



Legislation Text

File #: 18-159, **Version:** 1

Staff Report to the Finance Committee on a Financial Forecast Consultant Request for Proposal

SUMMARY AND RECOMMENDATIONS

Staff requests feedback on the Ten Year General Fund Forecast RFP that incorporates the Finance Committee's recommendations made during its January 30, 2018 meeting.

BACKGROUND

On January 30, 2018 the City's Finance Committee met to discuss a General Fund Forecast model that would accomplish 4 objectives:

1. establishes baseline revenue and expenditure assumptions;
2. delivers a scenario-based 10 year financial forecast that allows for adjustments in a changing economic landscape;
3. provides a bottom-line analysis that offers greater insights into policy alternatives while maintaining the City's capital reserves requirement; and
4. recommends industry "best practices" around forecasting revenues and expenditures after evaluating current practices.

The Finance Committee discussed the need for greater accuracy of financial forecasting. The committee recognized the need to solicit bids for a consultant to build a scenario-based model that can adjust to the local economy over the next five to ten years.

The committee also requested the consultant provide an analysis of the broader macroeconomic (i.e. state and federal) factors influencing the city's bottom line. The successful bid would incorporate a scenario-driven model that allows for policymakers to evaluate alternative policy options with the funding available. The committee asked that the consultant evaluate current forecasting methodology and recommend any "best practices" around forecasting revenues and expenditures moving forward.

The committee directed staff to develop a Ten Year General Fund Forecast Request for Proposal (RFP) that broadly accomplishes these objectives. Staff reviewed the feedback from the committee, met with direct stakeholders, and developed the attached RFP and seeks the committee's feedback.

Analysis

The attached Request for Proposal incorporates the Finance Committee's feedback gleaned from the January 30, 2018 meeting. Staff also attached a summary that ties the committee's feedback to a specific section within the RFP's Scope of Work. Staff seeks feedback on the proposed scope of work. Once staff receives the committee's feedback, the RFP will be issued through the Purchasing Division for competitive bidding. Staff will bring back to the Finance Committee the bid results with a recommendation. If the winning bid exceeds the \$50,000 threshold for City Manager approval, staff will bring this consulting services agreement to the City Council for approval per Resolution 2008-019.

Committee Review and Actions

- On January 30, 2018 the Finance Committee directed staff to develop a Ten Year General Fund Forecast request for proposal (RFP) to inform future policy direction around financial decisions.

Attachment(s) to Staff Report

- Request for Proposal for 10 Year Budget Forecast
- Finance Committee RFP Feedback-Table Format

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