



Date of Memo: October 10, 2024
Current Meeting: October 16, 2024
Board Meeting: October 24, 2024

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation (IPTC) Board of Directors
THROUGH: President and CEO Jennifer Pyrz
FROM: Chief Development Officer Brooke Thomas
SUBJECT: Consideration and approval of Consulting Services for Fiscal Sustainability Study

ACTION ITEM A – 2

RECOMMENDATION:

It is recommended that the Board of Directors authorize the President and Chief Executive Officer to enter contract negotiations with Nelson\Nygaard to complete a Fiscal Sustainability Study for a total contract amount not to exceed \$1.2 million, spread over three fiscal years.

BACKGROUND:

IPTC needs to ensure its internal operations respond to changes in ridership and, correspondingly, lower than projected revenue levels. Therefore, IPTC issued RFP 24-07-503 on August 12, 2024, seeking professional consulting services that can support improving the efficiency and accountability of agency functions, while at the same time improving the agency's ability to deliver efficient and sustainable service for the next 20 years and beyond.

The result of this study will be a written roadmap with clear and achievable strategies and initiatives for how to achieve increased operational efficiency and long-term financial sustainability. The challenge for this project is to help IPTC navigate and balance its desire to continue to develop a world class transit system and at the same time, match its operating program with available revenue. The purpose of conducting this study is to bring clarity to complex issues so IPTC leadership can confidently make and communicate the best decisions for the agency.

DISCUSSION:

An evaluation committee comprised of IPTC employees reviewed and scored each of the five proposals received by agency as they were all found by the IPTC procurement team to be responsive and responsible. The evaluation committee met the first week of October and, through a competitive scoring process, selected a team led by Nelson\Nygaard.

The Nelson\Nygaard team is well versed in the type of financial analyses, financial modeling and scenario testing, business process improvements, organizational change management, and organizational communication necessary to assist IPTC staff and leadership in the completion of this study. The team led by Nelson\Nygaard is comprised of planners, economists, and policy specialists—covering all transportation modes, as well as areas such as energy, health, and the environment. Together with their subconsultants, Policy Analytics, and ICF, they will assist IPTC's staff and leadership in the following:

- Identifying and defining initiatives to increase administrative and operational efficiencies; initiatives that have the potential to impact agency organization, staffing levels, and/or reporting structures.
- Identifying and defining recommendations for rightsizing IPTC's planned investments.
- Identifying and exploring opportunities to increase revenue.

ALTERNATIVES:

Regardless of methodology or vendor, there is a complex set of timely decisions that IPTC needs to make to achieve its sustainability goals. If this procurement decision were to be rejected, staff would then explore alternate ways to gather sufficient data, information, and analysis tools to inform those critical decisions.

FISCAL IMPACT:

The cost for seeking professional services consultants to conduct this work was included in the 2024 operating budget appropriations.

DBE/XBE DECLARATION:

This project is funded with local dollars and so are subject to the XBE participation goals established by the City of Indianapolis. Considering the highly specialized nature of this work and the experience of peer agencies that have conducted similar types of studies, there appear to be few sub-consultant opportunities; however, IPTC and Nelson\Nygaard will continue to work together to identify opportunities to utilize the services of certified XBE sub-consultants as final project scoping is being developed.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Finance Committee and Service Committee on October 16, 2024.