



**DATE:** July 16, 2019

**TO:** Mayor and City Council

**FROM:** Deputy City Manger

**SUBJECT:** Adopt a Resolution to Appropriate \$108,881 and Authorize the City Manager to Execute Professional Services Agreement with CivicMakers to Provide Strategic Planning Services and Create a Three to Five Year Strategic Plan

### **RECOMMENDATION**

That the City Council adopts a resolution (Attachment II) to authorize the City Manager to execute a professional services agreement with CivicMakers to provide strategic planning services and create a three to five-year strategic plan, and to appropriate \$108,881 to provide these services.

### **SUMMARY**

The City of Hayward is embarking on a strategic planning process to set the Council's vision and priorities and develop a Citywide Strategic Plan for the next three to five-years. The final Citywide Strategic Plan will provide the framework for the City to proceed in the coming years and set clear expectations of staff given finite resources and staff capacity.

In June of 2017, City Council adopted the Strategic Initiatives Two-Year Action Plans for Complete Streets, Complete Communities, and the Tennyson Corridor for FY 2018 and FY 2019. In addition to numerous accomplishments made as part of the strategic initiatives, staff and Council have learned many valuable lessons to inform the next planning process. As the two-year Strategic Initiatives timeline has come to an end, the City is at an opportune time to assess community needs, staff capacity, and organizational health to direct the City's vision and priorities for the coming years.

Staff has engaged a consultant to assist in the development of a three to five-year strategic plan to address Council's goals in alignment with staff responsibilities and capacity; and to address the community's continually evolving priorities in an innovative and responsive way. The strategic planning process is two-phased: the initial phase was to facilitate a Council retreat to begin the priority and goal setting process, which occurred May 11, 2019; phase two will include developing a vision and priorities, as well as a three to five-year strategic plan.

The final product will be a Citywide Strategic Plan that includes the high-level priorities that make up the City's three- to five-year vision, the specific programs and projects that fit within and across priority areas, as well as annual objectives and departmental workplans. The Citywide Strategic Plan will align with the current prioritization work being performed citywide to provide a realistic picture of staff's current capacity, as well as be integrated with the City's annual budget process. The resulting Citywide Strategic Plan will guide the City's workplans, as well as financial and staff resources over the next three to five years.

## BACKGROUND

In June of 2017, City Council adopted the Strategic Initiatives Two-Year Action Plans for Complete Streets, Complete Communities, and the Tennyson Corridor for FY 2018 and FY 2019.<sup>1</sup> The Action Plans were developed to provide the details of each strategic initiative's goals, objectives, and performance measures. The Strategic Initiatives and their accompanying Action Plans were developed to help the Council, the community, and staff identify clear actions towards the accomplishment of the Council's priorities. During the past two years, staff have presented updates to Council on the status of the work plans. Council received updates on the following dates:

- **January 30, 2018:** Update on the Council Strategic Initiatives Two-Year Action Plans: Complete Streets, Complete Communities, and Tennyson Corridor<sup>2</sup>
- **July 10, 2018:** Six-month Status Update on the Implementation of the Three Council Strategic Initiatives: Complete Communities, Complete Streets, and the Tennyson Corridor<sup>3</sup>
- **September 11, 2018:** Update on the Implementation of the Three Council Strategic Initiatives Two-Year Action Plans: Complete Streets, Complete Communities, and Tennyson Corridor<sup>4</sup>
- **May 11, 2019:** City Council Priority Setting Retreat<sup>5</sup>

Additional information on the Strategic Initiatives can be found online at the linked Council presentations listed in the footnotes of this report.

As FY 2019 and the Strategic Initiatives Two-Year Action Plans come to an end, staff has engaged a consultant to assist in a two-phase strategic planning process. Phase one of the

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<sup>1</sup> Adoption of Strategic Initiatives Two-Year Action Plans: Complete Streets, Complete Communities, and Tennyson Corridor: <https://hayward.legistar.com/LegislationDetail.aspx?ID=3084750&GUID=9F1F7633-072E-4D44-A161-E953CAD3542E&Options=&Search=>

<sup>2</sup> Update on the Council Strategic Initiatives Two-Year Action Plans: Complete Streets, Complete Communities, and Tennyson Corridor: <https://hayward.legistar.com/LegislationDetail.aspx?ID=3320947&GUID=19BCF852-6FE7-4402-86C2-3775E389B6D5&Options=&Search=>

<sup>3</sup> Six-month Status Update on the Implementation of the Three Council Strategic Initiatives: Complete Communities, Complete Streets, and the Tennyson Corridor: <https://hayward.legistar.com/LegislationDetail.aspx?ID=3547618&GUID=21FFFA2D-CC7F-48CB-B754-2FD7A000E190&Options=&Search=>

<sup>4</sup> Update on the Implementation of the Three Council Strategic Initiatives Two-Year Action Plans: Complete Streets, Complete Communities, and Tennyson Corridor: <https://hayward.legistar.com/LegislationDetail.aspx?ID=3652243&GUID=55B53F3E-F872-4235-8D28-A67EEA471A76>

<sup>5</sup> City Council Priority Setting Retreat: <https://hayward.legistar.com/LegislationDetail.aspx?ID=3952400&GUID=BBAA3F00-2D13-45C0-AF1D-98D75DC97DC2&Options=&Search=>

process was completed as part of the Council priority setting retreat held on May 11, 2019. Phase two of the strategic planning process includes preparation of a three- to five-year Citywide Strategic Plan. At this time, staff is seeking Council approval of the professional services agreement with CivicMakers to prepare the Citywide Strategic Plan. The Citywide Strategic Plan will provide the framework for the City to address the community's continually evolving priorities in an innovative and responsive way, while setting clear expectations of staff given finite resources and staff capacity.

In March 2019, the City issued a Request for Proposals (RFP) for professional services for the two-phase strategic planning process. An interdepartmental team of staff unanimously selected CivicMakers to conduct the initial phase of the strategic planning process, which was to facilitate the May 11th priority and goal setting workshop with the Council and to identify the Council's priorities for the next three to five years. Phase two will include developing a vision statement and priorities, as well as the City's three to five-year Citywide Strategic Plan. The final product will be a strategic plan that includes the high-level priorities that make up the City's three- to five-year vision, the specific programs and projects that fit within and across priority areas, as well as annual objectives and departmental workplans. In the City's most recent employee engagement survey, less than half of all employees (40%) felt they have a clear understanding of the City's strategic priorities and goals. It is crucial for the City to develop a clear vision and target priority areas to prioritize staff and financial resources given the City's limited organizational capacity.

During the May 11th Council retreat to discuss goal setting and priorities, staff and Council reviewed key accomplishments and lessons learned from FY 2018 through FY 2019 and began the initial process of the City's strategic planning process for the next three to five years. The May 11th meeting was split into two parts: the first half of the day was led by staff and focused on reviewing strategic accomplishments, lessons learned, and reviewing key themes and trends from employee and resident surveys. The second half of the day was a facilitated discussion led by CivicMakers to begin the strategic planning process. A summary of notes from May 11th can be found in Attachment III - Phase 1 Summary Notes. These findings will be used to inform the second phase of the strategic planning process.

#### *Accomplishments and Lessons Learned*

During the May 11th work session, staff provided a comprehensive update on the progress made on the Strategic Initiatives during FY 2018 and FY 2019. Staff presented on key accomplishments of each of the Action Plans, including highlights such as:

- Investing \$450,000 in new median landscaping along the Tennyson Corridor
- Initiating the Bike and Pedestrian Master Plan to support Complete Streets
- Awarding \$28.6 million to three affordable housing projects, which will include 259 units to support Complete Communities

Attachment IV provides the complete Action Plans for each of the Strategic Initiatives with the current status of each action.

In addition to reviewing the progress made on the Strategic Initiatives, staff shared progress and accomplishments from the past two years outside of the Strategic Initiatives, including

organizational growth initiatives and special projects. Staff also shared lessons learned during the past two years, including findings from the Employee Engagement Survey, department prioritization sprints, the Resident Satisfaction Survey, and the Community Needs Assessment. Materials from this meeting can be found online at the May 11, 2019 City Council meeting, “City Council Priority Setting Retreat (Report from City Manager McAdoo).”<sup>6</sup>

#### *Future Planning: Visioning and Priority Areas*

In preparation for the May 11th meeting, CivicMakers issued a survey to Council to gather information around vision and strategic priorities for the next three to five years. With this data, CivicMakers facilitated three exercises with Council to create a shared working model of an ideal, yet still realistic vision of the City in three to five years, and to create a draft list of priority areas and supporting projects needed to accomplish this vision. The findings and feedback provided from the Council retreat will serve as the basis for the phase two development of the three- to five-year Citywide Strategic Plan.

## **DISCUSSION**

Staff recommends that Council adopts a resolution authorizing the City Manager to execute a professional services agreement with CivicMakers to provide strategic planning services in an amount not to exceed \$108,881 for implementation of the phase two preparation of the three- to five-year Citywide Strategic Plan. Staff recommends this based on the following:

- **Comprehensive, cost-reasonable, and responsive proposal:** Eight proposals were submitted in response to the March 2019 RFP for Strategic Planning services. CivicMakers submitted a comprehensive and cost-reasonable proposal that was responsive to the needs of the City and when compared with the other submitted proposals.
- **Familiarity with Council:** Having facilitated the Phase 1 retreat, CivicMakers has familiarity with Council and their vision for Hayward, as well as Council’s desired strategic priorities.

Phase two will include the following tasks:

- **Vision and Priorities:** CivicMakers will facilitate a Council work session to confirm the vision and priorities set at the May 11<sup>th</sup> retreat. These elements will direct the projects and programs to be completed in the next three to five years.
- **Staff and Community Engagement:** CivicMakers will leverage existing input from staff and the community as well as cultivate new opportunities for engagement in the strategic planning process. Once the vision and priorities have been developed using findings from previous employee and community engagement, staff and the community will have an opportunity to review and respond to these overarching

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<sup>6</sup> City Council Priority Setting Retreat (Report from City Manager McAdoo):  
<https://hayward.legistar.com/MeetingDetail.aspx?ID=692101&GUID=12A5FB89-FB45-46B9-810A-3E9E07313AED&Options=info&Search=>

principles.

- **Workplan development:** Once the vision and priorities are set, workplans will be developed in partnership with City leadership and staff. The workplans will include programs and projects that staff will focus on in the coming years, as well as setting annual objectives. The plan will be aligned with staff capacity and will utilize findings from the prioritization sprints. Staff and Council will be given opportunities to review and respond to the detailed workplans.

The Phase 2 scope of work is attached for reference (Attachment V - Phase 2 Scope of Work and Budget).

### **FISCAL IMPACT**

The cost of phase two will not exceed \$108,881. CivicMakers estimates that the actual cost will be \$91,480, with a contingency of \$17,401. The FY 2020 operating budget does not include sufficient funds to cover the costs associated with this professional service agreement. The total fiscal impact exceeds the amount budgeted and requires an appropriation in the amount of \$108,881 to the General Fund. In response to the City's RFP, CivicMakers was not only the recommended consultant based on their high-quality of their qualifications and interview, but also the least expensive. Additionally, CivicMakers performed well at the May 11 Council priority setting retreat and demonstrated their value in helping to guide the City in its strategic planning process so that City can be efficient and deliberate about deploying its resources in the years to come.

### **NEXT STEPS**

If Council approves this recommendation, staff will execute an agreement with CivicMakers to facilitate the preparation of the phase two Citywide Strategic Plan.

<b>PHASE 2</b>	
<b>TASK</b>	<b>TIMEFRAME</b>
Vision and priority workshop with Council and Department Heads	September
Staff and community engagement on vision and priorities	September - October
Workplan development, including staff engagement	October - January
Finalize workplan, integrate with FY 2021 budget development	January - February

The strategic plan will be complete prior to the FY 2021 budget process in order to identify potential budgetary needs and priorities.

*Prepared by:* Jessica Lobedan, Management Analyst II

*Recommended by:* Jennifer Ott, Deputy City Manger

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

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Kelly McAdoo, City Manager