



SUMMARY REPORT

Agenda Date: 2/4/2025

To: Board of Supervisors of Sonoma County

Department or Agency Name(s): County Administrator's Office and Human Resources

Staff Name and Phone Number: Karen Fies, 707-565-2365; Janell Crane, 707-565-2885

Vote Requirement: 4/5th

Supervisorial District(s): All

Title:

Municipal Resources Group, LLC, Consultant Agreement Amendment.

Recommended Action:

- A) Authorize the Human Resources Director to negotiate and execute a First Amendment to the Agreement between the County of Sonoma and Municipal Resource Group, LLC (MRG) for a not to exceed amount of \$1,148,485 from a current \$450,000 to cover capacity to conduct an organizational assessment of the Health Services Department. The amendment includes the option to increase the Human Resources countywide organizational development services up to an additional \$100,000 annually for other projects. (Majority)

- B) Adopt the Budget Adjustment Resolution to the Non-Departmental Budget to utilize \$461,430 of General Fund Contingencies to fund a portion of the MRG contract amendment.

(4/5th Vote Required)

Executive Summary:

The County Administrator's Office (CAO) seeks to understand how the Department of Health Services can improve its services to the community. CAO staff contacted four Organizational Development consultants and received two proposals. Municipal Resource Group, LLC. (MRG), was selected as the consultant of choice for this project.

Approval of this agenda item will approve utilizing up to \$461,430 in General Fund Contingencies and adopt a budget adjustment to the Non-Departmental Budget to cover the cost of the project. Further approval of this agenda item will authorize the Human Resources Director to execute a First Amendment to the Agreement with MRG for organizational development consulting services, in an amount not to exceed \$1,148,485 from a current \$450,000 and with a term ending on June 30, 2027, including the option to increase the Human Resources countywide organizational development services up to an additional \$100,000 annually for other projects.

Discussion:

The Municipal Resource Group LLC, (MRG) is an established consulting firm that provides a wide range of operational and organizational development services, primarily to government agencies.

The Human Resources Department (HR) selected MRG as an organizational development consultant through a competitive Request for Proposal process in 2024. The current agreement with MRG covers the period of July 1, 2024, through June 30, 2027, with a total not to exceed amount of \$450,000 (\$150,000 annually). The Human Resources Director also has delegated authority to increase the not to exceed amount up to an additional \$100,000 per contract year if necessary to address demand and usage, during the term of the agreement.

The County Administrator's Office contacted four firms that provide organizational development services. Two firms submitted proposals to conduct an organizational assessment of the Department of Health Services (DHS). After review of the proposals, MRG was selected to conduct the assessment and a scope of work (Attachment III) was developed. MRG proposes a three-Phase approach that includes:

- An assessment of the current organization
- Co-creation of a redesign road map (strategic work plan) intended to evaluate the DHS's areas in need of redesign with the goal of improving systems and service delivery, and establish internal department redesign workgroups
- Create a multi-year roadmap that will guide the completion of the organization's redesign, which will result in improved use of resources and improved delivery of public services and programs

The total project cost for all three phases shall not exceed \$698,485. The cost of Phase I of the project, with an estimated amount of \$237,055, is being covered with existing appropriations in the approved FY24-25 Non-Departmental budget available for contracting services. Staff is requesting the use of one-time General Fund Contingencies in the amount of \$461,430 to cover the estimated cost of Phases II and III of the project.

Given the time sensitivity of this project and to enlist MRG for the full scope, staff is making a request for the use of General Fund Contingencies outside the timing established by the Board's Financial & Budget Policies for 2024-2025, which states, "Unless there is a justified unavoidable timing need, any decision to use Contingencies should only occur at the Board's annual budget hearing, and during mid-year budget updates."

Alternatively, the Board may direct staff to include this request as part of the FY25-26 budget process. However, given MRG's proposed timeline to complete the project by the first quarter of FY25-26, doing so will delay the completion of the project for approximately six months.

Staff is seeking the Board's approval to use General Fund Contingencies in the amount of \$461,430 and amend the FY24-25 Non-Departmental budget, by increasing the appropriations in a corresponding amount.

In addition, staff is seeking the Board's approval authorizing the Human Resources Director to execute a First Amendment to the Agreement between the County and MRG to provide contract capacity for the Department

of Health Services project by increasing the total not to exceed amount to \$1,148,485 from the current \$450,000 for a term ending on June 30, 2027.

The Human Resources Director shall also maintain delegated authority to increase the spending limit for countywide organizational development services coordinated by HR, up to an additional \$100,000 per year, if necessary, to address demand and usage during the term of the Agreement for a total not to exceed amount of \$1,148,485.

Strategic Plan:

This is a routine operational item and is not directly related to any of the Strategic Plan Goals and Objectives.

Prior Board Actions:

June 4, 2024: Organizational Development Consultants, Professional Development Trainers, and Racial Equity Consultants/Trainers.

FISCAL SUMMARY

Expenditures	FY 24-25 Adopted	FY 25-26 Projected	FY 26-27 Projected
Budgeted Expenses	\$237,055		
Additional Appropriation Requested	\$461,430		
Total Expenditures	\$698,485		
Funding Sources			
General Fund/WA GF	\$237,055		
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies	\$461,430		
Total Sources	\$698,485		

Narrative Explanation of Fiscal Impacts:

Should the Board approve the utilization one-time General Fund Contingencies in the amount of \$461,430 to cover the cost of Phases II and III of the DHS assessment work by MRG, and adopt the attached Budget Resolution, staff will process a budget adjustment in the Non-Departmental budget in a corresponding amount in Other Financing Sources.

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Narrative Explanation of Staffing Impacts (If Required):

There are no staffing impacts associated with this action.

Attachments:

Attachment I - Budget Resolution

Attachment II - MRG proposal

Attachment III - First Amendment to the Agreement between County of Sonoma and Municipal Resources Group, LLC.

Related Items "On File" with the Clerk of the Board:

Original Agreement between County of Sonoma and Municipal Resource Group, LLC