

City of Sacramento

Legislation Text

File #: 2019-01129, **Version:** 1

Title:

Agreement: Professional Cost Allocation Services

File ID: 2019-01129

Location: Citywide

Recommendation:

Pass a Motion authorizing the City Manager, or the City Manager's designee, to: 1) execute a professional services agreement with MGT of America, LLC (MGT) to prepare the City's annual cost allocation plan for the fiscal year ending June 30, 2020 for one-year with four one-year renewal options in a total amount not-to-exceed \$217,200, provided that sufficient funds are available in the adopted budget of the applicable fiscal year.

Contact: Dawn Holm, Finance Director, (916) 808-5574; Daniel Choe, Principal Budget Analyst, (916) 808-5049, Department of Finance

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Professional Services Agreement (PRC000506)

Description/Analysis

Issue Detail: On June 11, 2019, the Department of Finance, in accordance with Sacramento City Code (SCC) Chapter 3.64, issued Request for Proposal (RFP) No. EV00000007 for the preparation of the City annual cost allocation plan (CAP). On July 11, 2019 the City received five responses to the RFP and after evaluating all submitted proposals the Department of Finance recommends awarding the agreement to MGT for a term of one year with the option to renew for up to four additional years, provided that sufficient funds are available in the adopted budget of the applicable fiscal year.

Policy Considerations: The Mayor and City Council have adopted a policy of fiscal sustainability.

Development of the annual CAP provides the methodology for the City to recover costs for the provision of reimbursable programs, services, and projects. This funding is a key part of the City's budget balancing. The recommendations in this report are consistent with the provisions of SCC Chapter 3.64 regarding contracts for professional services.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed activity is not a project pursuant to the CEQA. CEQA Guidelines Section 15378(b)(2). The activity is a continuing administrative or maintenance activity, such as the purchases for supplies, personnel-related actions, general policy and procedure making and is not subject to CEQA. CEQA Guidelines Section 15060(c)(3).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The CAP is critical in ensuring the City's ability to fully recover millions of dollars in indirect costs associated with providing services and administering grants and projects. The City contracts out the preparation of the CAP as it requires a highly specialized set of skills, extensive training, and complex computer software.

The City received five proposals in response to the RFP: Domain Experts Corporation, eCIVIS Inc., Matrix Consulting Group, LTD., MGT of America, LLC, and NBS Government Finance. After reviewing each proposal by five evaluators, including one external evaluator, staff recommends the agreement be awarded to MGT. The firm's experience, location, and methodology make them the best choice to provide the required services.

Financial Considerations: The annual agreement amount is \$38,440 for a total not-to-exceed amount of \$217,200, for the duration of the contract, which includes a \$5,000 contingency in each year to allow for additional related services that may be requested. Sufficient funding is available in the Department of Finance's FY2019/20 operating budget for these services. Services for future years are subject to funding availability in the adopted budget for the applicable fiscal year.

Local Business Enterprise (LBE): MGT is an LBE.