

**DRAFT FOR REVIEW PURPOSES ONLY**

**Department of Revenue  
The Alaska Mental Health Trust Authority**

**Request for Proposals 17-071M  
Organizational Evaluation  
Issued **DATE****

**Introduction**

The Alaska Mental Health Trust Authority (the Trust) is soliciting proposals from qualified management and organizational consultants to conduct an in depth organizational evaluation, with the goals of:

1. Reinforcing the role of the Trust as a highly efficient public policy agency that is focused on the best interests of its beneficiaries.
2. Review the Trust's statutory authority and its other existing governance documents to determine their relevance and adequacy.
3. Revitalizing the Trust's relationship with its partner advisory boards to emphasize openness, transparency, and mutual respect.
4. Creating an organizational structure that supports both the statutory missions of the Trust with respect to its beneficiaries and its financial assets.
5. Creating an updated set of governance components for the board of trustees that are relevant to current and future operations and that will create clear and uniform performance expectations, both within the Trust's organization and among beneficiaries and the Trust's partners.
6. Creating a management structure that is responsive to the expectations of the board of trustees, supportive of operations and staff, and accessible to beneficiaries.

**Issuing Agency and Contract Information**

Offerors must submit one original proposal by mail, email, or fax to the procurement officer. Mailed proposals must be addressed as follows:

**Alaska Mental Health Trust Authority**  
Attention: Valette Keller  
3745 Community Park Loop, Ste 200  
Anchorage, AK 99508  
Request for Proposal Number: 17-071M  
Project name: Organizational Evaluation

Proposals must be received no later than 1:30 P.M., Alaska Time on **DATE**. Oral proposals will not be accepted.

An offeror's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened for evaluation.

Procurement officer: Valette Keller

### **Budget**

Cost proposals priced at more than \$100,000 will be deemed non-responsive.

### **Background**

The Alaska Mental Health Trust Enabling Act was passed by Congress in 1956 as a mechanism for the Territory of Alaska to have a source of income to fund the mental health program in Alaska as responsibility transferred from the Federal government. One million acres were granted with the Legislature identified as Trustee to the endowment. Alaska however did not maintain a separate accounting of revenue produced on Trust lands versus other state lands. Additionally a considerable amount of Trust lands were conveyed to private individuals and municipalities. A class action lawsuit (*Weiss v. State*) was initiated in 1982 after individuals in need of mental health services were unable to obtain the services in Alaska. The plaintiffs alleged the State breached its fiduciary duties by failing to account for Trust revenues, using revenue from Trust lands for other purposes, and designating mental health trust lands for other purposes than what their fiduciary duties required. The lawsuit was eventually settled in 1994 and resulted in creation of the Trust Authority governed by a board of seven trustees. The lawsuit settlement resulted in the Alaska Mental Health Trust Authority (The Trust) being created and the trust corpus being reconstituted with approximately 1,000,000 acres of land (original and replacement lands) as well as \$200 million in cash in recognition that replacement lands were of lower value than the land originally selected for The Trust.

The Trust's beneficiaries include Alaskans who experience:

- mental illness;
- developmental disabilities;
- chronic alcoholism and other substance related disorders;
- Alzheimer's disease and related dementia; and
- traumatic brain injury

The Trust is currently facing several internal and external organizational challenges. The most prominent of those is a legislative audit driven by concerns about the Trust's operational approach and adherence to current governance with respect to management of its cash assets. Other issues involve a change in management staff at the Trust and growing financial pressure on providers of program services to the beneficiaries of the Trust and the state's fiscal situation. Preparation for dealing with these issues and, specifically, with the audit, provides an opportunity to achieve alignment among the Trust's Board of Trustees, the Trust staff and the four statutory advisory boards regarding the future focus of the Trust and the success measures by which the Trust operates. As the Trust prepares to begin a search for a new CEO and to assist in the upcoming legislative audit, it is important to make progress in confirming that alignment and to move forward together.

### **Scope of Services**

It is anticipated that this process will be address in three phases as follows.

**Phase I.** The process of achieving and confirming the goals set forth in the introduction above will first involve cataloguing the current status quo. This will be accomplished by reviewing the current organization and governance documents, compiling a review of operating issues, and documenting the legal issues to which the Trust is responding.

The contractor will perform a fact finding and interview process to develop information to be used during the remainder of the organizational review process:

1. Review founding and current governance documents (federal enabling legislation, settlement documents, and applicable statutes and regulations) and prepare a summary document. This will be accomplished with the assistance of and in consultation with the Trust's outside legal counsel (Counsel).
2. Consult with internal governance experts, including the Trust's counsel.
3. Develop and deploy a data gathering e-survey sent to the seven trustees; Advisory Board Executive Directors, the Commissioners of the statutory advisors from the Departments of Health and Social Services, Revenue, and Natural Resources; the Trust CEO; the executive director of the Trust Land Office (TLO); and at a minimum five additional senior staff personnel.
4. Conduct a functional review and analysis of current organizational structure, the relationship between the Trust and the TLO, and the positions and associated functions within the current organizational structure of both agencies.
5. Follow-up telephone interviews with each of those surveyed in #3 above as necessary.

Product: At this stage, the contractor will provide a review of the current governance infrastructure as well as a summary of survey and interview data for distribution. All responses from the survey and interviews will be kept strictly confidential and/or anonymous.

**Phase II.** Prepare for and facilitate a two-day board of trustee work-session and provide documentation of outcomes from the work session. The work session should be organized as follows:

1. Review of current governance standards and obligations.
  - a. Current governance standards (founding documents and applicable state statutes).
  - b. Concerns raised by the pending legislative audit, trustees, Trust Authority and Trust Land Office staff and Advisory Boards.

Product: Summary of suggested roles and responsibilities for Trustees, Trust Authority and the Trust Land Office staff and the Advisory Boards, applicable governance "rules of the road", and identification of current questions and concerns re: governance.

2. Review the Trust's operating environment
  - a. Needs of key stakeholders going forward (Trustees, key leaders, statutory advisors, and partner boards).
  - b. Current strengths and improvement opportunities within the organization.
  - c. External opportunities and risks, including the impact of the current financial crisis facing the State of Alaska and its potential impact on the Trust and its beneficiaries.
  - d. Trajectory review and assessment.

Product: Summary of key insights.

3. Review performance standard(s) and structure(s) for the organization
  - a. Define critical success factors that should drive the organization.

- b. Define performance measures that should be met by the organization.
- c. Define assumptions and constraints of the organization.

Product: Summary of identified performance standards and critical organizational structure components for any organizational restructure going forward.

**Phase III.** Provide a written report of the outcomes of the two-day work session including at a minimum outcomes from the work session and conduct an in-person presentation to the board of trustees.

1. Written summary report which prioritizes areas requiring change or action, and identifies recommendations from the two-day work session to include at a minimum:
  - a. The Trust's current organizational state (structure, governance documents, roles and responsibilities, etc.).
  - b. "Design Basis"<sup>1</sup> for each recommended potential organizational structure for the future, including the current organizational state, that
    - Addresses strengths, challenges, and opportunities identified in Phases I and II;
    - Identifies pros and cons of each recommended structure;
    - Identifies estimated financial costs associated with the implementation of each recommended structure;
    - Identifies estimated operational financial costs or savings associated with each recommended structure;
    - Identifies required steps, process, and timelines for implementation of each recommended structure;
    - Proposes governance document of each recommended structure that allow all parties involved (Trustees, staff, partner boards, TLO, and the public) – to understand the authority, mission, roles, and measures of success of each component of the Trust.

#### **Equipment and Supplies**

- The contractor will be responsible for providing any equipment required to perform the duties of this contract.
- Subcontracting will not be allowed.

#### **Term of Contract**

The selected offeror is expected to comply with the Trust's standard contractual terms and conditions attached to this IRFP, and must submit evidence of a valid Alaska business license prior to start of the contract. The contract term will be from date of award until **January 31, 2018**. This contract contains no options to renew.

#### **Experience & Qualifications**

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<sup>1</sup> Design Basis is a set of conditions, needs, and requirements taken into account in designing a facility or product. <http://businessdictionary.com/definition/design-basis.html>

In order to be considered responsive, offerors must have performed at least three (3) similar reviews of the organizational and administrative structure of a public, nonprofit or private agency of similar size to the Trust within the last five (5) years.

Offeror must explain how they meet the minimum qualifications.

**Methodology & Management Plan**

Offerors must provide comprehensive narrative statements which set out the methodology and management plan they intend to employ and which illustrate how the plan will serve to accomplish the objectives of the contract.

Resumes of each person working on the contract must be submitted with the proposal.

**Location of Work**

- Consultants may be from areas outside of Alaska, with travel included in their proposal.
- The Trust will not provide workspace for the contractor.

**Cost Proposal**

- Proposal must provide a Not to Exceed amount per contract year.
- Proposal must include all direct and indirect costs.
- If the contractor is from an area outside of Anchorage, proposal must include a Not To Exceed amount for the lead consultant to conduct one (1) three-day visit to Anchorage, Alaska.
- All travel must be pre-approved by the contract manager, and travel expenses will be reimbursed at actual cost according to the Alaska Administrative Manual for travel, AAM60 requiring submittal of receipt copies as backup.

**Evaluation Criteria**

All proposals received will be reviewed and evaluated based on proposal content. Do not simply retype the stated objectives of this proposal – provide specific details on how you will accomplish the contract objectives.

Proposals will be scored as follows:

- 40% Cost (all direct and indirect costs including travel)
- 30% Experience & Qualifications
- 20% Methodology & Management Plan
- 10% Alaska Proposer Preference