

Borough of Bellefonte

EARLY INTERVENTION PROGRAM PROPOSAL AND FIVE-YEAR FINANCIAL PLAN

REQUEST FOR PROPOSAL

**RESPOND NO LATER THAN:
4:00 PM EST, October 21st, 2019**

INQUIRIES

Ralph W. Stewart, Borough Manager

rstewart@bellefontepa.gov

814.355.1501

INTRODUCTION

Bellefonte Borough has a population of 6,187 and has a geographic area of approximately 1.8 square miles. The Borough is nearly built out leaving little room for increasing real estate and wage tax income. Like many County Seat Boroughs, we have a very slow-growing tax base and relatively high percentage of non-taxable real estate. We struggle to maintain the services and infrastructure that we have such as our police department, the roads, curbs, storm drains, sewer and water systems. We have a large portion of the Borough in an ordinance-regulated Historic District and accordingly, we place a high value on historic structure preservation and maintenance.

Bellefonte Borough and surrounding Spring Township are the only two municipalities in the region that provide local policing. Studies and efforts to consolidate these two departments have been performed in the past; however, the studies identified no real cost savings unless a third municipality agreed to taking on a third of the costs. With no fee for State Police coverage, there has been no movement in this area.

Bellefonte Borough has approximately 50 full-time and some seasonal part-time employees covering the following services: water, wastewater, refuse collection, police, streets, parks and general government. Bellefonte Borough also a fire department with all volunteer labor. Bellefonte Borough also contributes to a regional EMS service. Both fire and EMS are struggling financially to maintain services. The 2019 General Fund Revenue and Expenditures are budgeted at \$3,353,395. A copy of the complete 2019 Budget and organizational chart can be found on the Borough's website at Bellefonte.net.

A. PROPOSAL SUBMISSION

1. Twelve (12) copies of the sealed proposal must be submitted not later than 4:00 p.m. EST, Monday, October 21st, 2019 to:

*Ralph W. Stewart, Manager/Secretary
Bellefonte Borough
236 West Lamb Street
Bellefonte, PA 16823*
2. The envelope(s) must be marked prominently on the outside **“EARLY INTERVENTION PROGRAM PROPOSAL AND FIVE YEAR FINANCIAL PLAN—TECHNICAL PROPOSAL”**.
3. Fee/Cost information shall be in a separate sealed envelope marked **“EARLY INTERVENTION PROGRAM PROPOSAL AND FIVE YEAR FINANCIAL PLAN—PRICE PROPOSAL”**.
4. Proposal must be mailed or hand delivered. No faxed proposals will be accepted.
5. Proposals will be handled confidentially by Bellefonte Borough during the pre-award process.
6. Acceptance of a proposal **and** contract award shall be contingent on Bellefonte Borough being granted State Funding for the Early Intervention Program.

7. Bellefonte Borough will not be responsible for any expenses incurred by a Proposer in connection with this procurement.

B. QUESTIONS

Any questions concerning the Request for Proposal should be directed to Ralph Stewart at rstewart@bellefontepa.gov.

I. GENERAL CONDITIONS

- A. No verbal instructions or verbal information to bidders will be binding on Bellefonte Borough. These written specifications will be considered clear and complete unless written attention is called to any apparent discrepancies or incompleteness before the opening of the proposals. Should any alterations to these specifications be made in the form of written addenda, they will be posted to the Bellefonte Borough website. These addenda shall then be considered to be part of the specifications.
- B. Submission of a proposal will be considered as conclusive evidence of the bidder's complete examination and understanding of the specifications.
- C. Bellefonte Borough reserves the right to reject any or all proposals; the right to request additional information from any proposer; the right in its sole discretion, to accept the proposal considered most favorable; and the right to waive minor irregularities in the procedures or proposals if it is deemed in the best interest of Bellefonte Borough.

Bellefonte Borough reserves the right to negotiate with proposers to establish variations from the original proposal(s), including proposed cost, which may be in the interest of Bellefonte Borough.

- D. The award will be made to the responsive and responsible bidder whose proposal, conforming to specifications will be most advantageous to Bellefonte Borough; price and other factors will be considered, such as delivery time, quality, service, experience and specific skills and disciplines represented on the consulting team, etc. The award may or may not be made to the firm with the lowest cost.
- E. Bellefonte Borough shall have the right, without invalidating the contract, to make additions to or deductions from the items or work covered by the specifications. In case such deductions or additions are made, an equitable price adjustment shall be made between Bellefonte Borough and the Contractor. Any such adjustments in price shall be made in writing.
- F. Bidders requesting additional information and/or clarifications to the bid specifications shall submit the inquiries, in writing, not less than five (5) working days prior to the bid opening date. Inquiries received less than five (5) working days prior to the bid opening date will not receive responses. See paragraph "A" above for additional clarification.
- G. The bidder will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin or handicap. The bidder will take affirmative action to ensure that applicants are employed without regard to race, color, religion, sex, age, handicap, or national origin. Bidders will take steps to insure employees are treated during

employment without regard to race, color, religion, sex, age, handicap, or nation origin. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- H. The contractor shall not initiate work or incur any cost until such time as Bellefonte Borough receives confirmation that grant funds shall be available, at which time Bellefonte Borough will issue a Notice to Proceed
- I. CONTRACT TERMINATION: A contract may be canceled by Bellefonte Borough by giving the Vendor sixty (60) days written notice of intent to cancel.
- J. INDEMNIFICATION: The successful bidder shall assume the defense of and indemnify and hold harmless Bellefonte Borough, their officers, agents and employees from and against all claims, demands, actions, suits and proceeding by others and against all liability, both negligent and non-negligent, arising directly or indirectly out of the actions of the Firm/Proposer in their performance of this contract.
- K. INSURANCE: The successful bidder, prior to commencing work, shall provide at his/her own expense, the following insurance to Bellefonte Borough, evidenced by Certificates of Insurance. Each certificate shall require that notice be given, thirty (30) days prior to cancellation or material change in the policies, to Ralph Stewart.

Workers' Compensation including Occupational Disease and Employer's Liability Insurance

- 1. Statutory-amounts and coverage as required by Pennsylvania Workmen's Compensation and Occupational Disease Laws.
- 2. Employer's Liability – Bodily injury by:
 - a. Accident \$100,000 each
 - b. Disease \$500,000 minimum policy limit
 - c. Disease \$100,000 each employee

Liability

The successful bidder shall maintain a commercial general liability insurance policy, using an occurrence form of coverage. The required coverage forms are:

- 1. Comprehensive
- 2. Premises – Operation
- 3. Contractual Insurance
- 4. Independent Contractor

The Comprehensive General Liability Policy shall have a minimum limit of liability of \$300,000 minimum, per occurrence.

Automobile liability coverage with minimum combined single limits of \$300,000 per occurrence.

The successful bidder shall obtain total minimum coverage limits of \$1,000,000 per occurrence. The additional limits above the General Liability and Automobile Liability policies (required above) may be provided by Excess and/or Umbrella Liability policies.

The successful bidder shall provide evidence of professional liability coverage (Accountants Professional Liability Coverage) with limits to be acceptable to the Borough Solicitor and the successful bidder shall have and maintain coverage for at least one year beyond completion of actual work.

All policies except Professional Liability shall name Bellefonte Borough, their officers, agents, and employees as additional insured. This coverage shall be reflected on the Certificates of Insurance.

Nothing contained in this section shall be construed as limiting the extent of the vendor's responsibility for payment of damages resulting from his operations under the contract.

II. SCOPE OF WORK

Bellefonte Borough will be applying for grant funds offered by the Commonwealth of Pennsylvania, Department of Community and Economic Development's Early Intervention Program. The purpose of the program is to establish short-term and long-term financial and managerial objectives that will strengthen the fiscal capacity of the municipal government along with the integration of long-term community and economic development strategies that strengthen the borough's tax base. The Early Intervention Program is designed, in part, based on the experiences of the City of Philadelphia in operating under the Pennsylvania Intergovernmental Cooperation Act (PICA) and on recommended financial management practices of the Government Finance Officers Association (GFOA).

III. ENGAGEMENT OBJECTIVES

With financial assistance from this program and assistance from the Consultant, Bellefonte Borough will develop and implement a multi-year financial management program and strategies. The objectives of the engagement are to:

- A. Strengthen multi-year financial planning processes for Bellefonte Borough.
- B. Assist Bellefonte Borough on an early intervention basis to identify and address financial difficulties.
- C. Develop the internal capacity within the municipality so that it is able to develop, adopt, monitor, and implement Multi-Year Financial Management plans and incorporate this process into the annual budget process.
- D. Assess possible revenue creation in a community which has limited taxation ability.
- E. Conduct related management studies that will improve the management, financial administration, and economic development activities within Bellefonte Borough. This part of

the study should include but not be limited to an analysis of the appropriate structure, command, scheduling, and staffing levels of each department and a review of current practices compared to established “best practices” and standards of excellence for local government service delivery. It should also include a review of all current collective bargaining agreements and recommendations regarding cost containment and cost sharing for relevant departments and operations.

- F. Implement a system of multi-year revenue and expenditure financial monitoring and trend analysis so that Bellefonte Borough can anticipate and plan for future financial circumstances. This includes analysis of retirement plans, liability and health insurance coverage and cost.
- G. Determine and establish the adoption of “best practices” for management of Bellefonte Borough and develop efficiency measures to increase its financial stability.
- H. Provide a mechanism by which Bellefonte Borough may adopt prioritized short- and long-term goals and objectives.
- I. Explore the opportunities for promoting multi-municipal and regional cooperation strategies and cost-sharing among area local governments.
- J. Create a methodology by which Bellefonte Borough can further the integration of sound community and economic development strategies to encourage the economic growth of the Borough’s tax base over a multi-year period.

IV. STATEMENT OF WORK TO BE PERFORMED

The Early Intervention Program is guided by a philosophy that establishes five (5) specific measures that a local government can take to manage its financial position and achieve or maintain its long-term economic viability: 1) expenditure reduction; 2) revenue enhancement; 3) implementation of a long-term economic development strategy; 4) adoption of best management practices to achieve operating efficiencies; and 5) pursuit of intergovernmental cost-sharing strategies.

The Early Intervention Program requires that Bellefonte Borough prioritize its most critical needs and establish a process that ensures that resources are focused on areas of highest priority, thus creating a “triage” approach to fiscal distress intervention.

The Early Intervention Program must be designed to meet the individual and specific needs of Bellefonte Borough. The development of the plan is to be divided into 4 steps:

Step 1 Financial Condition Assessment – This assessment is to be performed as a means to establish a realistic baseline of Bellefonte Borough’s historic and financial condition. This review should include a minimum of four (4) years of detailed historical financial data.

Step 2 Financial Trend Analysis – Performed over a multi-year period, this analysis will project future revenue, expenditure, economic and demographic trends for at least a three (3) year period so that Bellefonte Borough can understand its future financial position and take immediate steps to counteract any negative trends.

Step 3 Management Audit – With assistance from the consultant, Bellefonte Borough should perform a management audit of all departments and operations. The audit is to include narrative summaries of each department comprised of budget and personnel information as well as other relevant data. This data is to be supported by interviews with Council members, Borough Manager and Assistant Manager, the Finance Director, Department Heads, and key staff members, as may be required, in order to facilitate the most comprehensive view of Bellefonte Borough’s most critical operational needs. Recommended structure, command, scheduling and staffing levels (based on “best practices” for local government service delivery) should be provided for each department so that it will be possible for management to use a “benchmarking” strategy to address operational deficiencies. The management audit shall encompass any and all areas outlined by Bellefonte Borough Council during the interview and consultant selection process.

Step 4 Multi-Year Plan Adoption – The Plan, at its foundation, will identify Bellefonte Borough’s top three financial management priorities. Additional prioritization should be conducted at the departmental level including voluntary services such as Fire Department and EMS, and interdepartmental objectives that are Borough-wide in nature. These should be detailed in the Plan. Each objective is to contain a detailed action plan that describes: 1) what is to be achieved; 2) the budgetary impact; 3) the timing and deadlines for each action step; and 4) which employee or agency has the primary responsibility for the objective.

Step 5 Implementation Schedule – The Plan should include a proposed implementation schedule for recommendations.

V. SUPPORT TEAM

The consultant will be expected to work with a consortium of individuals representing Bellefonte Borough’s management, Elected Officials and employees.

VI. REPORTS REQUIRED

The following reports as detailed above in Section V are expected during the course of, and at the completion of the engagement:

- A. Assessment of Bellefonte Borough’s Financial Condition
- B. Financial Trend Analysis
- C. Management Audit
- D. Five-Year Plan

VII. SCHEDULE

During the review, the consultant may be required to meet with various elected or appointed officials, department heads, and staff members to discuss the progress of the engagement or related matters.

All reports are to be presented publicly to Bellefonte Borough Council no later than the following time frames after executing an agreement:

<u>Steps 1 and 2:</u>	The Assessment of the municipalities Financial Condition and Fiscal Trend Analysis	3 months
<u>Step 3:</u>	The Management Audit	4 months
<u>Step 4:</u>	The Five Year Plan	6 months
<u>Step 5:</u>	Implementation Schedule	6 months

VIII. PROPOSAL

Proposals are to be submitted in two (2) parts with each sealed in a separate envelope. The first part of the proposal (marked "Technical Proposal") shall cover the technical aspects as thereafter explained, but shall not include any mention of fees or out-of-pocket expenses to be billed to the Borough. The second part of the proposal (marked "Price Proposal") shall include details as to fees charged and out-of-pocket expenses to be billed. Twelve (12) copies of the Technical Proposal and the Price Proposal are required. Bellefonte Borough also requires an electronic copy of the "Technical Proposal" and "Price Proposal".

A. Technical Proposals should include the following information in the order detailed:

1. Title Page – List the RFP subject, the name of the firm, the local address, telephone number, name of the contract person and date.
2. Table of Contents – Include a clear identification of the material included in the proposal by page number.
3. Letter of Transmittal – Limit two (2) pages. Make a positive commitment to perform the required work within the time period requested. Also, give the name(s) of the person(s) who will be authorized to make representation for your firm, their title, and telephone numbers.
4. Profile of Proposer – State whether your firm is local, national or international in size. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at the office. Briefly describe the range of activities performed by the local office such as auditing, accounting, tax services and management advisory services.
5. Summary of the Proposer's Qualifications – Describe the recent local and/or regional financial management review experience similar to the type requested in the proposal and give the names and telephone numbers of client officials who might be contacted regarding your firm's work. At least three (3) references are requested.

Provide a brief resume for each of the persons to be assigned to the engagement. At a minimum, detailed information should be provided for the consultant in charge of the

review, and the financial advisor who will be in charge of the field work. Resumes should include educational and professional experience with particular emphasis on financial consultation to governmental units. Briefly describe your firm's professional development program, including the approximate number of hours of continuing professional education provided to members of your firm annually. Also, indicate whether the continuing professional education program of your firm is of an internal or external nature.

Provide details as to the capability of your firm to provide financial management advisory services over a multi-year period.

6. Management Review Approach – Make a statement indicating your understanding as to the scope of work requested and briefly describe your firm's management review approach and give specific illustrations of the review procedures which will be employed. Submit at least one (1) sample of a recent management audit report prepared by your firm for a governmental unit.
7. Utilization of Borough Resources – The Proposer should provide an estimate of the number of hours which will be required of: (1) Bellefonte Borough's staff in assisting in the provision of data; and (2) management staff in providing interviews.
8. Additional Data – Include in this section any pertinent information not covered in any of the previous sections. If there is no additional information to present, please so state.

B. Price Proposals shall include the following information for each year:

1. Compensation – The estimated **maximum** number of hours and hourly rates by staff classification necessary to complete the engagement. The estimated out-of-pocket costs and the resulting all-inclusive **maximum fee** for which the requested work will be done.
2. Billings and Payment Terms – Proposers should include what payment terms are required, although monthly progress billings are preferred for both the consultant fees and out-of-pocket expenses. Billings should show the total professional hours, by classification, together with applicable rates and extensions, actual travel expenses incurred, and a reasonable itemization of other out-of-pocket expenses.

IX. EVALUATION OF THE PROPOSALS

In general, the Technical Proposals will be evaluated in terms of: (1) the Proposer's demonstrated understanding of Bellefonte Borough's requirements and plans for meeting them; (2) the professional qualifications and related experience of the persons assigned to the engagement; (3) the prior experience and reputation of the Proposer in performing municipal management audits, and (4) the organization size and structure of the Proposer.

After the three (3) best Technical Proposals have been selected including the Price Proposals of these three (3) firms, an award will then be made to the firm which, in the opinion of the governing body of the municipality submitted the most beneficial proposal, cost and other factors considered. Please note that the award may or may not be made to the firm submitting the lowest cost proposal.

Bellefonte Borough reserves the right to reject any and all proposals submitted and to request additional information from Proposers. Notice is also given of the possibility that an award may be made without discussion or after limited negotiations. It is, therefore, important that all proposals contain the most favorable terms possible, and should be complete in all respects.

Proposals will be evaluated by Bellefonte Borough Council and any others as selected by the Council.