

Mayor and Council Communication

DATE: 06/11/24

M&C FILE NUMBER: M&C 24-0501

LOG NAME: 21PROPERTY MANAGEMENT ASSESSMENT

SUBJECT

(ALL) Authorize Execution of a Professional Services Agreement with Athenian Group, LLC in the Amount of \$847,513.00 for a Property Management Assessment, Adjust Appropriations in the General Fund and the Risk Financing Fund to Consolidate the Funding for the Property Management Assessment into the Property Management’s General Fund Operating Budget for Fiscal Year 2024, Enact Budget Adjustments to Reallocate Resources, Authorize All Associated Transfers, Adopt Appropriation Ordinances, and Amend the Fiscal Year 2024 Budget

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a Professional Services Agreement with Athenian Group, LLC in the amount of \$847,513.00 for a Property Management Assessment;
2. Adopt the attached appropriation ordinance reallocating Fiscal Year 2024 estimated receipts and appropriations in the Human Resources Risk Financing Fund by decreasing the Operating and Maintenance category in the amount of \$100,000.00 and increasing appropriations in the Transfers & Other category by the same amount for the purpose of funding the Professional Services Agreement;
3. Authorize the transfer of funds from the Risk Financing Fund to the General Fund (Property Management budget) in the amount of \$100,000.00 for the purpose of funding the Professional Services Agreement;
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Property Management Department General Fund Operating Budget, in the amount of \$100,000.00, transferred from the Risk Financing Fund, for the purpose of funding the Professional Services Agreement;
5. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations within the General Fund by increasing the Property Management Department budget in the amount of \$347,513.00, and decreasing the Non-Departmental budget by the same amount, for the purpose of funding the Professional Services Agreement, and;
6. Amend the Fiscal Year 2024 Adopted Budget.

DISCUSSION:

The purpose of this Mayor and Council Communication is to authorize the execution of a Professional Services Agreement with Athenian Group, LLC for an assessment of the Property Management Department. Currently, Property Management operates in a mostly reactive manner, largely due to disparate data sources, ad-hoc processes across divisions, and lack of true visibility into the full asset portfolio. This assessment will evaluate current operations and will focus on the Real Estate, Facilities Management, and General Services divisions of Property Management and will provide an analysis of the City’s asset management functions, including staffing, processes, systems, and identify information gaps and opportunities to develop a strategic plan for future operations. The assessment deliverables will be the current state of these divisions, as well as asset inventory, benchmarking, and a roadmap for improvements.

Below are specific problem areas, associated deliverables, and the expected outcome to help move the department to a more proactive operating model:

Problem	SOW Deliverable	Expected Outcomes
Inconsistent databases across departments for City-owned fixed assets	Task 0: Process Workshops and Stakeholder mapping Task 1: AM RM Process, BMI Assessment Report, Validation Report, Responsibility Matrix Task 3: Inventory: Asset Data dictionary development AD4s, Asset Data Readiness Assessment and Preparation,	<ol style="list-style-type: none"> 1. Centralized database of City owned assets 2. Standardized framework for asset entry and level of detail 3. Expected savings on risk insured facilities with accurate data (current is insured with worst case due to lack of data)
Level/specificity of data needed for capital planning and risk management	Task 1: AM RM Process, BMI Assessment Report, Validation Report, Responsibility Matrix Task 5: Asset Resource Management framework and tool development	<ol style="list-style-type: none"> 1. Deferred/Major maintenance planning into capital budgeting 2. Business case framework for repair/sell/build scenarios for assets 3. Insurance utilization planning for detailed asset database

Incomplete data in VUEworks and GIS	<p>Task 1: BMI Assessment Report, Validation Report</p> <p>Task 2: Current systems architecture, current process maps, current use cases of VUEworks</p> <p>Task 3: Asset Data Readiness</p> <p>Task 4: Strategic Roadmap for systems improvement, Strategic Roadmap for process improvement</p>	<ol style="list-style-type: none"> 1. Complete visibility into City assets, allowing for proactive major maintenance planning and cycles 2. Visibility into aging infrastructure for repair/sell/build scenarios of assets 3. Defined processes and operations for asset intake into VUEworks
VUEworks not being used to its capacity for asset management	<p>Task 2: current state systems architecture</p> <p>Task 3: Tool configuration review and gap analysis</p> <p>Task 4: Strategic Roadmap for system improvement</p>	<ol style="list-style-type: none"> 1. Recommendations and roadmap to VUEworks optimal operations 2. Reduction of disparate spreadsheet asset/maintenance databases 3. Real property portfolio transparency
Staffing assessment for PMD (levels, structure, responsibilities) given current and future asset growth and desired level of asset management	<p>Task 0: Stakeholder communications, executive alignment sessions</p> <p>Task 1: Current state asset management responsibility matrix and processes</p> <p>Task 2: Current state operating process framework, process maps, org structure, staffing model analysis</p> <p>Task 4: Performance Gap Improvement Plan, Strategic Roadmap for Process, Staffing, and Org Structure, Staffing Level Recommendations, Budget and Funding Needs development</p>	<ol style="list-style-type: none"> 1. Recommendations and tangible roadmap for cross division aligned operations within PMD 2. Proactive staffing roadmap and resource utilization planning 3. Proactive budget planning and requests
Questions about which assets PMD should manage versus other departments	<p>Task 1: AM RM Process, BMI Assessment Report, Responsibility Matrix</p> <p>Task 2: Current state process maps, current state ownership</p> <p>Task 3: Systems inventory and analysis</p> <p>Task 4: Proactive Asset Management framework, Strategic Roadmap for Asset management, Staffing and responsibility matrix</p>	<ol style="list-style-type: none"> 1. Centralized management of agreed upon assets by PMD 2. One view of all in scope City assets 3. Proactive real property decision making

A Request for Proposal (RFP) was issued on October 25, 2023 and was published in the Fort Worth Star-Telegram every week beginning on October 25, 2023 and ending on December 13, 2023. Based on the results of the RFP, Athenian Group, LLC was selected as the most qualified consultant to perform the work based on the published selection criteria. The consultant, Athenian Group, LLC. proposes to perform the scope of work for this contract on time and in an amount not to exceed \$847,513.00. City staff considers this fee to be fair and reasonable for the anticipated services to be performed. The City, at its sole option, may renew this contract one time under the same terms and conditions.

Funding for the assessment is available in the General Fund budget for Property Management in the amount of \$400,000.00 and the General Fund budget for Non-Departmental in the amount of \$347,513.00. The Risk Financing Fund will provide the remaining \$100,000.00, for a total contract amount of \$847,513.00.

Approval of this M&C will amend the Fiscal Year 2024 Adopted Budget, as approved by Ordinance 26453-09-2023, Section 1, as follows:

Fund / Department / Budget Category	FY2024 Adopted Budget	Authority	Budget Adjustment	FY2024 Revised Budget
General Fund				
Revenues				

Property Management / Operating Transfers	\$2,657,884.00	This M&C (Rec. 3)	\$100,000.00	\$2,757,884.00
Expenditures				
Non-Departmental	\$29,147,095.00	M&C 24-0306	(\$100,000.00)	
		M&C 24-0200	(\$1,096,847.00)	
		M&C 24-0001	(\$250,000.00)	
		This M&C Rec 5	(\$347,513.00)	\$27,352,735.00
Property Management	\$33,803,557.00	This M&C Rec 4	\$100,000.00	
		This M&C Rec 5	\$347,513.00	\$34,251,070.00
Total Expenditures	\$62,950,652.00		(\$1,346,847.00)	\$61,603,805.00
Risk Financing Fund				
Expenditures				
Human Resources	\$33,617,296.00	M&C 24-0263	\$850,000.00	
		M&C 23-0999	\$3,500,000.00	
		M&C 24-0264	\$1,100,000.00	
		M&C 24-0322	\$127,250.00	
		This M&C Rec 3	(\$100,000.00)	\$39,094,546.00
Total Expenditures	\$33,617,296.00		\$5,477,250.00	\$39,094,546.00

FUNDING – Funding is budgeted in the General Operating & Maintenance category in the Risk Financing Fund for the Human Resources Department and the General Fund for the Non-Departmental and Property Management Departments. Upon approval of the recommendations listed above, funding will be budgeted in the Consultant & Other Prof Service account within the Property Management Department's General Fund operating budget.

DIVERSITY AND INCLUSION (DVIN) – A Professional Service 252 Exemption Form was submitted and approved for these services. Therefore, the business equity goal requirement is not applicable.

AGREEMENT TERMS – Upon City Council approval, the agreement shall begin upon execution and expire upon completion and payment of all services.

ADMINISTRATIVE CHANGE ORDER: An Administrative change order or increase may be made by the City Manager to the agreement up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the recommendations and adoption of the attached appropriation ordinances, funds will be available in the current operating budget, as appropriated, in the General Fund for the Property Management Department. Prior to an expenditure being incurred, the Property Management Department has the responsibility to validate the availability of funds.

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