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**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
RFP ADVISORY COMMITTEE MEETING
JULY 13, 2009
MINUTES**

A meeting of the Maricopa County Community College District RFP Advisory Committee was scheduled to be held at 2:00 p.m. at the District Support Services Center, 2411 West 14th Street, Tempe, Arizona, pursuant to A.R.S. §38-431.02, notice having been duly given.

PRESENT

RFP ADVISORY COMMITTEE

Colleen Clark, Chair
Nancy Jordan
John Loreda
Diana Yazzie Devine
Charlie Vierhout
Dr. Roy Herberger
Dr. Phil Corkill – **absent**

ADMINISTRATION

Pete Kushibab
Michael McIntier

BOARD MEMBERS AND CEC

Don Campbell
Jerry Walker
Debra Pearson
Randolph Lumm
Maria Harper-Marinick
Al Crusoe
Darrel Huish
Steve Helfgot
Ken Atwater
Clay Goodman for Ernie Lara
Paul Dale
Shouan Pan
Gene Giovannini
Velvie Green
Jan Gehler
Linda Lujan
Todd Simmons for Linda Thor

A. Call To Order

President Colleen Clark called the meeting to order at 2:00 p.m.

B. Remarks Regarding Advisory Committee Meeting Process

Mike McIntier, Director, Strategic Business Support Services, explained that although this was a public meeting, there would be no Citizens' Interim as this was a meeting of the Advisory Committee to the Board, however, everyone present was welcome to observe the interview process and presentations from the three finalists for RFP #2906-1, Management Consulting Services for MCCCCD. Each firm would be allotted 45 minutes for their presentation and then fifteen minutes for questions from the panel. In consideration of the three firms making presentations as well as the RFP committee, Mr. McIntier requested that the audience try to minimize any disruptions during the presentations, including cell phones, conversations and movement throughout the room.

C. Presentations from the three finalists for RFP # 2906-1 Management Consulting Services for MCCCCD to the RFP Committee.

1. Alvarez & Marsal Public Sector Services

Team Members present:

- Sajan P. George, Managing Director
- Carl S. Kiefer, Managing Director & Project Leader
- Tony Pilegge, Managing Director
- Nancy Zielke, Director

Mr. George explained that the firm of Alvarez and Marsal is a management consultant organization dedicated to working with organization to solve complex problems, boost operating performance and maximize value for stakeholders. They have been in business twenty-five years and are considered pioneers in this industry. When the country's fiscal system starting collapsing in the last couple of years, they worked to help restructure Lehman Brothers and Washington Mutual. They have also worked the cities of New York and Washington, D.C. in revamping K-12 education in these cities. Their goal is to redesign something that is implementable. Mr. George further commented that community college in the United States represent the backbone of workforce development. It is important to use the current crisis to pivot the situation and dramatically help change things. Access needs to be challenged and excellence needs to be improved.

As a leading, independent global professional services firm, they draw on deep operational heritage and hands-on approach to deliver comprehensive performance improve, turnaround management and business advisory services. Their clients include global enterprises and middle market companies that are both publicly held or privately owned. Their organization focuses on producing results, driving change and affecting outcomes.

Mr. George provided the following background information on his fellow team members:

- Nancy Zielke, Director: Will serve as a project manager and was previously a Vice Chancellor of financial operations at the University of Missouri. Her primary areas of concentration include: public sector financial planning, internal controls and management analyses; internal business process improvement; and economic development and capital financings for local and state governments, public utilities, and institutions of higher education.
- Tony Pilegge, Managing Director: Specializes in helping organizations to improve business performance by maximizing the value of and return on human capital assets, while managing related costs. Mr. Pilegge's primary areas of concentration include human resource (HR) strategy and restructuring, operational improvement, payroll, compensation, benefits and performance management
- Carl S. Kiefer, Managing Director: Will serve as project leader and brings significant expertise in corporate operations, administration and management, including strategic planning, finance and budget, human resource management, sales and marketing, mergers and acquisitions, operations and executive relationship management. Mr. Kiefer brings deep expertise in reengineering processes to improve efficiency within dozens of public sector organizations; reorganizing and revitalizing numerous operations; building and mentoring winning teams; and identifying and seizing new business opportunities.
- Sajjan P. George, Managing Director: Mr. George leads a diverse group of talented turnaround, restructuring and interim management professionals across the U.S., who assist underperforming organizations in the public, social and non-profit sectors, including federal, state, municipal governments, social agencies and NGOs, to drive performance improvement. Mr. George has completed major reform efforts at two of the nation's most complex urban public school systems in New York City and Washington, D.C. Previously, Mr. George served as the interim Chief Operating Officer of the New Orleans Parish Schools where he led a team to successfully open 117 schools on time. After the first day of school in 2005, New Orleans was hit by Hurricane Katrina. Mr. George's crisis management skills came to the forefront as the speed of the team's operational efforts enabled 17 schools to reopen by January 2006.

Mr. George explained that their approach would include starting with task #5 on the RFP which focuses on student satisfaction. This would predefine the goal from the eyes of customers. The methodology would focus on that and the other tasks would fall in place. It was important to identify the voice of the customer. There is a need to rethink producing one product one way and capture what the customers need. All ten colleges should provide excellent quality. To do this, focus groups of student by college, ethnicity, discipline, etc., would be identified and then a core group would be further identified to collaborate on what the “new Maricopa” should or would like. This would be an example of reverse engineering.

Mr. George also commented that it might be possible to acquire funds from the \$5 billion discretionary fund that has been identified by the current federal administration which desires to track students after they graduate from K-12 and four year institutions. By applying for funds based on the voices of students and their needs, process re-engineering could provide value added efficiencies and effectiveness or partnerships.

Other comments included:

- Structure drives enablers
- Need to possibly look at lean six sigma, value stream mapping, and focus on customers
- Need to focus on the outcome (end in mind) and evaluate process (what is customer demanding?)
- Prioritize impacts of re-engineering (HR, IT, Accounting)
- Services at the ten campuses need to be reviewed; maybe all will deliver services or maybe only one will provide the service.
- Look at IT architecture that delivers processes. What is the core business process desired and how can it be redesigned.
- How to pay for this? Benchmark and adapt to budget. What should be tight and what can be loose?
- Take strategies and drive down to operational processes.
- Look at impacts or process changes for everyone involved.
- Look at entire change management process
- MCCCDC not in crisis but rather needing changes
- Timeline would be four months. Bid proposal is \$1,143,040.
- What is single greatest risk? Very large scope. How do you know that this synergistic and will be aligned?
- Will the organization have the same sense of urgency? As long as they have access they will deliver. People need to own it. Organization need to own it. Board and senior executives need to drive this and encourage this.

Question from Committee Member Diana Yazzie Devine: Found it hard to compare because the structure of the proposal was different. There was quite a difference in price. Where will efforts be focused? **Answer:** Not aware of other proposals. They have taken a bottom's up approach. Others look at things top down. They evaluate process redesign regardless of silos. Need to look at whether processes add value. On other projects they have saved tens of thousands of dollars. This process will free up money to be used for other strategies. Have put the best team together and the combination of the team will result in best outcome. Stimulus dollars would be accessed as soon as possible. Key would be to understand source of funding and how needs can be tied into this.

President Clark remarked that the proposal is intensive and dramatic. What are two ways that we are being responsible with funds being used? Will every strategy recommended

have money found within the current budget? **Response:** Need to capitalize on current needs across the country which includes workforce development, skills development and career redevelopment. There may be a need to create a fund that the Board would have to invest in for new strategies.

Committee Member Nancy Jordan inquired about the Steering Committee that would be defined. Process changes would need an arbitrator. Who would be the decision making body? **Response:** Community colleges don't define return on investment. Need to define impact on employment and new jobs. This would impact attitudes at state levels. Don't wait for special needs students to fail. This usually saves the state a lot of money. Make a compelling ROI case.

President Clark inquired if the size of MCCCCD would get in the way. Mr. George responded that based on the team, everything would be covered.

2. Huron Consulting

Team Member present: Edwin Eisendrath

Mr. Eisendrath has more than 25 years of professional experience in public service and education. He has been the lead for a major public sector turnaround, a regional administrator for a cabinet-level department, a local elected official, and a public school teacher. He was instrumental in the development of one of the first online universities, and played a major role in rescuing a struggling private college.

Mr. Eisendrath commented that these are extraordinary times. For more than twenty years Wall Street has guaranteed the future. Community colleges around the country are the hope of the nation. Effectively and efficiently the nation will get out of this current situation through community college. The timeline for their proposal is one year. Huron Consulting is a fairly young firm, having been founded in 2002. The company has grown from 213 people and revenue around \$35M in 2002 to over 2,000 people and revenues of 615.5M in 2008. Their approach would be to get stakeholder ideas as to what they need and want. Mr. Eisendrath closed by asking if there were any areas of the proposal that the panel had questions about.

Committee Member Roy Herberger commented that with over 250 consultants dedicated to higher education, why would Jay Morley, an outside consultant, be listed. Mr. Eisendrath responded that the company used outside contractors and practitioners to augment skills that the company has. These contractors would report to Mr. Eisendrath.

Mr. Herberger also inquired about the "sharing of success fee" referred to in their proposal. Mr. Eisendrath responded that the proposal could either be a flat fee or a fee with an opportunity to share in the savings that result as part of the best practices that are implemented.

President Clark inquired if the company had worked with institutions comparable to MCCCCD. Mr. Eisendrath responded that they have worked with research universities and

also individual community college. The company is familiar with government programs. Their approach would be to take data, analyze it, provide, and implement solutions.

President Clark inquired why, in light of size and scope of project, other team members were not present. Mr. Eisendrath responded that the team works very closely together and work well together.

3. MGT of America

Team Members present:

- Mary P. McKeown-Moak, Senior Partner & Project Leader
- Tom Jons, Partner
- Kent Caruthers, Senior Partner & Partner in Charge

Ms. McKeown-Moak commented that their company has sufficient staffing to handle capacity of this project. They have 35 years of experience in higher education consulting and have worked with community college in 45 states. They have similar projects in Virginia, Georgia, Mississippi, Florida and Oregon. They have 140 fulltime staff and state-of-the art techniques to address issues needing attention. Their approach will be to develop a project management plan which will include a review of the organizational, human resource functions, and data recovery. The project management plan will provide guidance for the different assignments and the specific work plans will build on one another. Seven major tasks have been identified and include project initiative and administration, statistical overview of data MCCCCD and State has, data comparison with other community college systems, identification of best practices, surveys of key stakeholders, interviews, and benchmarks from other community college systems.

The project would start August 1, 15, or 31. Issues would be defined by December 15, and a final report would be completed by March 15. The data recovery center project would begin immediately and be completed within two months. The project would look at possible outsourcing possibilities and would compare centralization versus decentralization. Courses would be compared with other higher education institutions in Arizona. The cost benefit of adding and subtracting courses would be analyzed. Employers would be surveyed, as well as students. Mystery shoppers would be utilized and the I-Start Smart Program would be analyzed. Focus groups would be used for advisement needs, dual enrollment, admissions, articulation agreements, and customer service.

Billing would be done monthly, with 10% of the fee to be held until completion of the project.

The Committee was encouraged to choose MGT because they are a national leader in serving community colleges. They always have quality on-time projects and they provide solutions that can be implemented. MGT has high survey response rates and have proven experience with large databases. Lastly, they have hands-on experience with state and national departments.

Committee Member Roy Herberger asked about the emotional drive they possessed to take on a project such as this. The response stated that this was an opportunity to make something better and make a positive contribution. Mr. Caruthers stated they really believe in what education does. The ability to make a difference in people's lives was a driving force. Mr. Jons stated that the ability to address issues needing to be looked at and find ways to provide solutions was important to them.

Committee Member Charlie Vierhout inquired about the security of their on-line surveys and whether they could only be accessed once and could be compromised. Ms. Devine asked for cost savings examples. The committee was assured that on-line surveys were secure and cost savings examples included Toyota and Just-in-Time Purchasing.

D. Discussion Among RFP Committee Members

Scoring Results:

1. Alvarez & Marsal
2. MGT of America
3. Huron Consulting

Mr. McIntier explained that Alvarez & Marsal would be notified and contract negotiations would be started. Following this, the process would include moving forward for Governing Board action. If the contract negotiations failed, consultant number two would be contacted.

E. Adjournment

The meeting adjourned at 5:10 p.m.

Randolph Elias Lumm
Governing Board Secretary