

# Memorandum



CITY OF DALLAS

DATE August 3, 2012

TO Honorable Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Tennell Atkins (Vice Chair), Monica R. Alonzo, Scott Griggs, Ann Margolin

SUBJECT Ethics Program Evaluation and Training Program

On Monday, August 6, 2012, at the Budget, Finance, and Audit Committee meeting, you will be briefed on the Ethics Program Evaluation and Training Program. The briefing material is attached for your review.

Please contact me if you need additional information.

A handwritten signature in blue ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield  
Chief Financial Officer

Attachment

C: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa A. Rios, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig D. Kinton, City Auditor  
C. Victor Lander, Administrative Judge  
A.C. Gonzalez, First Assistant City Manager  
Ryan S. Evans, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Edward Scott, City Controller  
Stephanie Pegues-Cooper, Assistant to the City Manager

# Ethics Program Evaluation and Training Program

Briefing to the Budget,  
Finance and Audit  
Committee

August 6, 2012



# Purpose

- To review the procurement process and results of the proposal for ethics consulting services

# Background

- On June 28, 2000 the Dallas City Council passed ordinance No. 24316 which established a code of ethics for all city officials and employees providing:
  - Regulations, restrictions and prohibitions relating to improper economic benefits, unfair advancement of private interests, gifts, confidential government information, outside employment, and use of public property and resources
  - Regulation of political activities of City officials and employees, restrictions on contracting with the City and representing private interests of others before the City, and requirements for certain City officials and employees to file financial disclosure reports and travel reports
  - Creation, membership, qualifications, jurisdiction and powers of the Ethics Advisory Commission, which is currently comprised of a seven-member panel

*\*A recent audit conducted by the City Auditor's Office found there are opportunities to improve the compliance and delivery of the program to the City's employees.*

# Scope of the Request for Proposal

- The City issued a Requests for Proposals solicitation for the assessment of current ethics efforts and employee attitudes towards ethics, development and delivery of a comprehensive ethics training program, and to conduct post implementation evaluation of the success of the training program
- The recommended proposer will analyze the City's existing Ethics Program, by assessing the current efforts, identifying gaps and opportunities, offering recommendations for improvements, and providing training that can be delivered to City staff including labor and other field personnel, professional, office, sworn police and fire employees

# City Identified Objectives for Program

- Emphasize the importance of honesty and integrity based on the City's ethics policies
- Augment existing efforts around compliance
- Be comprehensive and encourage employee compliance with ethics laws, regulations, policies, and/or procedures
- Reinforce the community's trust in the integrity of the City
- Incorporate ongoing efforts to promote and maintain an ethical culture within the City

# Procurement Activity

- The Request For Proposal for an Ethics Evaluation Program and Training Program advertised on April 7 & 12, 2012
- As part of the City of Dallas vendor notification process
  - 1,104 Electronic notices were sent by the City's web-based procurement system
  - 14 Additional vendors were contacted directly by the Buyer
  - Electronic notifications were sent by BDPS' ResourceLINK Team to 28 chambers of commerce
  - Notifications were sent to the DFW Minority Supply Diversity Council, Women's Business Council-Southwest and Regional Hispanic Contracts Association advocacy groups

## Procurement Activity (cont'd)

- A pre-proposal conference was held April 19, 2012 - 9 companies attended
- All questions asked during the pre-proposal meeting and City responses were posted on the City's bid website per standard business practices
- Proposal due date was extended one week to allow further clarification of City requirements
- May 9, 2012 – Proposal closed



# Procurement Activity (cont'd)

- Evaluation process

- Nine proposals were received and distributed to a committee for evaluation
  - The evaluation committee was comprised of the following members:
    - City Controller's Office – Director
    - Street Services – Director
    - Human Resources – Assistant Director
    - Police – Lieutenant
    - Fire Rescue – Deputy Chief
    - City Manager's Office – Executive Assistant
    - \*Business Development and Procurement Services
- \* *Evaluated pricing only*

# Procurement Activity (cont'd)

## Evaluation Criteria

- Qualifications 20%
- Project understanding and scope 15%
- Past performance 10%
- Pricing 40%
- \*Business Inclusion and Development 15%

\*It is the City's Business Inclusion & Development policy to include 15 points in the evaluation criteria for all proposals estimated to exceed \$250k. The City received proposals from 2 nonprofits which are outside the BID program due to the ownership requirement (51% M/WBE owned and operated). The standard 15 points were not considered in an effort to equalize the evaluation criteria for profit and nonprofit organizations.

# Evaluation Matrix Summary

Vendor	Qualifications 20%	Project Understanding/Scope 15%	Past Performance 10%	Pricing 40%	Total 85%
Navigant	18.17%	13.50%	9.00%	40.00%	<b>80.67%</b>
Josephson Institute	18.50%	13.33%	8.83%	38.62%	79.29%
Littler	17.83%	13.17%	8.17%	38.62%	77.79%
Ethics by Design	17.17%	12.17%	7.67%	14.65%	51.65%
ICMA	17.00%	11.33%	8.00%	13.78%	50.11%
NaSmith	8.83%	9.83%	4.50%	22.52%	45.69%
Ignite It Group	14.83%	10.33%	7.00%	6.68%	38.85%
Afful Consulting	10.33%	10.00%	5.33%	12.68%	38.35%

# Recommended Proposer - Navigant Consulting

- Navigant was deemed the most advantageous proposer
  - \$435,495 three-year contract
- An international firm formed in 1999 with approx 1,800 employees
- Presence in Texas including over 30 employees in Dallas office

# Recommended Proposer - Navigant Consulting

- Work with Fortune 1000 and Global 500 companies, public agencies in areas such as:
  - Assessing, enhancing, developing and implementing compliance policies, procedures and related controls
  - Developing and delivering customized employee training, including related communications and controls
  - Conducting compliance and risk analyses and assessments
  - Assessing, enhancing, developing and implementing anti-bribery risk scoring and investigative due diligence protocols

# Recommended Proposer - Navigant Consulting (Cont.)

- Have contracted with public and private organizations such as:
  - American Airlines
  - H.E.B
  - Valero Energy
  - Texas Health Resources
  - Baylor Health
  - Pioneer Natural Resources
  - New York City Department of Education
  - Delaware Department of Justice
  - Little Rock School District
  - K&L Gates
  - JFK Airport

# Navigant Consulting - Global Investigations and Compliance Division

- Director, Martin T. Biegelman, CCEP, CFE
  - Subject matter expert implementing the Federal Sentencing Guidelines best practices for effective ethics and compliance program
  - Founded Microsoft Corporation's Financial Integrity Unit
  - 35 years experience detecting, investigating and preventing fraud and corruption, designing and enhancing ethics and compliance programs
  - Adjunct instructor for Society of Corporate Compliance and Ethics
  - Appointed by Washington State Governor to serve on their Executive Ethics Board (2008-2011)

# Navigant Consulting – Disputes and Investigations Division

- Director, Robert Lang, CFA, PI
  - Navigant's Dallas Office
  - Over 17 years of experience investigating fraud, corruption, and financial damages
  - Served as a court appointed investigator to review payment patterns and transactions in various alleged Ponzi schemes
  - Regular lecturer in the Fraud Detection and Analysis class in the Graduate Accounting program at Baylor University
  - Serves on the Advisory Board for Baylor's University Business Law Department



# Navigant's Scope

Year 1

- Initial assessment of the City's ethics program and culture which will be utilized to develop specific training for City employees
  - Document review, facilitate focus groups and provide updated ethics program
- Instructor led training for approximately 13,000 City employees tailored to specific employee levels
  - Administrative/Clerical
  - Operations/Field
  - Professional/Technical
  - Supervisor/Manager
  - Executive
  - Public safety

# Navigant's Scope

Years 2 & 3

- Provide post-assessment documentation of initial training
- Navigant will develop and provide materials designed for continued learning and renewed focus on ethics
  - Produce 5 videos for utilization via intranet and during department meetings/trainings
  - Prepare messages and training refreshers to be used as city-wide mass email communication
  - Post assessments to evaluate the effectiveness of the program
- Navigant will provide professional training to staff within the City's Human Resources Department to conduct future training post-contract

# Recommendation

- Approve resolution on the Council's August 22, 2012 agenda authorizing a three-year consultant contract with Navigant Consulting in a total amount not to exceed \$435,495



# Question