparison. Gary will use this information to evaluate the viability of Respondent's projections and analyses.

2.4.2 Written Work Product

If Respondent has performed the type of work requested in the Scope of Work section (1.3) for any entity, please provide a copy of the work product, where available, that Respondent has completed for the type of work. Work product may be redacted to delete any confidential information.

2.4.3 Fiscal Monitoring

This section should focus on the Respondent's ability to implement the suggestions contained within the written report. If Respondent has performed the type of work requested in the Scope of Work section for any entity, please provide a summary of the fiscal monitoring services as well as a description of the improvement in outcomes. A sample fiscal oversight and control report should be included.

Describe the Respondent's ability to provide continuous monitoring of financial transactions and to implement managerial decisions including a detailed methodology for third party fiduciary oversight services.

2.5 COST PROPOSAL

90 Day Assessment and Report

Respondents should quote a fixed fee for the organizational and management assessment. Respondent may offer alternative pricing, such as hourly rate with a not-to-exceed cap.

Ongoing Monitoring and Implementation Services

While the exact scope of services required for the fiscal monitoring and implementation of recommendations cannot be determined until after the issuance of the report, each Respondent, based on its past experience and understanding of the current operating conditions of the petitioning units, must provide an estimated monthly fee or range of monthly fees for services relating to the implementation of the proposed recommendations.

SECTION THREE PROPOSAL EVALUATION

3.1 PROPOSAL EVALUATION PROCEDURE

Gary and the DUAB have selected a proposal evaluation team that will be responsible for evaluating proposals with regard to compliance with RFS requirements. All evaluation personnel will use the evaluation criteria stated in Section 3.2.

The procedure for evaluating the proposals against the evaluation criteria will be as follows:

- 3.1.1 Each proposal will be evaluated for adherence to requirements on a pass/fail basis. Proposals that are incomplete or otherwise do not conform to proposal submission requirements may be eliminated from consideration.
- 3.1.2 Each proposal will be evaluated on the basis of the categories included in Section 3.2. A point score has been established for each category.
- 3.1.3 If technical proposals are close to equal, greater weight may be given to price.
- 3.1.4 Based on the results of this evaluation, the qualifying proposal(s) determined to be the most advantageous to Gary, taking into account all of the evaluation factors, may be selected by Gary and the DUAB for further action, such as contract negotiations. If, however, Gary and the DUAB decide that no proposal is sufficiently advantageous to Gary, Gary may take whatever further action is deemed necessary to fulfill its needs. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, Gary may begin contract preparation with the next qualified Respondent or determine that no such alternate proposal exists.

3.2 EVALUATION CRITERIA

Proposals will be evaluated based upon the proven ability of the Respondent to satisfy the requirements of the RFS in a cost-effective manner. Each of the evaluation criteria categories is described below with a brief explanation of the basis for evaluation in that category. The points associated with each category are indicated following the category name (total maximum points = 100). If any one or more of the listed criteria on which the responses to this RFS will be evaluated are found to be inconsistent or incompatible with applicable federal laws, regulations or policies, the specific criterion or criteria will be disregarded and the responses will be evaluated and scored without taking into account such criterion or criteria.

Summary of Evaluation Criteria:

Criteria	Points
1. Adherence to Mandatory Requirements	Pass/Fail
2. Experience Providing Similar Services	40 points

3. Management Assessment/Quality (Business and Technical Proposal)	40 points
4. Cost (Cost Proposal)	20 Points
Total	100

All proposals will be evaluated using the following approach.

Step 1

In this step proposals will be evaluated only against Criteria 1 to ensure that they adhere to Mandatory Requirements. Any proposals not meeting the Mandatory Requirements will be disqualified.

Step 2

The proposals that meet the Mandatory Requirements will then be scored based on Criteria 2 and 3 ONLY. This scoring will have a maximum possible score of 80 points. All proposals will be ranked on the basis of their combined scores for Criteria 2 and 3 ONLY. This ranking will be used to create a “short list”. Any proposal not making the “short list” will not be considered for any further evaluation.

Step 2 may include one or more rounds of proposal discussions focused on experience and other proposal elements.

Step 3

The short-listed proposals will then be evaluated based on all the entire evaluation criteria outlined in the table above.

If Gary conducts additional rounds of discussions, which lead to changes in either the technical or cost proposal for the short listed Respondents, their scores will be recomputed.

The section below describes the different evaluation criteria.

3.2.1 Adherence to Requirements – Pass/Fail
Respondents passing this category move to Phase 2 and proposal is evaluated for Experience and Management Assessment/Quality.

3.2.2 Experience Providing Similar Services- 40 points

The Experience Providing Similar Services category will examine the experience of the Respondent. Among the factors taken into consideration will be the following:

- The Respondent’s past success at conducting organizational assessments and the subsequent draft of findings
- The Respondent’s hands-on experience in turnaround environments

- Experience creating a legacy of financial management capability that includes strict financial controls over municipal departments to limit excess and streamline operations, specifically focusing on line item budget comparisons to prevent over limit and non-allowable spending
- Expertise approving and processing payments and disbursements, maintaining the necessary accounting records to reconcile with the appropriate financial accounts
- The Respondent's competence implementing policies and procedures designed to strengthen internal mechanisms, specifically targeting procurement, budgeting, and fiscal oversight
- Familiarity with contract negotiations, specifically participation in union contract negotiations
- Experience assuming conservator-like duties

3.2.3 Management Assessment/Quality - 40 points

The Management Assessment/Quality category will look into many different indicators of management of the Respondent. Among these indicators will be the following:

- The scope of consultations similar to those anticipated under this RFS that have been completed by Respondent
- The scope of the fiscal, legal, and communication knowledge and skills possessed by Respondent's staff
- Level of reliance on outside contractors to perform the assigned tasks
- The Respondent's ability to perform the assigned tasks efficiently
- The thoroughness of the proposed work plan
- The quality of Respondent's references
- The quality of Respondent's past written work product
- Any unique techniques, knowledge, and/or services offered by respondent relevant to conducting comprehensive fiscal monitoring

3.2.4 Price – 20 points

Price points will be allocated based on the total expected contract price.