

76408

April 29, 2020

To: The Honorable Board of Acquisition and Contract

From: George Latimer
County Executive

Re: Request for amendment of a resolution dated February 13, 2020 ("First Amendment Resolution") which authorized the County of Westchester ("County") to enter into a first amendment ("First Amendment") to its agreement with Permut Consulting, LLC ("Permut") pursuant to which Permut provides advisory services in connection with County capital projects ("Agreement") by (1) revising the amended scope of services authorized by the First Amendment Resolution, and (2) extending the term of the authorization to a new termination date of June 30, 2021.

As your Honorable Board is aware, the First Amendment Resolution authorized the County to amend its agreement with Permut pursuant to which Permut provides advisory services in connection with County capital projects for the period from October 1, 2019 through September 30, 2020 for an amount not to exceed \$75,000.00 payable monthly at a rate of \$400.00 per hour, by (1) revising the scope of services of the Agreement, and (2) increasing the total amount payable by the County under the Agreement by \$75,000 to a total aggregate not-to-exceed amount of \$150,000.

The First Amendment has not yet been executed. Now, it has been determined that additional modifications to the approved amended scope of services are required, and that the term of the Agreement must be extended to a new termination date of June 30, 2021. Accordingly, said revisions to the First Amendment Resolution are hereby respectfully requested.

Permut's long-term, direct experience and knowledge with respect to these matters makes it a unique resource. The Agreement enables the County to improve its fiscal practices and the efficiency of its procedures. It will ensure that the County has the necessary expertise in connection with these matters.

Permut seeks to collaborate with Robert Bergen as a sub-consultant. Accordingly, authority is also requested to approve Robert Bergen, who has more than 35 years of direct experience with governmental procurement and governance policy and implementation, as a sub-consultant. Mr. Bergen will, under the direction of Permut, assist and support Permut in all endeavors contemplated under the Agreement.

It should be noted that under the Agreement, Permut's responsibility to defend and indemnify the County is limited to damages directly arising from Permut's performance or failure to perform under the Agreement. Furthermore, Permut's obligations to defend and indemnify the County would be limited to any amounts earned by Permut pursuant to the Agreement.

A separate Resolution is being submitted to your Honorable Board this date to revise the exemption previously granted from the requirements of the Westchester County Procurement Policy pursuant to Section 3(a)(xxi) thereof.

The goals and objectives of the Agreement are to review procurement policies and practices of the County and advise County leadership regarding modifications to those policies and practices that could improve the procurement of goods and services in regards to capital projects in terms of speed and efficiency while retaining a system that promotes effective and appropriate competition and oversight. Focus will be on expediting implementation of the current capital backlog. Also review the County's capital planning process and advise County leadership as to improvements that would enable more effective, efficient and quicker implementation of projects.

Accordingly, your favorable action on the annexed Resolution is most respectfully urged and recommended.

APPROVED BOARD OF ACQUISITION & CONTRACT ADMINISTRATION - LISA M. UJAJ, SECRETARY

RESOLUTION

Upon a communication from the County Executive, be it hereby

RESOLVED, that the resolution dated February 13, 2020 (“First Amendment Resolution”), which authorized the County of Westchester (“County”) to amend its agreement with Permut Consulting, LLC (“Permut”) pursuant to which Permut provides advisory services in connection with the County’s capital projects, for a term from October 1, 2019 through September 30, 2020 for an amount not to exceed \$75,000.00 payable monthly at a rate of \$400.00 per hour (“Agreement”) by increasing the not-to-exceed amount by \$75,000 to a new, total aggregate amount not to exceed \$150,000, and replacing the scope of services of the Agreement with a revised Schedule “A-1” is hereby revised to replace Schedule “A-1” with Schedule “A-2,” as attached hereto, and to authorize extension of the term of the Agreement to a new termination date of June 30, 2021; and be it further

RESOLVED, that except as specifically modified, all terms and conditions of the Agreement shall remain in full force and effect; and be it further

RESOLVED, that this Agreement is subject to County appropriations; and be it further

RESOLVED, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the “State Budget”) proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

RESOLVED, that the County Executive or his duly appointed designee be, and hereby is, authorized to take such action and execute such documents as may be necessary and proper to effect the purposes hereof.

Account to be Charged/credited	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	101	46	2000	4380		\$75,000.00

Budget Funding Year(s) 2020 Start Date September 30, 2020 End Date June 30, 2021
 (must match resolution)

Funding Source Tax Dollars \$75,000.00
 State Aid _____
 \$ _____ Federal Aid _____
 (must match resolution)
 Other _____

SCHEDULE "A-2"
MODIFIED SCOPE OF SERVICES

Objective

The Consultant shall review procurement policies and practices of the County and advise County leadership as to modifications to those policies and practices that could improve the procurement of goods and services in regards to capital projects in terms of speed and efficiency while retaining a system that promotes effective and appropriate competition and oversight. Focus will be on expediting implementation of the current capital backlog. Also review the County's capital planning process and advise County leadership as to improvements that would enable more effective, efficient and quicker implementation of projects.

After conducting a number of interviews, reviewing a wide range of documents and developing an initial understanding of the County's existing capital planning and implementation processes, Consultant met with County senior executive staff to provide a preliminary oral report. It was then agreed that, in light of the complexity of the County's processes, the original scope of services should be modified to include additional steps, including confirming the need to investigate and compare analogous processes used by a few comparable government entities and the preparation of interim written reports all as outlined below. The resulting need for Consultant to undertake additional efforts, as outlined below, requires a modification of the not-to-exceed amount of the Agreement.

Work Scope and Schedule

Task 1:

Through review of applicable legal requirements and policies, available reports and/or audits, interviews with key staff and an analysis of recent or ongoing procurements, gain an understanding of the County's current policies and practices with respect to procurement, and where there are actual or perceived inefficiencies and roadblocks. This review shall also include an analysis of the County's current policies and practices with respect to the planning and approval of its five-year and current year capital program. As necessary to gain a complete understanding of the process, two or three capital projects may be subject to a more detailed evaluation to determine their progression from inception to implementation and contractual close-out. The focus of this will be to identify existing obstacles in expeditiously implementing capital projects. Develop a process map that documents the existing practices sub-divided into a planning phase (project inception through bond authorization) and a project implementation phase (bond authorization through project close-out). Assess both current processes and highlight apparent roadblocks and inefficiencies.

Product: Draft report to County executive staff by April 17, 2020
Final Task 1 report to County executive staff by May 15, 2020

Task 2: Conduct research and interviews as needed with select external peer governmental agencies. Compare and contrast the County's entire capital program process to the approaches used by any such agencies so as to be able to identify and suggest potential modifications to the County's approach to its program.

Product: Draft Report to County executive staff by May 15, 2020
Final Task 2 Report to County executive staff by May 22, 2020

Task 3. Recommend to senior County leadership potential modifications to its capital planning, financing and implementation processes to develop and implement future capital programs as well as to address the capital backlog. This will be based on analyses outlined in the previous two memos. As such, it may involve recommended changes to (i) long-standing work procedures, (ii) interactions with the Board of Legislators, (iii) County charter and administrative code regulations, and (iv) New York State legislation. It may also recommend organizational modifications including new processes, re-alignment of responsibilities and utilization of new systems.

Product: Draft Report to County executive staff by June 30, 2020
Final Report to County executive staff by July 15, 2020

Task 4: Meet with Board of Legislators and key external parties identified by County executive staff to discuss changes/rationale, including presentation materials or slides as to be determined by Consultant and executive staff.

Communications

It is understood that, in addition to the scheduled report dates delineated above, Consultant shall communicate and, as necessary, meet with County staff for the purposes of gaining information and confirming factual conclusions. In addition, Consultant shall maintain regular communications with County executive staff to advise as to the status of its efforts.

Compensation

Consultant will be paid at a rate of \$400/hour and shall provide to the County invoices on a monthly basis. Because this contract, as modified, has a not-to-exceed amount of \$150,000, and in order to ensure adequate oversight by the County's senior leadership, the parties agree as follows:

- When the cumulative hourly billing by Consultant has reached \$60,000, the parties will meet to discuss and determine the approximate percentage of the scope of work that has been achieved;
- When the cumulative hourly billing by Consultant has reached \$100,000, the parties will meet again to determine whether or not they agree that the full scope of work can be achieved within the not-to-exceed amount of this Contract;
- As a result of either of these meetings, or as appropriate, the parties will determine and agree if the scope of work will be completed within the not-to-exceed amount of this contract. If the parties determine either that the scope of the contract or the contract itself requires modification, they shall proceed to make any such modification.