Organizational Study of Information Technology, Law, and Purchasing Departments

City of Fitchburg, Massachusetts

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Edward J. Collins, Jr. Center for Public Management

McCORMACK GRADUATE SCHOOL OF POLICY AND GLOBAL STUDIES

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INTRODUCTION

The Edward J. Collins, Jr. Center for Public Management was hired by the City of Fitchburg to perform organizational studies of three departments, including the Information Technology (IT) Department, the Law Department, and the Purchasing Department. All three of the studies were to review the respective departments' organizational structures, responsibilities, and practices with a goal of identifying areas of improvement that could result in improved operations and time and cost savings (IT and Purchasing) and areas in need of improvement (Law Department).

The Collins Center project team met with the directors of the three departments under review to understand their workload, how they organized the work being performed, and the challenges they faced, among other topics. Team members also interviewed multiple department heads and managers to hear directly from them about the kind of support they needed from the respective departments, along with the strengths and weaknesses of the departments from their perspectives.

The project team also contacted a few other Massachusetts cities to learn about how they were organized in these areas and also drew upon their years of experience in the field of local government.

INFORMATION TECHNOLOGY DEPARTMENT

BACKGROUND

Prompted by a fiscal crisis, the Mayor consolidated the existing previously-decentralized City information technology (IT) personnel into a central IT Department in 2008. Staff transferred to the new department included the GIS/MIS Analyst from the Planning Department, who became the IT Manager, and the Crime Analyst from the Police Department, who became the Systems Administrator. Both remain with the department. The IT Manager joined the City in 1999 and holds a B.S. degree in GIS Technology. The Systems Administrator has been a full time employee since 2005, working as an intern for three years prior to joining the City full time; he has a B.S. in computer science.

A grant-funded part-time (19 hours weekly) Help Desk Technician/intern position was added in 2011, and this position was filled until July 2014. Subsequent efforts to fill the position have not been successful (the job was advertised at $18 per hour, but the City did not find a candidate with the requisite qualifications willing to work part-time). The Mayor proposed that the Help Desk Technician become a full-time position in FY2015, but the additional funding was rejected by the City Council during the budget process.

Over the past few years, the IT Department has been involved in significant infrastructure improvement, hardware replacement activities, and software installation, commencing with a move of City Hall to its new location and involving the following activities:

Infrastructure
- Creation of a new computer room;
- Selection and installation of a new Voice over Internet (VOI) system;
- Connecting the major buildings of the City via a fiber optic network; and,
- Replacing and upgrading server and desktop equipment.

Software Installation
- Commonwealth Connect, See Click Fix;
- Docuware, digital document storage software;
- Cartegraph, asset management software;
- Vertical Wave Viewpoint, voice communications software; and,
- Viewpermit, permitting software.

Support of the MUNIS enterprise financial and administrative system (i.e., systems administration and selected application support) is provided by the Chairman of the Board of Assessors (Assessor). This is a unique situation in that the current Assessor has prior private sector IT management experience and currently serves as the MUNIS manager. In this role, he acts as a liaison between the City and the vendor (Tyler/MUNIS) and manages version upgrades. In-depth questions are handled by the MUNIS helpline. The MUNI System is cloud-based, run remotely from the MUNIS Falmouth, Maine computing center.

The project team conducted interviews with departmental directors and managers across the City to inquire about IT service received. Frequently heard comments include:

- IT staff sees themselves as operating within a hardware support organization;
- Departments are generally happy with the service provided;
- IT needs a vision, stronger oversight, and a game plan;
- Employees need training in MUNIS and M/S Office;
- IT is under-resourced and is therefore at times slow to respond;
- IT sometimes ignores requests and users don't know when problems will be fixed; and
- A more customer service-oriented attitude is needed.

KEY FINDINGS AND RECOMMENDATIONS

Finding 1: The organizational reporting relationship for the IT Department is unclear.

Whether the IT Manager reports to the Mayor or the open Finance and Administration Director position is not spelled out and leads to confusion. IT is becoming increasingly important in cities and towns across the country as more municipal operations from filling potholes to investigating crimes take place through IT infrastructure. As such, the functionality of the IT system and its maintenance have a direct impact on staff's ability to perform their duties efficiently and effectively. Although IT is a specialty, and it is unlikely that the supervisor of the IT Director will have significant depth in the field, any IT Director does need someone that he or she can discuss ideas with and who can hold him or her accountable for meeting the customer service needs of City departments.

The Assessing Department's support of the City's major enterprise finance and administration system dilutes the role of the IT Department. The MUNIS system is the backbone of significant City operations, including budget development and expenditures, and has the potential to support even more should the City elect to purchase additional MUNIS modules that are available. Although the current Assessor has expertise in technology, this will not likely be the case at such time as the incumbent leaves the City. Keeping the system in the Assessor's Department makes it vulnerable to changes in leadership and diminishes the role of the IT Department in supporting the major systems used by City staff.

Recommendation 1.1: The IT Department should be responsible for support of all IT-related activities in the City. The IT Manager needs to be acknowledged as the leader and advocate for IT in the City.

To ensure that the IT Department has responsibility for all IT systems in the City, the administration of the enterprise MUNIS system should be transferred to the IT Department. After a brief transition period, with time for some additional training (at a minimum, this should include refresher training in SQL and SQL Database), the IT Manager should serve as the liaison with the vendor and be responsible for coordinating version upgrades. Over time, regular exposure to the MUNIS system will increase the depth of knowledge in the IT Department. Placing support of the MUNIS system under the IT Department could result in more expeditious expansion of the system into other areas, given that the Department's primary purpose is facilitate the use of technology across the City.

In addition, the library technical support person should have a dotted line reporting relationship to the IT Manager to ensure that library systems and software are coordinated with other systems and can be supported by the IT Department.

Although not a part of this review, a future consideration could be the consolidation of City and School IT Organizations. Consolidated IT resources can potentially offer better service and potentially lower costs through overall professional management, planning, software support redundancy, standardization of equipment and procedures, backup/disaster recovery measures, and purchasing. The ability to recruit, retain, and develop skilled personnel is enhanced with a larger central department. Cross training of staff across various application systems will reduce the risk of support loss from staff turnover. The ability to develop stronger expertise in important technical areas such as networking, software support, web design, and voice and data communications is enhanced with a larger organization.

Recommendation 1.2: The IT Department should report to a position that has a City-wide perspective, vision, authority, and time to regularly work with staff.

Since the IT operation is so essential to City functions, the IT Director needs a supervisor who can articulate a clear vision of the level of service to be provided, while at the same time helping the IT Director balance the many varying needs and priorities of the Departments. The Mayor clearly offers this type of overarching vision and perspective. On the other hand, the Mayor has many staff and constituents in need of her or his time and may not have sufficient time on her or his busy schedule to be available for the type of day-to-day communication needed by the IT Director who has to provide support for so many departments and staff members. The Finance and Administration Director, who will certainly be very busy, may be better equipped to provide a quick response to the needs of the IT Director, but his or her department is actually a customer of the IT Department, which may cause Finance and Administration to get a greater share of attention from IT than might otherwise be warranted.

The project team understands the City is considering creating a Chief Operating Officer (COO) who would have a background in municipal operations, including IT, and would be responsible for overseeing the administrative functions of the government. The project team would be highly supportive of such a position and believes it would be an appropriate supervisor for the IT Director, positioned to provide both day-to-day direction and guidance on how to implement the Mayor and City Council's vision for technology.

Finding 2: There is no plan or strategy for the enhancement and maintenance of City IT infrastructure.

Much has been accomplished in IT infrastructure in Fitchburg and should be acknowledged. Of note is the fact that the MUNIS system has been in place since 1999, longer than most other municipalities in Massachusetts. Unfortunately, its use has not extended beyond the basic functions installed at that point in time. The project team believes that the investment in MUNIS should be leveraged to further improve operations in the City

At present, there is no clear process to determine what IT activities should be undertaken, nor are there established priorities to guide such a determination. This is particularly important in an environment with limited resources, where the prioritization of initiatives and allocation of limited IT resources are critical to the success of IT and its deployment going forward. In absence of a strategic plan, the IT function can face unlimited demands for service, while dealing with limited resources. In other words, individual departments press for services or projects that may or may not result in the highest and best use of limited IT resources for the City as a whole. The IT Manager acting alone may not have the full overall perspective to choose the best course of action.

Recommendation 2.1: The City should develop and annually update a comprehensive information technology plan linked to the City's capital improvement plan.

A comprehensive plan of this nature will form the framework for making rational, consistent choices regarding information technology. Since project design, implementation, and funding can extend over multiple years, the timeline for the strategic plan should reflect that and extend beyond one year. The project team recommends a three to five year planning horizon. In addition, major department needs must be considered and input sought, the plan should be broken down into yearly increments that are updated annually, and locked in by funding. The plan should be reviewed and approved by the IT Systems and Technology Steering Committee (see Recommendation 2.2) and the Mayor.

Once a plan is approved, it will be incumbent upon the Mayor (and/or the Chief Operating Officer) to request regular, formal updates to make sure that approved projects are moving forward within their anticipated timelines. Semi-annual reports on progress would provide sufficient time for accomplishments to be made and acknowledged, yet would let the IT Manager know he or she will be accountable for progress or lack thereof.

Recommendation 2.2: An Information Systems and Technology Steering Committee should be established to provide feedback and better align IT strategy with the strategic goals of the City.

An IT Steering Committee is a governance body that reviews, monitors, and prioritizes major IT activities and projects from a cross-functional perspective. The Committee also provides guidance, overall perspective, and direction to the IT Manager. The two overarching concerns of such a committee are:

- Alignment - The Committee helps ensure that IT strategy is aligned with the strategic goals of the City; and,
- Ownership - The units represented on the Committee have ultimate ownership over the larger IT strategic decisions since those decisions will impact their organizations/processes.

Committee activities would include, but not necessarily be limited to:

- Review and endorse IT plans;

- Review proposed IT policy changes;
- Review technological recommendations;
- Prioritize major projects and advise/resolve conflicts related to priorities and limited resource allocations;
- Support major projects and initiatives;
- Monitor major projects; and,
- Monitor customer satisfaction.

Members of the committee should include key managers representing the major IT-affected departments across the City. The Committee should have regularly scheduled meetings with agendas issued in advance and results/minutes published. More frequent meetings may be needed when acting in a project steering capacity, especially when a project is nearing deployment.

If the IT Manager and a department director were to differ on the potential acquisition of new business technology and could not reach consensus, the issue could be discussed at the Information Systems and Technology Steering Committee and, if resolution was not made at that level, the Chief Operating Officer (see Recommendation 1.2) could hear the issue and make a recommendation to the Mayor on whether to proceed or not.

Finding 3: There is no standard process for commercial off-the-shelf software (COTS) selection and implementation.

Seemingly every day new software systems are announced that promise to improve municipal operations. Yet, upon investigation, they may not do so. In an unstructured environment, different departments can purchase different software that do not integrate with existing systems and place increased demands upon IT staff. This can result in the poor use of public resources, including the cost of purchasing the software and staff time to implement and maintain it.

As an example, ViewPermit software (ViewPoint Government Solutions) was acquired by Fitchburg years ago, yet is only partially implemented. This system holds promise to materially improve the permitting process for the City, aiding applicants through the regulatory process. Early problems with the system appear to have supported end user resistance or limited participation in the project by some departments even after the problems were substantially resolved. A review of the current implementation should be done to determine what is needed to complete the process; a project plan including additional training will be important factors in moving to full deployment.

Recommendation 3.1: The IT Steering Committee should review any proposed software purchase to assure it fits in with long term IT goals and will integrate with the current mix of application software. A standard process should be followed to select and implement software.

Selection of software should include development of written requirements to be matched against product capabilities. Site visits to similar municipalities fully using the software (seeing it in actual use) are particularly valuable in understanding how a software may or may not be useful to Fitchburg. Vendor demonstrations should not be a sole basis for understanding software product capabilities.

In addition, it is recommended that a sponsor/champion (typically a department head that will be a major user of the software) be designated for each project. The sponsor/champion should provide high-level administrative and political support to the system, while also focusing on its continued development and improvement. Every project needs champion in addition to a project manager to drive the implementation, and a project team of key individuals from the affected departments.

A realistic project schedule should be developed and adhered to with weekly status reports issued noting results accomplished the previous week, and issues and plans for the coming week. Regularly scheduled weekly team meetings are a must with an agenda published beforehand and with decisions/results/minutes published and sent to stakeholders. Monthly updates to the Steering Committee by the IT Manager and project manager should be a requirement.

The IT Manager should be the lead manager for implementation of application systems. The IT Manager brings a special set of skills to the implementation of applications and should be playing a central role in deployment. However, the IT Manager must assure that the implementation of purchased software is organized and driven with a champion, project team, regular meetings, project plan, and schedule with end user testing and training provided.

Finding 4: Current IT staff is burdened by dealing with the day-to-day Helpdesk type support to the detriment of application support, long-term planning, and other higher level activities.

As might have been expected, in the early years when the IT Department was created, its focus was on immediate City needs (e.g., helpdesk types of activities that ensure that PCs and other hardware are in service so employees can get their work done). In addition, the unanticipated relocation of City Hall took up considerable IT time to make sure systems were in place when employees started in their new work stations. Staff should be commended for how they handled this quick transition.

However, at the present time, the IT Department can be considered to be "mature," and the expectations of the department and the department's view of itself should be elevated to allow more time for strategic thinking. This is certainly a challenge for a department with two staff assigned with supporting 337 City employees. Further, on top of IT projects, the IT Manager estimates that 15 to 20% of his available time is spent on phone billing review and issue resolution, activities previously handled by the Help Desk Technician. The System Administrator's time also can be better spent on higher level network, server support, and planning activities.

Recommendation 4.1: The Helpdesk should be supported by an additional full-time position in order to free the current staff to focus on higher level and more beneficial activities.

An alternative would be to staff the Help Desk with two part-time or intern type employees. Review of phone invoices should be transferred to the new position in order to provide the IT Manager with more time for higher and more valuable duties. Another option may be to transfer the phone invoice review to a clerical position in another department.

LAW DEPARTMENT

BACKGROUND

As provided in Article V of Chapter 3 of the Code of the City of Fitchburg, the City Solicitor is in charge of the Law Department. He or she is appointed annually by the Mayor, without confirmation by the City Council, and the City Solicitor has the authority to appoint an Assistant City Solicitor, also without confirmation by the City Council, for a term not to exceed one year. The core duties of the City Solicitor are outlined in Article V, including the responsibility to attend all meetings of the City Council, its Legislative and Claims Committees, and other meetings as requested by the Mayor or by the Chair of any Council Committee.

The current incumbent in the position of City Solicitor had previously served in the capacity of Assistant City Solicitor for the City of Fitchburg from 1993 to 2012. Legal work is shared with the Assistant City Solicitor, who has served in that capacity since 2012. Both have substantial experience in the area of municipal law.

The allocation of duties and responsibilities between the attorneys is handled on an in-formal basis – an arrangement that is facilitated by the goodwill and collegiality between them. The incumbent City Solicitor has general oversight of all legal issues and questions, working closely with the Mayor, other department heads, and the City Council. He administers claims made against the City and coordinates with the City's liability insurer. The Assistant City Solicitor's work is centered on code enforcement and land use, working with the Conservation Commission, Planning Board, Zoning Board of Appeals, and the departments whose work involves health and safety: health, building, police, and fire. Code enforcement cases necessitate the Assistant City Solicitor's regular appearances in Housing Court to represent the City. Both attorneys appear to have an effective working relationship, providing back-up to each other, so that there is always someone available in case of emergencies. They communicate frequently by telephone and email during the course of the week, and meet in person once a week.

Both individuals are salaried employees of the City, although they have no fixed or regular hours of work. Both are members of the pension system, and the City Solicitor participates in the City's health insurance program. The Assistant City Solicitor does not, although since he reports that he works 20-30 hours per week for the City, he would be eligible to do so under state law (MGL Chapter 32B, section 2). The City Solicitor estimates that he spends 30-35 hours per week on average on City business.

The City does not provide office space or support staff to either members of the Law Department. Both staff members maintain private legal offices and practice law in addition to their municipal work, as has been the practice by their predecessors in their respective roles. The City Code provides that the City Solicitor may be allowed necessary clerical assistance employed in his or her office and reasonable expenses in addition to his or her salary. In practice, the funds appropriated for assistance and expenses are shared by the City Solicitor and Assistant City Solicitor.

The City through the City Solicitor also uses outside labor counsel, for union contract negotiations and other employment issues, as well as special counsel on cases involving specialized problems issues such as environmental issues or complex land use issues. Use of specialist attorneys in these areas is a typical practice among Massachusetts municipalities. More recently, the City Solicitor has been more directly and actively involved in collective bargaining negotiations, using labor counsel as a resource rather than having the City incur the expense of his being at the bargaining table. The City Solicitor reviews bills submitted by outside counsel, and will request a modification if the billing appears to be higher than is warranted.

Based on interviews with eleven of the Law Department's clients (i.e., department heads and key managers), the City Solicitor and Assistant City Solicitor are generally regarded by their department-head clients as competent, responsive, hard-working, and dedicated to the City's interests. The ability to seek out legal advice and counsel directly from the law department attorneys is highly valued. The regular attendance of the Assistant City Solicitor at the biweekly interdepartmental Neighborhood Improvement through Code Enforcement "NICE" working group meetings was called out as something that has been helpful in facilitating the City's code enforcement efforts. It was also noted that the City Solicitor has a deep understanding of how the City does business, as well as institutional knowledge of people, relationships, and history.

A separate section of this report addresses the function of the procurement process. However, the City Solicitor acknowledged that he devotes a significant amount of time to resolving issues and questions relating to the bidding and contracting process. This is cause for concern, because the time spent on procurement matters directly decreases the City Solicitor's availability to address and assist with other departments' projects and problems.

KEY FINDINGS AND RECOMMENDATIONS

Finding 5: While the members of the Law Department are diligent in responding to requests for information and advice from City staff, the lack of their physical presence in City offices constrains the ability of their fellow City employees to access them.

More and regular access to the City Solicitor was broadly considered to highly desirable by interviewees. Some indicated that had been possible in the old City Hall with a previous City Solicitor. The benefit of such co-location is that it offers managers and staff the opportunity to seek advice on questions or concerns that may not rise to the level of something they would pursue via email or telephone, but are nevertheless potential problems for the City. The answer to a question may prompt other questions, which may be addressed at the same time in a face to face meeting more readily than through the back and forth of emails or telephone calls and voice mail. Much work can be accomplished via "hallway meetings." where two or more staff members see each other and engage in a brief conversation to share information or resolve an issue. This is less likely to occur when staff members are physically separated from each other.

Recommendation 5.1: Each week, the City Solicitor should commit to a block of time to be available in the City offices to meet with staff who wish to consult with him.

While many matters can be addressed though telephone conversations and/or by email, staff should have the opportunity to drop in with a quick question, or to follow up on a continuing issue in person. These office hours should be considered a high priority, such that the City Solicitor makes every effort to clear his schedule to be available at the scheduled time. Part of the value of having regular office hours is that it allows staff to anticipate and plan when they rely on being able to consult the City Solicitor in person.

Location of the City Solicitor in City offices would clearly provide even greater access – both physical access and access in terms of time – but the project team recognizes this is not possible given current space constraints in the leased space City Hall occupies. When plans for a new facility are being developed, the project team recommends that space for the Law Office be included in the new City Hall plans. When the attorneys are relocated within City offices, fixed office hours would be unnecessary and possibly counter-productive**,** because staff who had time-sensitive questions or information to share with the Law Department could feel constrained in doing so. It is the project team's perspective that the goal of support functions, such as legal services, is to help the rest of the organization keep moving forward and making progress on City priorities. At times, quick, off-the-cuff, conversations can allow a staff person to continue on their work without delay. Those conversations cam be difficult to have when support functions are located off-site or have fixed hours of access. That said, it is important for any manager to know how to sensitively put off someone who does not have an immediate need, but shows up at his or her doorstep, while moving quickly to address time sensitive concerns.

Finding 6: Neither the City Solicitor nor the Assistant City Solicitor, although carried on the City's payroll as employees, have historically been required to provide time and attendance information as part of the payroll process.

As noted above, the attorneys in the Law Department are salaried employees. They are paid a regular amount each pay period which is based on the annual salary for the position divided by the number of pay periods. No accounting is made of the hours worked, or for time off such as vacation, sick, or personal time. That type of accounting and recordkeeping is generally used for other salaried employees.

This is not to suggest that there is any indication that these individuals are not diligent or hardworking, or are in any way taking advantage of the fact that they are not expected to document their time. This has apparently been accepted practice for the Law Department with prior staff under prior administrations. It is, however, a public sector business practice to have all employees, salaried and hourly, report hours worked and the use of time-off benefits that may be available to them.

Recommendation 6.1: The City Solicitor and Assistant City Solicitor should follow the City's regular payroll procedures for reporting time and attendance.

The City Solicitor should sign off on attendance for the Assistant City Solicitor and the Mayor or Chief of Staff should sign off on attendance for the City Solicitor.

Finding 7: There does not appear to be any written record of what the expense stipend paid to the two attorneys in the Law Department is intended to cover, or how it is used in practice.

As noted above, a payment to the City Solicitor for clerical assistance and expenses is sanctioned by the City Code. In practice, this is being paid as a monthly stipend. In addition, the City Solicitor has decided that the amount appropriated should be shared with the Assistant City Solicitor, which is entirely reasonable, given that the Assistant City Solicitor also has expenses for clerical assistance and other items. There is no legal requirement for documentation of what expenses are covered by the stipend, in full or in part, which sets these payments apart from the detailed recordkeeping normally maintained for the expenditure of public funds.

Recommendation 7.1: Although the City Code does not require any reporting of how the funds are expended, transparency would be enhanced by the submission by the members of the Law Department of a memorandum to the Mayor, in advance of each fiscal year, detailing their proposed spending plans for the stipend to be paid in the upcoming year.

The memo could perhaps identify expenses similarly to how they are identified in the City budget. Departmental expense budgets typically set out line items for various categories of expenses, although State law allows the flexibility to move funds between different expense line items. Many, if not most of these which would apply to any municipal office operation, wherever located. This would include photocopy expenses, telephone, travel, conferences, professional memberships, etc. Law department staff also incur expenses for rent, heat, light, etc. The intent is not to restrict the use of funds, but to document that taxpayer dollars provided by the City are being expended for appropriate purposes and supportive of the Law Department’s operation.

Finding 8: Securing legal services through municipal employees rather than through outside counsel has varying benefits and challenges, which each city should evaluate to determine which model best meets their needs.

Several models exist for municipalities to engage legal services:

- Hire lawyers as employees to serve as City Solicitor or Town Counsel (Fitchburg's model).
- Contract with a local attorney or attorneys to serve as City Solicitor or Town Counsel.
- Contract with one of the law firms that specializes in municipal practice.
- Some combination of the above; for example, a local attorney to provide some services, in addition to those provided by a larger firm.

There are advantages and disadvantages, and potential costs and potential savings, to each of the models. The costs and savings are to some degree quantifiable, but other factors are more qualitative and intangible, and may carry enough weight that a determination is made not solely on the notion of "low bid" that drives most of municipal spending. The importance of those intangibles to a municipality is reflected in the fact that procurement of legal services is not subject to the provisions of MGL Chapter 30B, which would otherwise require a formal bid process.

The relationship between an individual or a corporation, including a municipal corporation, and its legal counsel, is just that – a relationship. It must be based on trust and confidence – the ability to develop a strong partnership also comes into play. In making a decision on securing legal services, there are a number of factors that can help shape the decision-making process. These include:

- Does the proposed City Solicitor (including any of the models identified above) have sufficiently wide and deep experience in municipal law to meet the City's general needs? Are there issues and areas of law that are of particular concern to the City?
- Are there services or areas of law that the proposed City Solicitor believes would be best handled by specialized counsel?
- Will the proposed City Solicitor be sufficiently accessible to the Mayor, department heads, and City Council?
- How will access be provided (i.e., in person, by telephone, by email)? Is there an adequate arrangement for back-up in the case of absence, short- or long-term?
- Will the proposed City Solicitor be able to attend the City Council and Council committee meetings as provided in the City code?
- If services are to be provided by a team of lawyers, how will the team approach work? Will specific attorneys be assigned to specific cases or subject matters? Will the specific attorney remain the contact throughout the case or matter?

City staff who were interviewed as part of this assessment cited a number of factors that they considered important with respect to their interaction with the Law Department in carrying out their duties and functions. These include:

- Despite the lack of office space or regular office hours in the City's offices, both members of the Law Department are well known to the staff on a personal basis.
- Staff attorneys have developed personal relationships with, and an understanding of, department heads, the City government, and the City as a whole, which informs both the content of their advice and how it is delivered. Invaluable institutional knowledge has been

acquired over time, including what strategies and approaches have been useful and effective and which have not.

- Since Law Department staff are City employees, other staff do not have to go through a "gatekeeper" charged with managing billing costs in order to ask questions. This allows them the freedom to seek advice when a question or problem first arises, when such advice may prevent an issue from developing.
- Close participation in the City's daily business and administration gives the City Solicitor and Assistant City Solicitor opportunities to observe and become aware of developing or potential issues that should be brought to the Mayor's attention at an early stage.

With respect to the costs, what is known is the amount appropriated to and expended by the Law Department on an annual basis. However, as noted above, not all of the costs associated with having legal counsel as City employees are recorded directly in the department's annual budget. These include the City's contribution to health and other insurance benefits (should the incumbents choose to participate in those benefit program) and the post-employment costs of pension benefits and for the City's contribution to retiree health insurance. It should be noted, however, that in a private firm the cost of benefits remain an issue. Typically, benefit costs are built into the hourly rate, along with central office overhead and profit (see below for further discussion).

Given his length of service to the City in his current and prior role as City Solicitor and Assistant City Solicitor, respectively, it would appear that the incumbent City Solicitor has more than 10 years of creditable service (as defined by MGL Chapter 32, the law governing municipal employee pension systems) and is thus vested in the retirement system. The incumbent Assistant City Solicitor is likely vested as well, from a combination of his current service in Fitchburg and with another Massachusetts municipality. As is known, the City's obligation to provide a pension comes into effect when an employee's pension rights are vested. Under the current provisions of the public employee retirement law, the City's ultimate cost for pension benefits will depend on the employee's age, years of creditable service with the City, and the average of the highest three years of earnings at the time of retirement. (An employee leaving his or her position does have the right to withdraw his funds from the pension system, thereby relieving the City from the pension obligation. However, such withdrawals are not common when pension rights have vested.) From the vesting point forward, the pension amount and the pension system's costs increase as additional years of service are performed, the employee's age increases, and salary increases are granted.

Research performed by the Mayor's Office found that Fitchburg has operated under the "employee" model for City Solicitor services since at least the 1970s (information was not available prior to this time) and has incurred the health insurance and pension costs for prior as well as current employees in the Law Department. The continued growth of these costs would be tolled but not eliminated by changing to a model whereby services are purchased through a contract.

Under a contract model, the cost of providing benefits is reflected in the fee structure, as it is with any other vendor. Firms and sole practitioners have different ways of pricing their services, although typically there is a defined package that is covered by a retainer, with additional services and expenses priced and invoiced separately. The services to be covered by the retainer would be subject to negotiation between the City and the proposed City Solicitor.

As the City's Law Department has operated, the City is provided with the bulk of its legal services for a fixed, all-inclusive price, with additional charges limited to situations where specialized counsel is needed. One attractive feature of this arrangement is that it includes regular attendance at evening City

Council meetings and Council Committee meetings at no additional cost. It would not be surprising if a law firm proposing to serve as City Solicitor declined to include this in the retainer, given the open-ended nature of the time commitment. If the City chose to contract with a vendor, it would need to understand the costs associated with this aspect of the City Solicitor's role as set out in the City code.

In addition, with salaried, executive employees, they spend the number of hours required until the assigned task is completed and they do not charge based upon hours worked. Even though the City Solicitor and Assistant City Solicitor both report working under 40 hours per week on average, many municipal employees work well beyond the time allocated on their timecards. This is of particular benefit during seasons of intense activity (such as budget season) or when an emergency or some type of crisis occurs (such as 9+ feet of snow in one winter). With salaried legal staff, the Mayor and City Council can rest assured that they will work to meet the municipality's needs; with an hourly private attorney or a firm, costs in the event of an emergency can rise quickly – particularly when an overtime rate is applied.

The experience of other municipalities — how they procure legal services, what their costs are — will not be predictive of what Fitchburg's experience would be under different models, but may provide some insight into this market. As part of this effort, the project team reached out to 10 municipalities to survey them on how they secure needed legal services. Five (5) municipalities responded, including: Gardner, Holyoke, Leominster, Marlborough, and Salem.[1] The data provided by these cities is summarized in Appendix A, but in general, the findings of the survey were:

- Within this group of cities, only Leominster contracts with a law firm, Kopelman and Paige, as City Solicitor. An attorney in practice in Leominster is identified on Leominster's website as Assistant City Solicitor, although it was reported that this individual performs little work for the City. (Detailed information concerning the scope of services provided by Kopelman and Paige under its contract with Leominster was not requested as part of the survey.)
- City Solicitors in the other responding cities are city employees and maintain offices in their respective City Halls.
- Fitchburg's costs for its Law Department salaries and expenses compare favorably with those of comparable cities that use have in-house, employee law departments.

As this assessment is being written, it has become known that there will be a new Mayor in the City following elections this fall. This change in administration presents an opportunity to consider the best arrangement for the City with respect to its law department. While not required by state law, a Request for Proposals (RFP) for City Solicitor is a useful tool to:

- Identify individuals and firms who are interested in providing services to the City;
- Provide for an evaluation of competing proposals based on criteria that reflect the qualitative dimensions of service that are important to the City; and
- Provide a basis for evaluating competing cost proposals for those services.

Recommendation 8.1: Prior to the appointment of City Solicitor by a new Mayor, the new Mayor should consider issuing a request for proposals for City Solicitor services, evaluating the responses, and determining whether the City's legal needs can best be met at an acceptable cost by continuing

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[1] No response was received from Beverly, Billerica, Everett, Pittsfield, and Westfield.

the long-standing practice of employment a City Solicitor, or by contracting with a non-employee provider, whether this be an individual or law firm.

The RFP should specifically inquire regarding the costs for exceptional or unanticipated services in the event of an unforeseen circumstance or emergency, in addition to the cost for attending City Council and Council Committee meetings.

PURCHASING DEPARTMENT

BACKGROUND

The Fitchburg Purchasing Department presently consists of a Chief Procurement Officer (CPO), Deputy Procurement Officer (DPO), and a Procurement Officer. The incumbent CPO has been with the department since 1989, when she was hired as an Assistant Purchasing Agent. At the time, the City Auditor was the Purchasing Agent/Chief Procurement Officer. In 1995, the Auditor position was converted to a Finance Director and the Assistant Purchasing Agent was elevated to Chief Procurement Officer. The department then consisted of three personnel – the Chief Procurement Officer and a support position; A Purchasing Assistant was added in 1996, funded by the School District; the incumbent resigned three years later. In 2000, a temporary Assistant Purchasing Agent and a Purchasing Assistant joined the Chief Procurement Officer, for a total of 3 FTE. In 2002, an audit by Rowe Associates supported a third position, and a permanent Assistant Purchasing Agent was approved

In FY2014, a Procurement Officer position was added to the department, and was filled in November 2013. The Deputy Procurement Officer position is newer, having been filled in June 2014, through resources provided by the Fitchburg School District. In spring 2014, the Department's support position became vacant, and during the FY2015 budget development process, the position was eliminated from the budget.

The project team had an opportunity to review the Department's purchase order and contract register from FY2013 to FY2015 (through the end of the 3rd Quarter) to gather an understanding of the volume of procurements, the dollar amounts, and the types of goods and services bought. The below table shows that, although the dollar amount has varied over the past few years, the total number of procurement actions has remained relatively constant.

FITCHBURG PROCUREMENT ACTIONS			
Fiscal Year	**FY13**	**FY14**	**FY15 (thruQ3)**
Purchase Orders			
Total Issued	72	106	60
Total $ Amount	$1,088,614	$2,358,326	$2,689,720
Contracts			
Total Issued	69	37	32
Total $ Amount	$9,872,481	$14,703,597	$5,651,631
School Contracts and POs			
Total Issued	51	41	38
Total $ Amount	$874,195	$1,008,003	$3,055,474
Total Issued	**192**	**184**	**130**[2]
Total $ Amount	**$11,835,290**	**$18,069,926**[3]	**$11,396,825**
Source: Fitchburg Purchasing Department			

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[2] A straight line projection would result in a FY15 year-end figure of 173. However, more procurement is typically done in the early part of a fiscal year than the end.

[3] Figure includes one contract worth over $10.75 million for sewer separation under the consent decree.

The current general procurement process was described by interviewees as follows (although it is acknowledged that not every procurement will proceed in exactly the same way):

1. Requesting department completes a requisition form, which is a fillable PDF that is available electronically. Four different forms are available depending upon the size of the procurement and whether what is being purchased is a good or a service. A fifth form is available to department managers with delegated purchasing authority.
2. A department manager must sign the form, as does the Mayor, before it is sent to the Purchasing Department. Requisitions are printed out by departments and forwarded in hard copy to the Mayor's Office and then to Purchasing.
3. The Procurement Officer opens the interoffice mail or receives the hand-delivered requisitions, and provides the CPO with the new requisitions.
4. The CPO assigns the requisition either to one of the staff or to herself.
5. The CPO reviews the product specifications or scope of service for clarity and completeness. If determined to be incomplete or if there are questions, the CPO may send it back to the requesting department, with a copy to the Mayor.
6. Using CPO approved templates, Purchasing staff draft the price solicitation package, including insurance requirements and contractual terms, such as delivery dates and other delivery requirements.
7. Solicitations are sent out to potential vendors. (In the requisition form, departments are asked to identify three possible vendors and provide contact information.)
8. Purchasing staff respond to written vendor questions and issue addendums, as needed.
9. Quotes or bids are submitted by vendors.
10. Purchasing staff conduct bid openings, determine if the submissions are complete, and evaluate responses. (For larger projects, department staff may be involved in the review.)
11. Purchasing staff identify the lowest responsive/responsible bidder.
12. Purchasing staff prepare the purchase order or contract.
13. Purchase orders/contracts under $5,000 may be signed by the CPO only, as they do not require the Mayor's signature. Purchase orders that are $5,000 or more are signed by the Mayor and the CPO. All contracts that are $5,000 or more must be signed by the contractor, the department manager, CPO, City Auditor, City Solicitor, and the Mayor. The City Auditor encumbers the funds upon signature.

As can be inferred from the above description, the procurement process is not automated and is heavily paper-based, although the City has plans to acquire two MUNIS procurement modules (see Recommendation 11.1 below).

Communication with the CPO indicated that there were not firm lines defining what each staff member does. However, the Deputy Procurement Officer is responsible for school projects and the Procurement Officer commonly works on supplies and services less than $25,000, most often for the Department of Public Works (DPW) water and wastewater divisions. He also performs a number of support functions, such as answering the telephone, opening interoffice and postal mail, providing copies of documents to potential bidders, and receiving submissions; the other two staff do the same at times, in the absence of clerical support.

Although all municipal departments routinely face challenges that affect their work, it is clear that the past few years have been challenging to Fitchburg and its Purchasing Department. Perhaps the two most impactful events were the summer 2012 emergency relocation of all staff out of City Hall and the fall 2012 Consent Decree entered into with the federal EPA, Massachusetts DEP, and the Department of Justice, which is requiring many millions of dollars of investment in Fitchburg's wastewater infrastructure. During the relocation, Purchasing Department staff not only had to facilitate all of the purchase orders and contracts needed for the relocation, they were personally impacted and had to relocate their office as well. Relocation involved bidding and contracts for build out of the main office space, relocation of extensive technology and communications systems, and the setup of ancillary office space for some personnel/departments.

More recently, this spring Purchasing Department staff were brought in quite late in the process to assist the Fitchburg Municipal Airport on three large, time-sensitive projects. These included a construction contract for the rebuilding of a hanger including the build out of the interior and replacement of the entire roof, selection of the Owners Project Manager (OPM) for the hangar, and the acquisition of multiple easements for tree cutting in the vicinity of the airport. In addition, selection of an architect may be needed for the hangar design. By all accounts, the CPO and staff have risen to the occasion again and again to respond to these unforeseen or emergency situations. The challenge is that, with so many organizational "fires," less time-sensitive procurement actions fall lower on the priority list until they themselves become urgent and have to be addressed, thereby pushing back other procurement requests.

In recognition of the existing backlog of requisitions, the Chief Procurement Officer has authorized four staff members outside of Purchasing to make purchases up to $10,000 – a figure that is $5,000 higher than the typical Fitchburg authorization. These persons include: the DPW Commissioner, the Assistant Superintendent of Schools, the Acting Director of Community Development, and the Deputy Commissioner of Wastewater. The authority extends to purchase of goods only, not services.

KEY FINDINGS AND RECOMMENDATIONS

Finding 9: A considerable amount of the work in the Purchasing Department is routine from year to year.

Although the Purchasing Department has had to grapple with significant unanticipated challenges in recent years, a review of the purchase order and contract register from FY2013 to FY2015 (through the end of the 3rd Quarter) reveals that a lot of the types of items purchased do not vary from year to year, even if individual specifications may change somewhat. Routine purchases include:

- Copier leases or acquisition;
- Computer equipment;
- Software license renewals;
- Road salt;
- Chemicals for water and wastewater treatment; and,
- Vehicle acquisition (trucks and cars).

Not only were these purchases relatively consistent over time, they also represented a high volume of the purchasing activity and a high sum dollar amount.

FREQUENT GOODS OR SERVICES FOR PROCUREMENT					
		# of Contracts and POs Per Year			
Description	**Vendor(s)**	**FY13**	**FY14**	**FY15 (3rdQ)**	**Total $**
Computer Equip	Dell, etc.	27	16	10	$i902,486
Copiers	Toshiba	4	11	15	$537,368
Chemicals	Multiple	9	0	13	$2,385,545
Road salt	Eastern Salt	3	3	3	$891,673
Software licenses	Multiple	8	10	11	$1,203,486
Vehicles	MHQ, etc.	8	12	5	$1,505,760
Total		**59**	**52**	**57**	**$6,523,832**

Combined, the above items represent just over 33% of the total contracts and purchase orders listed on the register over the three years in question and nearly 16% of the total dollars encumbered.

In reviewing the register, it became apparent that some vendors do receive a large amount of business from the City, such as Dell Computers, Eastern Salt, MHQ Ford, and Toshiba Business Solutions. This does not appear unusual given that they have pricing agreements with the Commonwealth and/or MAPC, and it may be more efficient to have vehicle fleets that use the same parts. However, the project team took note of how many individual purchase orders or contracts were being issued to these particular vendors, often several times on one day. While it may not seem to take a large amount of time to prepare separate purchase orders for copier leases or road salt purchases, the fact is that the paperwork does take additional time to prepare, plus additional people have to take the time to sign the documents, as well. Collectively, this adds up to a material amount of people's time.

Recommendation 9.1: Departments should be required to indicate anticipated procurements when submitting their fiscal year budget requests.

The Mayor should continue to require departments to submit a list of potential procurements with their budget proposals that equals the dollar amounts requested for key budget line items, such as professional services and supplies. The form should include the budget account, amount requested, a brief description of the goods or service to be purchased, and when it will be needed. Where a contract already exists and an option year is available, the specific contract number and required option date should be indicated. This will allow the Purchasing Department to develop an annual calendar of when various procurement processes need to occur. At the end of each fiscal year, the Procurement Department should report to the Mayor on what items were not included on the list. The Mayor can then follow up with department directors to ascertain why the department's procurement plan was not followed.

Based upon the anticipated volume, the CPO could assign different departments to the different staff members, and decide which to support herself. This would give the departments a single point of contact during the year and would help Purchasing staff get a depth of expertise in an area. Periodically, staff assignments could shift so that over the course of a few years, they could become familiar with all of the City's departments.

Recommendation 9.2: The Purchasing Department should work with frequent users, such as IT, the Water Division, Wastewater Division, and DPW to consolidate bids and POs/contracts.

Specifically, the project team recommends that all copier leases and purchases be completed by and through the IT Department. In many organizations today, the departmental copier is being used as a printer, fax machine, and scanner, bringing it into the arena of the IT Department. If all funding for copiers (and printers) were consolidated in the IT Department's budget, and an inventory taken, the IT Manager could oversee all of the copier lease agreements (and purchases, although lease agreements are strongly recommended). Over time, the Purchasing Department should work to bring the start and end dates of the leases together so that they all start and end on the same date. Ultimately, this could result in one large agreement covering all of the City's copier inventory.

Likewise, the IT Manager, School Department, and Purchasing Department should work to consolidate the number of IT equipment purchases. A review of the register revealed multiple purchases for the same types of equipment that occurred close in time to each other. Of particular note were the summertime school IT purchases of multiple IPads and other technology needed for the students. The School District IT Department should submit a consolidated IT equipment request at the beginning of the fiscal year (or as soon as the budget is adopted), so that Purchasing could begin to look for State or MAPC contracts that offer the best price. If concern exists that the equipment needs to be delivered to different sites, that can either be addressed by specifying the delivery locations in the requisition or by having all equipment delivered centrally at a single school building and then having School Department staff divide the items and deliver them. For the City, it is recommended that all equipment be delivered to the IT Manager who would then: a) make sure all items needed have been delivered; b) configure the equipment for the City's network; and c) schedule the installation wherever the equipment belongs. The IT Manager would also have the opportunity to add the equipment and its assigned location to the City's inventory listing. Other departments should not take delivery of IT equipment.

If they do not do so already, DPW and its Water and Wastewater Divisions should determine how much of varying chemicals they use each year, perform an inventory, and submit one requisition to cover each fiscal year. If each year's volume of material is greater than the on-site storage space, then the requisition should just indicate that the department will call for delivery during the year when the inventory lowers. Multiple agreements should not be necessary in one fiscal year for routine items such as road salt or liquid polymer. In particular, one agreement for road salt should be written each year for an amount that could reasonably cover the winter season, as opposed to three agreements with equal amounts per year, as occurred in FY14 and FY15. Certainly, if an unusually heavy winter takes place, an additional purchase could occur prior to the end of the season, but the project team is uncertain why such a routine purchase would be divided into multiple agreements.

Purchases of fuel oil needed for City buildings already appears to be consolidated as there is typically only one contract per year for fuel oil. Other City departments could look to that process as a model for their own purchases.

Finding 10: Many current agreements have very short lifetimes and little evidence was found of using "house doctor" contracts for services that will likely be used at some time during the year.

In all organizations, small scale emergencies regularly arise, although they are not typically of the magnitude of the City Hall truss issue that required the relocation of all City Hall staff, (e.g., elevators need repair, emergency generators can go down, storms can damage roofs, etc.). To truly minimize the impact of such foreseeable emergencies, cities and towns can enter into "house doctor" or "on call" contracts where vendors are pre-qualified to perform work and their unit cost are pre-negotiated. Then, when an urgent situation arises, a department can go directly to a vendor or vendors to get a cost estimate for the work to be performed.

Review of the Purchasing Department's register revealed that there are multiple facility- or infrastructure-related services used each year. These include fire or security alarm maintenance or upgrades, elevator maintenance, emergency generator acquisition and repair, roof analysis and repairs, etc. (See table below.) In a few instances, the description of the project included the word "emergency," meaning that the service was needed quickly to address an emergency situation.

COMMONLY USED FACILITY OR INFRASTRUCTURE SERVICES (FY13-FY15(Q3))

Item	Number of POs/Contracts	Number of Vendors	$ Amount	Departments
Alarms (Security or Fire)	6	5	$73,247	Aging, Library, Police
Electrical	11	3	$86,208	
Elevator	7	3	$21,967	Library, Police, Treasurer
Emergency generator	4	2	$300,695	Police, Schools
HVAC	4	1	$62,220	Fire, Schools
Roof (excl. City Hall)	8	3	$446,730	Library, Schools
Water mains/sprinklers	5	4	$301,849	DPW
Total	**45**	**21**	**$1,292,916**	

What was not seen terribly often were annual or multi-year contracts for inspection, maintenance, and/or repairs of these facilities, although a few positive examples could be found. These include:

- Two one-year agreements for maintenance of the police emergency generator;
- One three-year agreement for testing of the police and fire alarm systems;
- Three one-year agreements for elevator maintenance in the police department (two agreements) and library (one agreement);
- A one-year agreement for on-call water line repair; and,
- A three-year agreement for on-call sewer line repair.

A separate yet related issue is the number of very short term agreements found in the register. Some are so short term that the contract expired before it was recorded and dated in the register (e.g., a sewer pipe emergency repair service expired four calendar days before the register entry was made and a contract to purchase a used dump truck had a five calendar day window for acquisition). In most instances, the field indicating the end of the agreement was not filled in, so its length could not be determined. On a positive note, there were some multi-year contracts found, including: MUNIS software license (2 years, 4 months), and a three-year on call sewer repair contract.

Recommendation 10.1: The Purchasing Department should issue three-year agreements consisting of one base year, plus two options, as often as possible.

If an item is needed year after year, such as IT licenses and copier leases, having single year agreements just makes more work for staff and raises the potential of accidentally missing a renewal deadline. As noted above, the 15 agreements with Toshiba for copier leases could ultimately be brought into one agreement overseen by the IT Manager and, if that agreement was also three years in length, the amount of work performed by Purchasing staff and others could be reduced measurably. The same is true for license renewal for MUNIS, ESRI (GIS software), and others.

Recommendation 10.2: The Purchasing Department should issue "on call" contracts for regularly needed services including, but not limited to: electrical services, plumbing, HVAC, engineering, elevator inspection and repair, and emergency generator inspection and repair. The Department should pre-qualify multiple firms that provide regularly used professional services such Civil Engineer/Licensed Site Professionals and landscape architectural services.

As noted above, in an "on call" contract, a vendor is pre-qualified to perform a service before it is absolutely required. Since facility and infrastructure-related inspections, maintenance, and repairs will always be needed, it would be beneficial for the Purchasing Department to pre-qualify companies or individuals to perform these services on an on-call basis. This will, first of all, optimally encourage departments to have systems inspected regularly to minimize the need for emergency repairs. Second, when an emergency happens, the process of getting it fixed will be significantly less cumbersome. This is particularly important given the Commonwealth and the CPO's strict interpretation of what constitutes construction and the procurement process that goes along with it.

Finding 11: The Purchasing Department does not appear to be using technology as much as it could to make the work more efficient.

As described above, the process of requesting the purchase of a good or service takes place via hard copy and interoffice mail as a requisition is routed from the requesting department to the Mayor's Office and then to the Purchasing Department. Large projects are then tracked on a spreadsheet by the Mayor's Office, which attempts to work with the CPO to prioritize the work.

The Purchasing Department does have bid and contract templates in Word, which saves staff time and helps ensure consistency among documents. However, the project team noted that there a large number of different contract templates which would need to be all updated if standard clauses were updated. Further, if a staff person accidentally starts work on the wrong template, then time could be lost transferring the information to the appropriate template. Although this may not be a concern for Purchasing staff who would have familiarity with the different templates, questions do arise whether consolidation of at least some of the templates might be possible.

Purchase orders are another issue as the PO template is in Excel, a spreadsheet software. It is unclear why this is the case when the POs reviewed by the project team did not have any calculations embedded in them. In fact, the amount of the PO is included in a single cell which reads "TOTAL PROJECT COST $X" – since the cell has words in it, it is a character cell, not a number. As a result of using Excel software, a document that predominantly consists of words and sentences is overlaid onto a financial spreadsheet. This generates all sorts of formatting issues as staff attempt to fit language into spaces set up for numbers (see Appendix B for sample PO. Gridlines have been turned on show the formatting challenges; they are not included in actual POs issued by the Department). Further, each PO is printed onto multi-part paper as the PO indicates "*white: vendor yellow: auditor pink: receiving dept. goldenrod: purchasing."* Clearly, the current formatting required to issue POs is cumbersome and is not an efficient use of staff time.

Once a PO or contract is approved, Purchasing staff hand-write details onto one of three registers maintained by the Department broken down by purchase orders, contracts, and Schools. Details include date issued and PO or contract number (the numbers are pre-embedded in the form, meaning that each row of each sheet has to be pre-numbered at the beginning of the fiscal year). Use of a handwritten register is problematic in multiple ways:

- staff may forget to write down an entry;
- handwriting can be hard to read;
- space is limited to describe what was purchased, and if it is too general (e.g., "books"), staff may not be able to quickly find the contract or PO number of an agreement for which they are looking;
- sometimes POs or contracts issued after July 1 are listed on the prior fiscal year's sheet, meaning that they will be very difficult to find in the future if all you know is the fiscal year in which the agreement was made;
- it is very difficult to monitor the end dates of agreements which are (sometimes) handwritten into the right column; and,
- any type of analysis of the data is very difficult.

In fact, to perform any analysis and produce the data used in this report, the project team had to hand input the information from the registers into an excel file.

The difficulty in monitoring the end dates of agreements can impact both the Purchasing Department and the requesting department adversely if no one realizes a contract extension or new bid is needed prior to the end date of the existing agreement. In some municipalities, purchasing departments send out notices 120 days, 90 days, 30 days, etc. before a contract is scheduled to expire to determine if it should be extended or if a new procurement process needs to begin. This can help everyone avoid unnecessary crises.

Recommendation 11.1: The City should consider acquisition of one or more MUNIS purchasing modules.

As mentioned in the IT Department section of this report, the City implemented the MUNIS financial system in 1999 and has not expanded since then. Tyler Technologies, the company that offers MUNIS, recently provided the Mayor's Office with quotes for the various modules it offers related to purchasing. These include:

- Requisitions – in this module, departments input their requests into the electronic system and attach it to the correct budget account. The requisition is routed electronically for approval.
- Eprocurement – allows vendors to submit bids electronically and allows City staff to connect directly to a vendor website, establish a shopping cart, and have the items in the cart acknowledged in MUNIS.
- Bid Management – creates online bid packages and allows multiple departments to contribute items to the same bid. Awarded bids can be turned into POs or contracts online and the items in a single package could be divided among different vendors depending on their responses.
- Contract Management – details of approved contracts are included in MUNIS, contracts are approved electronically, and funds are encumbered after approval. Contracts can be modified or extended in the system and their expiration dates can be tracked. (This module does not allow actual contract documents to be uploaded.)
- Dashboard – this module provides customizable dashboards of information, including the status of items in the system.
- Tyler Content Management – this module allows users to upload PDFs of documents and attach them to requisitions or contracts.

Other cities contacted indicated that they do use MUNIS procurement, but do not use all of the modules. The City of Somerville uses requisitions and contract management to facilitate the electronic submission and approval of requisitions. Work goes offline as purchasing staff prepare bid packages/RFPs and select the approved vendor. Contract details are input via the contract management module so that the funds are encumbered and contract details can be easily tracked. The City of Salem uses the requisitions module only.

As the City contemplates the merits of an electronic procurement system, which are many, those will need to be balanced against staffing needs for while the modules do have initial upfront costs, they also have annual renewal fees. The current cost estimates – for all modules except Tyler content management – total nearly $35,000 in annual fees, which is the equivalent of the salary of a full time support position.

MUNIS COST ESTIMATES (subject to change)			
Modules	**License**	**Implement**	**Annual**
Requisitions	$20,790	$12,750	$8,316
Eprocurement	20,790	1,275	8,316
Bid Management	12,870	5,100	5,148
Contract Management	12,870	5,100	5,148
Dashboard		2,550	7,920
Tyler Content Management	TBD	TBD	TBD
Total	**$67,320**	**$26,775**	**$34,848**

The benefits of an electronic procurement system include, but are not limited to:

- Requisitions will not get lost and can get approved electronically;
- Funds will be pre-encumbered when a requisition is submitted and fully encumbered when a PO/contact is approved;
- The timeliness of various steps in the process can be tracked;
- Contract expiration dates can be easily determined and, as a result, new procurements or extensions can begin before a contract expires; and,
- The number of procurements can be tracked over time, and compared year-to-year and with other communities.

Recommendation 11.2: Replace the paper contract register with an Excel spreadsheet stored in a shared folder accessible to all Purchasing Department staff, and establish a process to provide notification to departments at least 90 days before a contract is set to expire.

Starting July 1, Purchasing staff should begin using an Excel spreadsheet to record POs and contracts that are approved in FY16. They need to be rigorous about including the end date of the agreement (in date format only, not as “6 months” or “5 days after notice to proceed”), so that they and departments can begin to regularly anticipate contract expiration dates. Purchasing staff should start emailing contract managers letting them know when contracts are set to expire. To do so, they may want to add additional fields to the form to capture the name of the contract manager and his/her phone number and email address.

Recommendation 11.3: Work with the IT Department (and perhaps an outside expert in Word documents) to reduce the number of contract templates and reduce the number of locations that require revision in each document.

All people interviewed remarked upon the incumbent CPO’s depth of knowledge in procurement and skill in writing contracts. Due to her expertise, she is the only one with ownership of the contract templates, and perhaps she is able to manage so many templates based upon her years of experience. However, the project team did not feel so well equipped to differentiate between the templates. To make the process easier and to enhance staff’s ability to undertake higher level procurement activities, it is recommended that the number of templates be reduced. To do so, the templates should offer options for language that is variable via a check box and be locked down for language that cannot be changed. “Forms” in Microsoft Word may have the capacity to do this, but the CPO will need to find someone with significant depth in creating forms to do so, and she will need to decide which sections of the contract should be filled in by Procurement staff.

Recommendation 11.4: Create a purchase order template in Word, and include important provisions on the back.

The purchase order template should be converted to Word before the end of the fiscal year, so that it can be used beginning July 1. To protect the City, in consultation with the City Solicitor, some of the legal language found in a contract, should likely be added to the back of the PO. Examples might include non-discrimination and equal employment, termination provisions, etc.

Finding 12: A collaborative relationship between City departments and the Purchasing Department is essential to success.

Optimally, a procurement process is a meeting between two subject matter experts – a department representative who understands the department's needs and is an expert in the work the department performs, and a purchasing representative who has a deep understanding of the Massachusetts Procurement Act and is an expert in Fitchburg's procurement processes. It is important that they each understand and respect what the other brings to the table. The departmental representative must understand that the purchasing representative is there to facilitate the process, while ensuring that the City does not operate contrary to any provisions of the Procurement Act. The purchasing representative must understand that the end goal is to make sure the department – and community by extension – gets what it needs to perform its mission. The process is not the end goal of purchasing – getting a needed good or service to a department is.

Unfortunately, the project team has learned that there is not a great deal of trust or good will presently between the various parties to this relationship. In broad terms, departments are concerned that Purchasing does not understand their sense of urgency in getting the goods or services that they need to perform their jobs and instead uses such a highly restrictive interpretation of the Procurement Act that projects cannot move forward and are forever caught in a loop where the scope or specifications are never good enough. Purchasing feels that departments try to bypass required procedures, and do not provide strong scopes of work or product specifications from which bid documents can be produced. Participants seem to be on opposite sides of the table instead of partners on the same side – one side that is fearful of doing something perhaps not perfect (purchasing) and another side that is fearful of not doing something (departments). The project team has not looked into the merits of either perspective – it is quite likely that both are accurate – but simply wishes to articulate that there are relational issues that are adversely impacting the process. The project team would like to note that challenges between Purchasing and other departments are not unique to Fitchburg; they are relatively common across Massachusetts.

Further impacting the relationship are changes that were made with the admirable goal of trying to reduce the purchasing backlog by reducing the number of daily interruptions. Specifically, the Purchasing Department's fixed office hours (Wednesdays and Thursdays from 2:00 to 4:30 pm) and apparently self-imposed restrictions on responding to emails only during certain hours of the day have caused upset within other departments. At present, managers and department heads feel they cannot get quick questions answered, and that there is almost no way to get to speak with the CPO directly. At the same time, the CPO has concerns that department representatives come to the department outside of scheduled hours and frequently call for updates.

Since department heads and the CPO are at the same organizational level, areas of disagreement have had to be elevated to the City Solicitor and/or the Mayor to mediate or make a decision. If agreement could be reached at a lower level, the City Solicitor and Mayor would not need to take time away from their busy schedules to attempt to gather all of the facts in a particular situation.

Recommendation 12.1: The Purchasing Department should report to a position that has a City-wide perspective, vision, authority, and time to regularly work with staff.

As with the IT Department, the Purchasing Department needs a supervisor who can articulate a clear vision of the level of service to be provided, while at the same time helping staff balance the many varying needs and priorities of the departments. An additional need in the case of purchasing is access to a higher organizational level that can help departments and purchasing staff work through differing interpretations of State law and differing missions. If the City moves forward toward creating a Chief Operating Officer, this position would be optimal supervisor for purchasing staff. As noted above, the ideal candidate for this position would have extensive municipal experience and would be well positioned to lead an effort to streamline the purchasing process and to determine which MUNIS procurement modules would help in not only streamlining, but in possible establishment of departmental goals related to processing time and associated data collection needed to monitor progress.

Recommendation 12.2: The Purchasing Department should offer regular, practical training for departments on such topics as writing scopes of work/project specifications and the Massachusetts Procurement Act.

A remarkable number of City staff have pursued State certification in purchasing out of their interest in helping to facilitate the purchasing process. What they are not always certain that they understand are the specific expectations of the Chief Procurement Officer. The training that was held last September was welcomed but found to be too generalized and not specifically geared toward Fitchburg policies and processes, which is what departments are looking for.

Recommendation 12.3: The Purchasing Department should create an electronic library of well-written scopes of work/project specifications that are accessible to department staff to use as models.

In addition to training, the best way to elevate departments' ability to provide well-written scopes of work and specifications is to provide them with examples of what the purchasing department needs. On the City's intranet, files could be posted that departments could use as examples. Given the number of purchases that happen year after year, using a prior year's model as a starting point could help everyone more forward more quickly.

Recommendation 12.4: If restricted office hours are to remain in place, the Chief Procurement Officer should schedule a regular meeting every other week with the key user departments of IT, DPW, Wastewater, and Schools to keep their procurements on schedule. Other department heads should be offered monthly meetings.

A calendar should be established for the fiscal year, so that department representatives know when they can meet directly with Purchasing staff. A tracking sheet by department (which should roll up into the Mayor's tracking sheet) should be reviewed at each meeting and should be updated following the meeting to keep everyone on the same page. If a scheduled meeting is not needed, then it can be cancelled. Oftentimes, it is much easier to cancel a scheduled meeting than to try to set up an emergency meeting when everyone has busy schedules.

Finding 13: Staffing in Fitchburg Purchasing Department appears high relative to the volume of work performed.

Recognizing that the Mayor and City Council increased the resources available to the Purchasing Department in FY14 and FY15, the project team sought to see how those resources compared to other communities. Although they are located closer to Boston, Salem, Somerville, and Revere are similar to Fitchburg in that they are older relatively urban cities. Salem and Revere are close in population, at 42,544 and 53,756, respectively. Revere is also operating under a consent decree. It should be noted that the comparison has limitations, particularly due to the fact that Fitchburg does not utilize an electronic system so the total number of purchasing activities each year cannot be quantified. Instead, the project team used the Procurement Department's contract and PO registers and information from the City Auditor.

In terms of volume of purchase orders and contracts, Fitchburg is relatively close to Salem with regard to contracts (especially when the School contracts which are maintained on a separate register that combines POs and contracts are included). Both Fitchburg and Salem differ from Somerville in the number of contracts, which is not surprising given the number of major initiatives and capital improvements that Somerville is working on.

PURCHASING ACTIVITIES

	FY2014			**FY2015 (thru Q3)**		
	Fitchburg	**Salem**	**Somerville**	**Fitchburg**	**Salem**	**Somerville**
Purchase Orders	106*	6,939	7,204	60	6,969	5,265
Contracts	37	56	537	32	55	481
School Contracts & POs	41	Incl. above	Incl. above	28	Incl. above	Incl. above
Total	**184**	**6,995**	**7,741**	**130**	**7,025**	**5,746**

*Figures for the number of POs come from Procurement Department's handwritten PO registers and do not reflect total POs issued.

However, as can be seen, the Fitchburg PO register lists dramatically fewer POs than both Salem and Somerville. Information from the City Auditor and the Treasurer reveals that there is significantly more activity than is recorded within Purchasing Department paper register. In fact, they indicate that in the last quarter (13 weeks), there were 3,554 checks written or 273 per week. They believe the number of checks is actually smaller than the number of POs because one check can cover more than one PO.[4]

Independently, Collins Center staff compared FY14 MUNIS financial data about payments made from capital funds and grant funds, and for locally-funded services as a sample of all purchases with the FY14 contracts, POs, and schools registers. (A review of Fitchburg's locally funded goods has not been done; the other two communities noted above did include all funds in their reports.) Information gleaned to date includes:

- Several payments were found in the financial report, but not in the contracts register. The majority of these were payments made to well-known firms, such as VHB and Tighe & Bond, Inc. The project team believes these were either inadvertently missed in the contracts register or happen to be multi-year contracts that were not listed in the FY14 register.

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[4] Email from Mayor Wong, May 22, 2015.

- There were smaller payments that fell below the procurement threshold at hardware stores (e.g., Sabourin Hardware and Home Depot), office supplies (e.g., Staples), some food and water (e.g., Belmont Springs), and credit reports (Kroll Factual Data).

It is certain that a review of locally-funded purchases would certainly result in the identification of more purchases that did not go through the Purchasing Department. In years past, departments were required to submit lists of purchases that took place during the year that did not through the Purchasing Department However, according to the CPO, that process has not been well followed in recent years, so current reports are not readily available. The need for accurate data emphasizes the importance of having an electronic system (see Recommendation 11.1).

Staffing in the three departments also varies significantly, with Somerville at six FTE, Salem at two FTE, and Fitchburg at 3 FTE. Revere is staffed similarly to Salem in that it has a Chief Procurement Officer at $69,500 and a Clerk Typist at $39,305, both of whom work full time.

PURCHASING DEPARTMENT STAFFING (FY2015)

Fitchburg	**Salary**	**Salem**	**Salary**	**Somerville**	**Salary**
Chief Proc Officer	$88,609	Purchasing Agent	$61,000	Purchasing Director	$82,717
Dpty Proc Officer	$79,761			Asst Purchasing Director	$66,555
				Construction Proct Mgr	$63,603
Procurement Officer	$69,116	Asst Purchasing Agent	$45,000	Procurement Analyst	$61,436
				Administrative Assistant	$54,622
				Principal Clerk	$43,783
Total (excl. benefits)	**$237,486**		**$106,000**		**$372,717**

Where Fitchburg does differ significantly is that the Purchasing Department does not have any support staff at the present time. As mentioned above, that is important, because the work still remains and is now being performed by higher level staff.

Recommendation 13.1. Although increased use of technology in the Purchasing Department is warranted, the Department still could benefit from at least part time clerical support.

It is not a good use of the Assistant Purchasing Agent's time to be performing duties such as opening mail, answering phones, filing, etc., that could be done by a support position. Although the project team understands that resources are limited in Fitchburg, the overall purchasing operation would benefit from access to at least part time clerical support.

APPENDIX A: LAW DEPARTMENT SURVEY RESULTS

Survey of FY 14 Law Department expenditures by the City of Fitchburg and selected comparable communities

	Description	Fitchburg	Gardner	Holyoke	Leominster	Marlborough	Salem
Personal services	Wages and salaries paid to law department employees	156,000	113,068	318,089		227,887	180,934
Expenses							
Legal fees	Expense payments to attorneys and/or law firms for services as city solicitor, assistant city solicitor, or town counsel				122,210		
Litigation and special counsel	Expense payments to attorneys and/or law firms for specialized legal services and/or in connection with a specific area of law or case(s).	3,622		50,000		146,391	42,000
Labor counsel	Expense payments to attorneys and/or law firms for employment and labor law services such as union negotiations, arbitrations, etc.	40,474					8,000
Other expenses	Including fees, office administrative costs, travel, dues and subscriptions, and others.	43,860	4,600	34,750		14,750	6,900
	Total these items	243,955	117,668	402,839	122,210	389,028	237,834
	Population*	40,383	20,354	40,249	41,002	39,414	42,544
	FY 14 expend per capita	6.04	5.78	10.01	2.98	9.87	5.59

NOTE: As reported by the City Comptroller, Leominster's typical level of funding for their law department is $195,000. The lower expenditure in FY 14 is attributed to the fact that no labor contracts were negotiated that year.

*Source: Mass Department of Revenue

ATTACHMENT B

CONSTRUCTION WORK ORDER

City of Fitchburg, Office of the Purchasing Agent, 166 Boulder Drive, Fitchburg, MA 01420

CONTRACTOR:
D.M.H. Electric, Inc.
29 Legate Hill Rd- Unit A
Sterling, MA 01564

PURCHASE ORDER # 11413-15
This number must appear on all related related correspondence and invoices.

PROJECT LOCATION:
City of Fitchburg
166 Boulder Drive
Ftichburg, MA 01420

SEND INVOICES TO:
CITY BUILDING DEPARTMENT
166 BOULDER DRIVE
FITCHBURG, MA 01420
PHONE: 978-829-1884

ISSUE DATE:	COMPLETION DATE:
8/13/2014	8/29/2014

ADMINISTRATIVE PROVISIONS

1. Prevailing wage rates apply to this work order. See attached decision # 20140805-005 dated 08/05/2014.
2. Permits: Contact the Building Department, a permit will be required. Fees will be waived.
3. Contractor shall provide a Certificate of Insurance to the Purchasing Department evidencing general liability, auto, and workers compensation prior to the start of work. The certificate holder shall be listed as the Office of the Purchasing Agent. The project shall be named in the Description; and the City of Fitchburg, its agents, representatives and employees listed as additional insured with the exception of workers compensation.
4. The Owner's representative/project manager for purposes of this project is: John Moran, 978-829-1884

SCOPE OF WORK

Clerks Office

The Contractor shall furnish all labor and materials to complete the electrical, data wiring, and installation of one jack in the Clerk's Office.
The Request for Quotes, provided by John Moran dated May 10, 2014, and Quote # 685 provided by D.M.H. Electric on May 21, 2014 is hereby made a part of this Construction Work Order.

Treasurer's Office
The Contractor shall furnish all labor and materials to complete the electrical wiring in the Treasurer's Office and File Room and installation of of a Berko OBD 1508, 208 Volts, 1500 Watts, 7.2 amps or equal electric baseboard heating unit.
The Request for Quotes, provided by John Moran dated May 10, 2014, and Quote # 684 provided by D.M.H. Electric on May 21, 2014 is hereby made a part of this Construction Work Order

All work must be scheduled with John Moran, 978-829-1884 and must conducted during off hours or Saturday. All final work must be approved by John Moran.

TOTAL PROJECT COST: $4570

Authorized by: Nancy Wilson, Chief Procurement Officer
Date:

Appropriation: 0119286-585833

white: vendor   yellow: auditor   pink: receiving dept.   goldenrod: purchasing

APPENDIX C: PURCHASING DEPARTMENT STAFFING HISTORY

PROCUREMENT OFFICE STAFFING (FY1995-2015)				
Year	Purchasing Agent	Asst.Purchasing Agent	Purchasing Officer	Clerical
1995	R. Sarasin	N.Wilson		
1996	R. Sarasin	N.Wilson		
1997	N. Wilson	K.Tappley		
1998	N. Wilson	K.Tappley		
1999	n. Wilson	K.Tappley		
2000	N. Wilson	S. Breault	J. Lanciani	
2001	N. Wilson	S. Breault	J. Lanciani	P/T C.Little
2002	N. Wilson	S. Breault		P/T C.Little
2003	N. Wilson	S. Breault		P/T C.Little
2004	N. Wilson	S. Breault		
2005	N. Wilson	S. Breault		
2006	N. Wilson	S. Breault		
2007	N. Wilson			l.Ogivie
2008	N. Wilson			l.Ogivie
2009	N. Wilson			l.Ogivie
2010	N. Wilson	S. Breault		l.Ogivie
2011	N. Wilson	S. Breault		l.Ogivie
2012	N. Wilson	S. Breault		l.Ogivie
2013	N. Wilson	S. Breault		l.Ogivie
2014	N. Wilson	C.Bradley	S.Loumis	
2015	n. Wilson	C.Bradley	S.Loumis	

ABOUT THE CENTER

The Edward J. Collins, Jr. Center for Public Management in the McCormack Graduate School of Policy and Global Studies at the University of Massachusetts Boston was established in 2008 to increase the efficiency and effectiveness of all levels of government. The Center is funded by the Commonwealth and through fees charged for its services.

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