



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

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## Rapid City Council

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October 28, 2003

The Honorable Jim Shaw  
Mayor of Rapid City; and  
The City Council of  
Rapid City, South Dakota 57701-2724

**No. PW102803-01**

Honorable Mayor and Council:

In accordance with Mayor Shaw's request, this Committee has reviewed the City's Consultant Selection Procedure, 1990 and 1995 editions, and has interviewed various other people, all affected one way or another by the process.

Committee members have also reviewed a slide program prepared by the American Public Works Association dated April 9, 2003 entitled "Selection of Consultants".

Engineering representatives serving on this Committee have, over many years, been familiar with the selection procedures of State and Federal agencies. In fact, the principles of formalized consultant selection procedures were mandated for use by Federal agencies approximately 35 years ago by congressional legislation commonly known as the "Brooks Bill" named for Congressman Brooks of Texas.

Since WWII, funding of both private and public projects has dramatically increased. The use of private enterprise consultants, particularly in architecture and engineering has correspondingly increased. The private interests and public agency managers early on, through their successes and failures, realized that not all services are of the same quality and their procurement is not the same as purchasing "widgets off the shelf" through the low bid. They learned that low-bid procurement does not save taxpayer's or investor's money over the life of the project. Therefore, it became a matter of public interest that formalized selection and performance evaluation processes be prepared, adopted and rigorously implemented. Agencies know through experience that their technical staffs are best qualified to sort through the complexities of personal relationships and marketing efforts of consultants, and to know the qualities required of a consultant to provide and consistently perform valuable services on a specific assignment at a cost that is reasonable and equitable to both Owner and Consultant. Billions of dollars of design and construction have been accomplished with minimal problems. This process has been a remarkable success considering the complexity of the projects, and the number of



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selections and negotiated contractual relationships that have been initiated for professional services over this past fifty years.

This Committee concludes that to the credit of City staff most of the nation-wide adopted principles of quality or value-based selection of consultants is contained in the Consultant Selection Procedures used by Rapid City's Department of Public Works. These procedures have been modified over the years since those used less formally in the 1980's; then formally adopted in 1990, then again re-prepared in 1995. However, the Committee found, in reading the procedures, that their format is somewhat difficult to follow. Clarification of some items and a formalized reporting and evaluation mechanism would be most desirable for their implementation. The Committee believes a more readable format that would result in a better understanding of the procedures by all affected parties, would be beneficial. With this in mind, the Committee has rewritten the total selection process encompassing the following:

1. Suggestions regarding agreement on scope of projects. This is necessary prior to successful implementation of actual selection procedures;
2. The existing selection procedural content modified to create an improved orderly format; and
3. A recommended formalized method of evaluating the staff and Council performance in implementing Steps 1 and 2.

The Committee's proposed selection process attached as an exhibit to this report is intended to be useful to all stakeholders in the City's projects – elected Council and Mayor; appointed City staff; interested consultants; public/special interest groups/media.

A discussion of three preceding steps follows:

1. A. Open communication of a positive nature between staff, Mayor and Council is absolutely essential. This requires trust and open book agendas of all participants.
  - B. A clear statement describing proposed project must be prepared by staff for discussion with Council. This statement should be accompanied with staff's best estimate of probable project cost, time line of probable expenditures, and anticipated operation and maintenance costs. A schedule of various phases of activity necessary to accomplish implementation of project must also be available to Council.
    - a. If a Civil Engineering type project, precise limits of work and functional results of project is to be identified.
    - b. If an architectural project, the expectations must be clearly and openly discussed so they are mutually understood by both staff and Council, and sponsoring user, if there be one.

No further steps are to be undertaken until project scope, character and function has been completely agreed upon and approved by Council.

2. Recommended Consultant Selection Procedure is contained in exhibit which represents a re-write for clarification of: existing guidelines. Notable additions include:
  - A. Following the pre-selection committee's quarterly meeting to identify projects for consultant selection, that committee shall, for informational purposes advise the Council.
  - B. Public Works Department shall maintain a file of local consultants interested in being of service to the City. Annually the City shall by advertisement announce: the type of projects requiring consultants. It shall advise qualified consultants to update their qualifications and to specify those types of projects in which they have an interest in being considered for selection. Interested consultants are encouraged to update their qualifications and statement of interest at any time.
  - C. Upon completion of consultant selection and negotiation of scope of work tasks and fees, a contract with the consultant shall be prepared for approval of the Council.
3. The Committee recommends a standing oversight committee be appointed by the Mayor with advice and consent of the Council to periodically review, no less than two times annually or as they may deem necessary, actions of the consultant selection committee. Concerns of the public, Council or Mayor and consultants on specific projects may be brought to this oversight committee who shall promptly investigate as they deem necessary, to determine if proper selection and negotiation procedures have been followed. Their report shall be a public document.

The purpose of this oversight committee is to help assure that the public through the Consultant Selection Procedure is receiving quality service at a fair and reasonable cost and that where possible there has been a reasonable distribution of work only to qualified consultants. The committee should be of approximately five members with not more than two members of the Council, or one Council member and the Mayor. The remaining three members would be selected from the community; but preferably they would be business or organization executives and managers with no direct business ties to City Hall personnel. They should have experience in evaluation and the hiring and dismissal of employees, or have experience in negotiation of contracts.

In conclusion, this committee believes the City's Consultant Selection Procedure with a bit of clarification and improved communication between staff, Council and public will be consistent with policies used by a significant majority of cities, public agencies and other

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business entities throughout the United States. Assistance of the Council and its individual members and the Mayor is solicited to help assure the staff has the necessary environment in which to work with the encouragement and support necessary for professionals to carry out their responsibilities.

Respectfully submitted,

MARTHA RODRIGUEZ, Chair  
Council Committee on  
Consultant Selection Procedure