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**Title:** Actions pertaining to RFP 12401452 for Central Services Cost Allocation Plan (CAP) and Indirect Cost Rate Proposal (ICRP) Consultant Services

1. Approve a three (3) year consultant services agreement, with two optional one-year extensions, exercisable at the City’s sole discretion not to exceed \$29,750 per year with MGT of America Consulting, LLC to perform Central Services Cost Allocation Plan (CAP) and Indirect Cost Rate Proposal (ICRP) Services
2. Authorize the City Manager, or designee, to sign the consultant services agreement on behalf of the City.

**Sponsors:** Budget and Management Studies Department

**Indexes:**

**Code sections:**

**Attachments:** 1. 24-428 Consultant services agreement

Date	Ver.	Action By	Action	Result
4/4/2024	1	City Council	ADOPTED	Pass

**REPORT TO THE CITY COUNCIL**

**FROM:** HENRY FIERRO, Budget Director  
Budget and Management Studies Department

**BY:** PEDRO RIVERA, Budget Manager  
Budget and Management Studies Department

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Budget and Management Studies Department

**SUBJECT**

Actions pertaining to RFP 12401452 for Central Services Cost Allocation Plan (CAP) and Indirect Cost Rate Proposal (ICRP) Consultant Services

1. Approve a three (3) year consultant services agreement, with two optional one-year extensions, exercisable at the City’s sole discretion not to exceed \$29,750 per year with MGT of America Consulting, LLC to perform Central Services Cost Allocation Plan (CAP) and Indirect Cost Rate Proposal (ICRP) Services
2. Authorize the City Manager, or designee, to sign the consultant services agreement on behalf of the City.

**RECOMMENDATION**

Staff recommends that the City Council award a consultant services agreement with MGT of America Consulting, LLC in the amount not to exceed \$29,750 per year for three years with two optional one-year extensions, exercisable at the City's sole discretion and authorize the City Manager, or designee, to sign the consultant services agreement on behalf of the City.

## **EXECUTIVE SUMMARY**

The Budget and Management Studies Department initiated a request for proposal (RFP) for Cost Allocation Plan (CAP) and Indirect Cost Rate Proposal (ICRP) services. For the prior ten years, the City has utilized the services of MGT of America Consulting, LLC for the preparation and federal submission of the City's CAP and ICRPs. The US Department of Transportation - Federal Transit Administration (DOT-FTA) reviewed and approved the City's Predetermined indirect Cost Rate, effective July 1, 2021, to June 30, 2025, which has allowed the City to pursue millions of dollars in federal and state reimbursement of indirect costs for City projects. The RFP was published in Planet Bids and the City received three responses during the open period. The submitted proposals were evaluated by a committee panel based on the criteria set forth in the RFP. The committee panel determined that MGT of America Consulting, LLC's proposal provides the best value based on the criteria established in the RFP.

## **BACKGROUND**

The purpose of a Cost Allocation Plan (CAP) is to accurately, fairly and reasonably distribute a City's central services costs (i.e. City Clerk, Personnel, Finance, City Attorney, etc.) to operating departments within the City, in accordance with the Federal Office of Management and Budget's (OMB), "Cost Principles for State, Local and Indian Tribal Governments (2 CFR Part 220)". Allocated overhead costs are then used to develop rates for the City services including billing rates for grants and user fees. Once prepared, the CAP must be submitted for review to the City's cognizant agency, which will be the DOT-FTA for Transportation/FAX and currently TBD for the rest of the City.

The contract also includes the development of Indirect Cost Rate Proposals (ICRPs) for the following departments: Planning & Development, Fire, Parks, After School, Recreation & Community Services, Police, Public Utilities, Public Works, Capital Projects and Transportation/FAX. An ICRP is the means by which indirect costs are identified, analyzed and allocated to federal programs for federal reimbursements. The development of an ICRP is required prior to billing federal grants for indirect costs for work on federal projects. ICRPs must also be submitted to the City's cognizant agency and receive "Provisional Approval" prior to implementation.

After careful review and analysis of the criteria set forth in the RFP, the committee concluded MGT of America Consulting, LLC's proposal would be the most beneficial to the City. The committee recommends awarding the contract to MGT of America Consulting, LLC as their proposal meets all RFP requirements and offers the best value to the City in terms of required services and associated costs. The evaluation was also based on demonstrated performance and proposed lowest pricing. If this Agreement is rejected, the City's CAP and ICRP submission to the cognizant agency(ies) may be delayed, which may result in the loss or delay of federal reimbursement of federal costs when the City's Predetermined ICRP rate expires 6/30/25.

## **ENVIRONMENTAL FINDINGS**

This item is not a project as defined by California Environmental Quality Act.

## **LOCAL PREFERENCE**

This RFP is not required to award to a local vendor.

## **FISCAL IMPACT**

There is no impact to the General Fund as appropriations to perform this service for the City currently exists in the budget.

Attachment:

Consultant services agreement.