

**Agreement for Cost Allocation Plan Professional Services  
Fiscal Years Ending 2018, 2019, 2020**

This agreement is made and entered into this 8<sup>th</sup> day of September 2017 by the County of Lake, hereinafter referred to as "Client", and MGT Consulting Group, hereinafter referred to as "Consultant".

Now, therefore, in consideration of the mutual promises contained herein, the parties agree as follows:

**I. SERVICES**

Consultant will provide those services as outlined in its proposal to Client specified in this agreement, attached hereto and incorporated herein as Exhibit "A".

Consultant agrees to perform all services necessary for the completion and submission to the State Controller the County Cost Allocation Plan for fiscal years 2017-18, 2018-19 and 2019-20. Those services shall include all components of the *Work Plan for the Cost Allocation Plan* (pages 14 through 19) submitted and included as Exhibit "A" to this agreement.

Consultant agrees to provide year to year comparison and variance analysis testing of all Cost Allocation Plan data.

**II. TIMETABLE**

The term of this agreement is for three fiscal years. It is anticipated that all work for the initial period will commence on September 21, 2017.

Each plan year report shall be in draft form by November 15<sup>th</sup>, final form by December 15<sup>th</sup> and submitted to the State Controller's Office by December 31<sup>st</sup> of each year. Any modifications to this schedule shall be in writing and shall be mutually agreeable to the Client representative and Consultant representative.

**III. PAYMENT**

Consultant will complete all aspects of this agreement for fixed fees as shown below, for each of the next three fiscal years.

PLAN YEAR	FY 2017-2018	FY 2018-2019	FY 2019-20
FY Plan Use	2018-2019	2019-2020	2020-2021
FY Actuals	2016-2017	2017-2018	2018-2019
	\$8,600	\$8,900	\$9,200

This fee is all inclusive. There are no maximums on audit support, or site meetings/visits.

Consultant will invoice for services as follows:

- a) 30% upon completion of data collection interviews.
- b) 40% upon submission of initial draft cost plan to County.
- c) 25% upon submission of final cost plan to State Controller's Office.
- d) 5% upon approval of cost plan by the State Controller's Office and completion of all services.

#### IV. CLIENT RESPONSIBILITY

The County shall supply, with guidance from the Consultant, all necessary financial, statistical and activity data required to complete the cost plan. Consultant shall assume all data so supplied by the County is accurate and, if supplied no later than thirty (30) days prior to the deadline for submission to the State Controller stated in Section V herein, shall file the cost plan in a timely manner.

#### V. CONSULTANT RESPONSIBILITY

- A. The Consultant shall assist in directing County staff on data and documentation necessary to complete the cost allocation plan. Consultant shall complete cost allocation plan and file the plan with the State by December 31<sup>st</sup> of each fiscal year if all data is supplied no later than December 1, of the relevant fiscal year.
- B. The Consultant shall not be responsible for the cost allocation plan as a result of inadequate data provided by the County, i.e., inaccurate, incomplete, or untimely data. Any subsequent disallowance of funds paid to the County as a result of the cost plan prepared pursuant to this Agreement, is the sole responsibility of the County.
- C. Consultant shall indemnify and hold harmless County from any and all claims, demands, actions, liability or loss which may arise for or be incurred as a result of the negligent performance of this Agreement by Consultant. The Consultant's total liability under this Agreement shall not exceed the compensation received by the Consultant pursuant to the terms of this Agreement.
- D. If the cost plan is audited, Consultant shall make all work papers available to those persons conducting the audit and shall additionally provide consultation services with the State and/or County.

#### IV. MODIFICATION

The Client and Consultant may, by mutual agreement, modify this agreement. Any modification must be in writing and must be signed by the Consultant's principal agent and the Client's designee.

#### V. GENERAL TERMS AND CONDITIONS

No alteration or variation of this Agreement and no understandings or agreements not incorporated herein, unless made in writing between the parties hereto, shall be binding.

The parties hereby agree that no person shall, on the grounds of race, color, creed national origin, religion, disability, or sex, be excluded from or denied participation in, or otherwise subjected to discrimination under any activity performed pursuant to this Agreement.

#### VI. CANCELLATION

The Client and Consultant shall have the right to terminate this Agreement at any time before the date of completion: (a) by either party at any time for failure of the other party to comply with the terms and conditions of this Agreement; (b) by either party upon 10 days prior written notice to the other party; or (c) upon mutual written agreement of both parties. In the event of termination, Consultant shall stop work immediately and shall be entitled to compensation for professional fees and expense reimbursement to the date of termination and for any work necessitated by that termination.

## VII. CONTRACTOR EMPLOYEES

In performance of this Agreement, Consultant and any agent or employee of the Consultant shall act in an independent capacity and not as an office, employee, or agent of the Client; nor shall any party be covered under the Client's personnel rules and regulations. The Client shall have no responsibility for deductions or contributions to Social Security, unemployment insurance, or any other benefits, nor shall income tax be withheld.

## VIII. PROJECT MANAGERS

Brad Burgess of MGT shall act as Project Manager.

Christine Reynolds shall act as the lead consultant and Cost Allocation Plan specialist for cost plan and shall serve as contact for the Client.

Contact information is as follows:

2001 P Street, Suite 200  
Sacramento, CA 95811  
Phone 916-443-3411  
Fax 916-443-1766  
EMAIL: [bburgess@mgtamer.com](mailto:bburgess@mgtamer.com)  
EMAIL: [creynolds@mgtamer.com](mailto:creynolds@mgtamer.com)

## IX. LEGAL REQUIREMENTS

It is agreed that for the duration of this agreement, Consultant and Client will comply with all applicable laws and regulations of the State of California, and the federal government, including but not limited to, the Equal Employment Opportunity Act, the Occupational Safety and Health Act, and audit requirements.

## X. INSURANCE

Consultant shall not commence work under this Agreement until he has obtained all the insurance required.

Consultant shall not allow any subcontractor to commence work on his subcontract until the insurance required of the subcontractor has been obtained.

Any failure of Consultant to maintain the insurance required by this provision, or to comply with any of the requirements of this provision, shall constitute a material breach of the entire Agreement.

A. Compensation Insurance. Consultant shall procure and maintain, at Consultant's own expense during the term hereof, Workers Compensation Insurance and Employer's Liability Insurance as required by the State of California, for all employees to be engaged in work. In any case of such work sublet, Consultant shall require subcontractor similarly to provide Employer's Liability Insurance and Workers' Compensation Insurance for all of the latter's employees to be engaged in such work, unless such employees are covered by the protection afforded by Consultant's Workers' Compensation Insurance and Employer's Liability Insurance. Employer's Liability Insurance shall be in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.

B. Automobile Liability Insurance. Consultant shall procure and maintain, at Consultant's own expense during the term hereof, Comprehensive Automobile Liability Insurance, both bodily injury and property damage, on owned, hired, leased, and non-owned vehicles used in connection with Consultant's business in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit coverage per occurrence.

C. Professional Liability Insurance. Consultant shall procure and maintain, at Consultant's own expense during the term hereof, Professional Liability Insurance for protection against claims arising out of the performance of services under this Agreement caused by errors, omissions, or other acts for which Consultant, its employees, subcontractors, and agents are liable.

D. Subcontractors. Consultant shall include all subcontractors as insured under the aforesaid policies or shall furnish separate certificates and endorsements to the County for each subcontractor which shall be subject to review and approval by County. All insurance coverages for subcontractors shall be subject to each of the requirements hereinabove and contain the additional insured endorsements required of Contractor described with particularity hereinbelow.

XI. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS

All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills, and payments sent by mail shall be addressed as follows:

**TO COUNTY:**

Cathy Saderlund, Auditor-Controller  
County of Lake  
255 North Forbes Street  
Lakeport, CA 95453

**County of Lake**

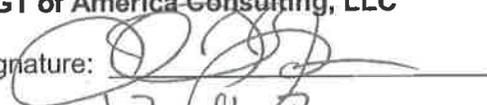
Signature: \_\_\_\_\_

Name: \_\_\_\_\_

**TO CONSULTANT:**

Mr. Brad Burgess, Executive Vice President  
MGT of America Consulting, LLC  
2251 Harvard Street, Suite 134  
Sacramento, CA 95815

**MGT of America Consulting, LLC**

Signature:  \_\_\_\_\_

Name: J. Bradley Burgess

ATTEST: CAROL J. HUCHINGSON  
Clerk of the Board

COUNTY OF LAKE

By: \_\_\_\_\_

By: \_\_\_\_\_  
Chairperson, Board of Supervisors

APPROVED AS TO FORM:  
ANITA L. GRANT  
County Counsel

By:  \_\_\_\_\_

Exhibit A:

Submitted via email to:  
auditor@lakecountyca.gov



SUBMITTED TO:  
LISA FREDERICKS  
LAKE COUNTY  
AUDITOR-CONTROLLER  
COUNTY CLERK'S OFFICE  
AUDITOR@LAKECOUNTYCA.GOV

SUBMITTED BY:  
J. BRADLEY BURGESS  
EXECUTIVE VICE PRESIDENT  
2251 HARVARD STREET, SUITE 134  
SACRAMENTO, CA 95815  
OFFICE: 916-443-3411  
DIRECT: 916-595-2646  
BBURGESS@MGTCONSULTING.COM

PROPOSAL IN RESPONSE TO LAKE COUNTY  
REQUEST FOR PROPOSAL FOR  
STATE MANDATED COST CLAIMING SERVICES (SB90)  
AND/OR COST ALLOCATION PLAN PREPARATION SERVICES

DUE DATE: JUNE 2, 2017 5:00 PM LAKE COUNTY

June 1, 2017

*delivered via email*

County of Lake  
Auditor-Controller  
County Clerk's Office  
auditor@lakecountycalifornia.gov

**Subject: Response to RFP for State Mandated Cost Claiming Services (SB90) and/or Cost Allocation Plan Preparation Services**

Dear Evaluation Committee:

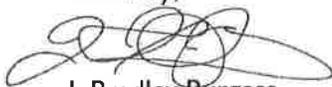
We appreciate the opportunity to provide Lake County (County) with this proposal for State Mandated Cost Claiming Services (SB90) and/or Cost Allocation Plan Preparation Services. MGT of America Consulting, LLC (MGT) believes that we offer the County solutions that will meet your specific objectives while providing the best value.

MGT's SB 90 claiming services and cost allocation plan preparation will be ready to implement upon completion and will be trusted by your staff and officials.

- ♦♦ **Defensible & Transparent Calculation Methodology.** Our models are rigorous, accurate and proven. They are also completely transparent, with services, costs, cost recovery, and subsidies all readily identified and presented in a comprehensive fashion.
- ♦♦ **Intuitive & Powerful Spreadsheet Calculation Models.** MGT uses powerful, user-friendly spreadsheet models to calculate overhead allocations. The model will be customized for Lake County and be available to the County at the project completion.
- ♦♦ **Experience, Exceptional Staff & Immediate Availability.** The MGT Financial Services team is the most experienced staff in California, having completed hundreds of similar projects.

Please contact me if you have any questions or comments about this proposal at **916.595.2646**, or at **burgess@mgtconsulting.com**. This proposal commits MGT to compliance with all terms and conditions identified in the RFP. This proposal is firm and irrevocable for a period of 90 days from the bid opening, and I am authorized to bind our firm to the terms of engagement described in this proposal. I hope that we can be of service to the County of Lake.

Sincerely,



J. Bradley Burgess  
Executive Vice President



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**LAKE COUNTY, CALIFORNIA**  
REQUEST FOR PROPOSAL FOR STATE MANDATED COST  
CLAIMING SERVICES (SB90) AND/OR  
COST ALLOCATION



# QUALIFICATIONS AND EXPERIENCE

## QUALIFICATIONS AND EXPERIENCE

The County of Lake (County) has requested consulting assistance to prepare their State Reimbursement Cost Reimbursement claims (SB 90) and Cost Allocation Plan Preparation. These deliverables are specialties of MGT of America Consulting, LLC (MGT). As a consulting group, we have delivered more of these analyses to more governmental jurisdictions than all our current competition combined. We believe we can deliver all requested services to the County's complete satisfaction, and achieve the County's overall goals and objectives.

MGT Consulting Group is comprised of **MGT of America Consulting, LLC** and Strategos Public Affairs, LLC, both wholly owned subsidiaries of MGT of America, LLC. The merger between the two companies represents unparalleled expertise in public sector operations, management, public relations, marketing, and community engagement and facilitation. MGT has been in business since 1974. In these 43 years, we have successfully served more than 3,500 clients in 50 states and several foreign countries. MGT was established by a group of former public-sector employees to provide management consulting services to assist state and local government clients. The firm's mission "to improve the efficiency and effectiveness of governments, nonprofits, and other organizations serving the public" is supported by the capacity to deliver an extensive range of services.

MGT of America Consulting, LLC is owned by the current and retired partners, principals, and consultants of the firm. The advantage of this ownership structure to our clients is that every member of the firm has a vested interest in the successful completion of every project, for every client. Additionally, this ownership structure creates a mindset that permeates through every MGT owner: we are continuously building a growing, yet stable firm based on trusting long-term relationships, both within our own firm and with all our clients.

MGT began operations in 1974 as consultants to the public education sector. Over the years, we have expanded our capabilities to provide consulting services in three primary areas: education (K-12 and higher education), criminal justice, and financial analysis to state and local governments. We currently have over 60+ professionals throughout the country. Our headquarters is in Tallahassee, Florida, with major regional offices in **Sacramento (CA)**, Denver (CO), Austin (TX), Bay City (MI), and Olympia, (WA). Our annual consulting revenue is approximately \$15 million firmwide.

MGT of America Consulting, LLC has offices located throughout the United States. Our corporate office is located at:

**MGT of America Consulting, LLC**  
Corporate Headquarters  
3800 Esplanade Way, Suite 210  
Tallahassee, Florida 32311

**Authorized Expediter:**  
J. Bradley Burgess, Executive Vice President  
Phone: 916-595-2646  
Email: [bburgess@mgtconsulting.com](mailto:bburgess@mgtconsulting.com)

For the County of Lake, work will be performed on-site in the City or out of our regional office located at:

**MGT of America Consulting, LLC**  
Sacramento, California  
2251 Harvard Street, Suite 134  
Sacramento, CA 95815

**Project Manager:**  
J. Bradley Burgess, Executive Vice President  
Phone: 916-595-2646  
Email: bburgess@mgtconsulting.com

MGT has additional offices in the following locations:

**Austin Texas**

1801 E 51<sup>st</sup> Street, #365-504  
Austin, Texas 78723

**Sacramento California**

2251 Harvard Street, #134  
Sacramento, California 95815

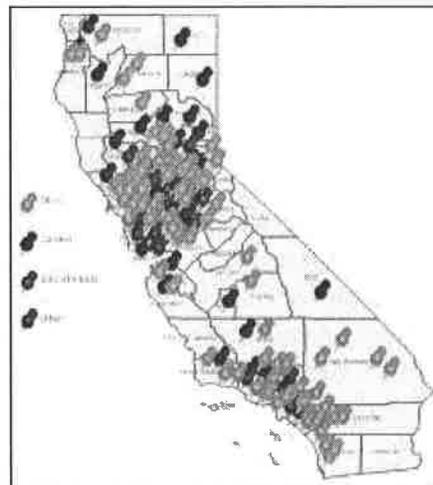
**Olympia Washington**

1420 Marvin Rd NE, Ste C#342  
Olympia, WA 95816

MGT Financial Services division has been in existence for 14 years. It was significantly augmented in 2007 with the acquisition of Public Resources Group, Ltd., whose consultants previously worked for MAXIMUS, and David M. Griffith & Associates (DMG). The map to the right illustrates that MGT Financial Services is especially strong in California.

MGT Financial Services provides SB 90 claiming services, cost allocation plans, indirect cost allocation services, user fee studies, jail rate studies, and ISF analyses.

As a financially sound, privately held firm, MGT has no Wall Street analysts to answer to, nor do we have corporate investors. MGT consultants focus on our clients and fulfilling the terms of our agreements. Since its inception in 1974, MGT has maintained persistent and steady growth. MGT is a financially healthy company and is capable of providing the resources required to successfully complete the requested services both now and in the future.



MGT's financial stability and commitment to MGT Financial Services division in particular, provides the County with the assurance that MGT is a sound firm, and we will be here for the long term. MGT has the resources to meet the County's requirements for this engagement but also means that MGT will be in existence years later to defend and support the County if necessary. In the current difficult economy, many firms are shrinking, downsizing, being acquired, or leaving the market entirely. One Wall Street firm recently released the bulk of their California consulting staff and may be pulling out of costing services in California. MGT is stable and will be here in the future to provide services and support to the County.

## Project Team Qualifications and Experience

While the qualifications and experience of a firm are important, perhaps more important to the success of a project are the qualifications and experience of the proposed project team. We have successfully implemented a team approach for both our SB 90 and cost allocation projects. There are **three primary benefits** to this team approach. The **first benefit** is that by placing two or more experts on the project, all phases of the project are completed in a timely manner which results in an overall on-time project.

The **second benefit** is that the combined experience of a team of senior-level consultants is vital to identifying additional claiming SB 90 opportunities or uses for the tremendous amount of managerial and financial data found in a cost allocation plan.

A team of senior-level consultants will be able to leverage extensive experience into stronger indirect cost recovery applications with the highest levels of defensibility and compliance for the County.

Perhaps the **greatest advantage** of the proposed project team is the depth and breadth of relevant experience. Each identified team member has years of experience in their area of expertise such as preparing SB 90 claims, cost allocation plans and/or indirect cost rates for state and local governments. In addition to the proposed project team, MGT can draw from a deep pool of experienced consultants to supplement the project as necessary. There are 30 cost consultants in the MGT Financial Services, making it one of the deepest consulting “benches” in the local government cost and revenue industry. This depth assures our clients that: **(1)** MGT has the ability to complete the assignment no matter what happens to any one consultant; **(2)** if a project time-line has to be advanced, MGT has the resources to commit additional staff to the engagement; and **(3)** with a combined 430 years cost plan experience and combined 111 years SB 90 experience, there are no issues that our team has not addressed, and that expertise is only a phone call away.

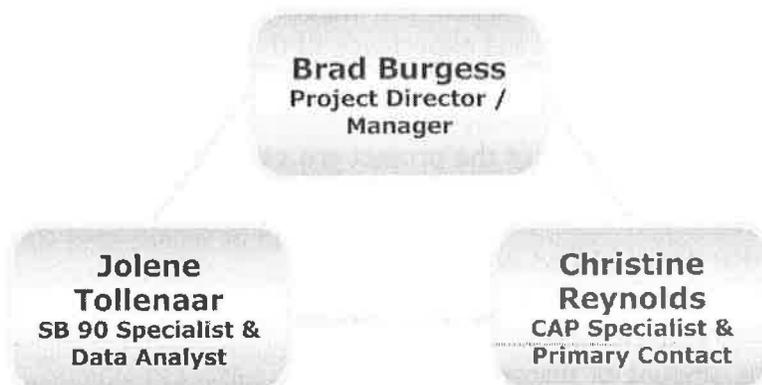
A summary of the project team and a brief bio for each proposed team member follows. All staff members listed will be assigned to this project. In the event that a proposed staff member becomes unavailable, MGT shall provide equally or better qualified alternative staff to be approved by the County. Full resumes are included in **Appendix A**, and additional data is available upon request.

### Key Personnel

As part of this engagement, MGT has proposed the services of Mr. Brad Burgess as the County’s project director/manager for both the SB 90 and cost allocation plan projects.

For the SB 90 claiming project, MGT is proposing Ms. Jolene Tollenaar to assist Mr. Burgess as the lead consultant and project data analyst. For the cost allocation plan project MGT is proposing Ms. Christine Reynolds as the lead consultant and primary contact.

## Project Team Structure



### **Mr. Brad Burgess, Project Director/Manager**

Mr. Burgess is an Executive Vice President with MGT and is responsible for MGT Financial Services. He will serve as the Project Director/Manager for this engagement. Mr. Burgess will be responsible for ensuring that this project is staffed properly. His objective will be that the County of Lake is unconditionally satisfied with the services received from MGT consultants.

Mr. Burgess is an expert in project management, having managed or directed over 340 projects over his 25-year local government consulting career. He has taught hundreds of government finance officials indirect cost theory and application through numerous training sessions. He is a frequent presenter at conferences and workshops for clients, state and local governments, and state associations. Mr. Burgess has been a corporate officer at David M. Griffith & Associates, DMG-Maximus, Maximus, Public Resource Management Group and MGT of America Consulting.

### **Jolene Tollenaar, SB 90 Lead Consultant**

Ms. Tollenaar will serve as the lead consultant and primary contact for the SB 90 engagement. In this role Ms. Tollenaar will attend all on-site interviews, training and coordination over the life of this engagement. She is responsible for the daily tasks and activities associated with the SB 90 project. She will assist with department interviews, scheduling, data collection, follow up phone calls and e-mails, and claim preparation.

Ms. Tollenaar has served as Lake County's SB 90 lead consultant for several years and is very familiar with the County. She has been exclusively engaged in mandated cost claiming for over 20 years and has provided full service project management for over 100 cities, counties, school districts and special districts in California. Ms. Tollenaar is one of the most versatile cost analysts in the state of California—having completed all types of cost analysis and claiming projects for local governments and local educational agencies, including not only mandated costs claims, but preparation of daily jail housing rates, booking fees, criminal justice administration fees, cost

allocation plans, full cost allocation plans, indirect cost rate proposals, user fee studies, standardized time per activity rates proposals, and time and motion studies.

### **Ms. Christine Reynolds: A-87 Cost Allocation Plan Lead Consultant**

Ms. Christine Reynolds will serve the County as the Cost Allocation Plan's (CAP) lead consultant and primary contact for the cost allocation plan engagement. In this role, she will have responsibility for interviewing departments, preparing draft cost allocation plans, making all revisions to the plan and CAP finalization. She will have a high degree of contact with department personnel and will provide assistance with quality assurance of the final cost allocation plan. Ms. Reynolds will closely monitor the project timeline against milestones and deadlines.

Ms. Reynolds has over 20 years of professional experience in consulting specializing in Government operations. She has worked with city, county, state, special district and school districts on cost accounting. She is considered an expert in county cost allocation plan development. Ms. Reynolds work in the cost allocation plan area consistently receives rave reviews from both county staff and state auditors. She is a detail-oriented consultant and has prepared and managed numerous cost plans and indirect cost rate proposals for cities and counties.

**LAKE COUNTY, CALIFORNIA**  
REQUEST FOR PROPOSAL FOR STATE MANDATED COST  
CLAIMING SERVICES (SB90) AND/OR  
COST ALLOCATION



# WORK PLAN

## SB 90

## WORK PLAN – SB 90

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### Approach to Scope of Services – SB 90

The County of Lake is a California public agency that wishes to supplement existing revenue sources by filing state mandate cost claims (SB 90) with the California State Controller's Office (SCO). Generating sufficient revenue to offset the growing demands for service and increased costs in many areas of government remains a challenge.

Lake County has used a consultant to assist the County to file SB 90 claims in the past. In fact, MGT's proposed lead consultant, Ms. Jolene Tollenaar has worked on or prepared and filed the County's SB 90 claims for many years.

The County would like to partner with a consulting firm that specializes in SB 90 consulting to do the following:

- ♦♦ Provide expert consultation as requested by County staff for SB 90.
- ♦♦ Identify new claims that are expected to become mandated programs. Provide description of these claims and data collection needs to the appropriate department/office.
- ♦♦ Meet with departments regarding claims that can be filed and obtain raw data from departments.
- ♦♦ Establish schedule and approach for completion of all annual cost reimbursement claims for fiscal year 2017-2018, 2018-2019, and 2019-2020.
- ♦♦ Prepare and submit eligible SB 90 claims for all new, or first-time mandates, which have claiming instructions issued by the State Controller's office or filing deadlines during the State's 2017-2018, 2018-2019, and 2019-2020 fiscal years.
- ♦♦ Prepare indirect cost rate proposals to accompany all claims if the resulting rate is above 10%.
- ♦♦ Prepare and submit claims with all back up documentation to the County Auditor/Controller for review and signature 30 days before the State Controller's Office file deadline.
- ♦♦ Submit claims to the State Controller's Office by the file deadline.
- ♦♦ Assist and prepare amended claims as necessary.
- ♦♦ Provide a list of submitted claims file for reimbursement after each filing cycle.
- ♦♦ Provide regular updates to the County's SB 90 coordinator as to the status of claims and issues that arise.

- ♦♦ Assist the County in negotiations pertaining to claims submitted on behalf of the County.
- ♦♦ Monitor and prepare a statement annually of the general payment status of all claims submitted on behalf of the County.
- ♦♦ Provide liaison services between the County and the State Controller for all claims filed by the Consultant that are contested by the State Controller either through desk review or field audit.

## Detailed Work Plan for SB 90 Activities

There are many steps in an SB 90 work plan for a county the size and complexity of Lake. MGT views the SB 90 process as a partnership between Lake County and our firm. We understand and recognize the County's preference to have minimal involvement in this process to conserve internal resources. We will always approach the County's SB 90 engagement from that perspective. We will keep the County apprised of everything we are doing, but will manage all aspects of project coordination. We will consistently:

- ♦♦ Provide the County with a list of all eligible claims, as well as claim summary sheets and data collection forms. These concise summaries and forms are available in a variety of electronic formats (Microsoft Word, Excel, and Adobe PDF) to make use and disbursement of claiming information as easy as possible.
- ♦♦ Work in concert with Lake's SB 90 Coordinator to coordinate the County's overall claiming process. Once again, minimal reliance will be placed on the County's SB 90 Coordinator in this process unless otherwise requested by the County.
- ♦♦ Coax departments to ensure that all eligible claims are filed on time to avoid the 10 percent penalty. It is critical to work with the departments after the on-site interviews to ensure that all questions are answered and deadlines met.
- ♦♦ Ensure that all eligible claims are filed on time, and provide the County with written documentation explaining why the County will not file certain claims upon request, if applicable.

## Data Collection

The three components of data collection related to this engagement include: direct cost program data, indirect cost data, and supporting documentation.

### Direct Cost Program Data Collection

- ♦♦ Conduct individual meetings with departments to discuss all reimbursable mandated activities.

- ♦♦ Develop a schedule and plan for mining the necessary data to ensure claims are completed well before the claiming deadlines.

### **Departmental Indirect Cost Data Collection**

- ♦♦ Gather salary and benefit data from the County or the individual departments for all required fiscal years.
- ♦♦ Collect certain pages from the County's cost allocation plan.
- ♦♦ Gather information required to prepare 2 CFR Part 225 (formerly OMB A-87) compliant ICRPs. This will be carried out in concert with other department interviews. It is important that this step occur each year because departments reorganize, assignments shift, new personnel is hired, or personnel retire.

### **Supporting Documentation Collection**

- ♦♦ MGT will work with County departments to determine the documentation that must be submitted to the state as attachments to claims, and what documentation should be maintained in the County's files in case of the SCO inquiry or field audit. MGT will then collect only the documentation the SCO requires to be submitted.

## **Orientation and Training for County Department Staff**

We believe there is no cookie cutter approach to successful orientation and training. Some of the department personnel are undoubtedly savvy and experienced with SB 90 claiming, while others are likely to be new to the process. MGT will tailor its level of training to meet the needs of each department. As we have previously stated, early communication is the most important aspect of this component. We will consistently:

- ♦♦ Provide electronic notification on upcoming mandate claims as soon as the Parameters and Guidelines for these programs are approved. This will be done primarily via e-mail and will provide both the key department personnel, as well as your Coordinator, the most complete view of upcoming SB 90 programs.
- ♦♦ Provide on-site training for both program and fiscal staff. It is important that both parts of each affected department understand the state's requirements and any specific issues related to the particular mandate from a programmatic and fiscal standpoint. In addition, we will provide a history and overview of the SB 90 program to any department staff that are new to the process.
- ♦♦ Assist the County to establish relevant, defensible source documentation standards for each claim within each of the County's claiming departments. Our goal for each of the County's claims is to ensure that documentation exists to establish that the mandate was performed and personnel costs are adequately documented.

- ◆◆ Provide perspectives related to how other agencies are interpreting and claiming each mandate to ensure nothing is missed. Provide guidance on the current acceptable range of costs being claimed by similar agencies so the County will be aware of any foreseeable exposures existing at the claiming stage.

## Claim Preparation

Once data has been received from the County, MGT will prepare all eligible claims on behalf of the County using required SCO claim forms.

### Direct Costs

- ◆◆ Prepare all claims that apply to single departments. Once again, our experience will ensure that no cost components are misinterpreted or omitted.
- ◆◆ Coordinate and prepare all multi-departmental claims. Simply gathering data for mandates that span different departments is not enough. The data must be cross-referenced and analyzed to ensure that each department is capturing cost data for the same cases and are not misclassifying certain cases, a very common occurrence.

### Indirect Costs

- ◆◆ Prepare ICRPs for all claiming departments. The ICRPs provide an approved method for claiming departmental indirect costs. The County's ICRPs will be prepared using the same software, methodology, and figures used to produce our clients' Cost Allocation Plan. At this step, it is vital to ensure that no staff time being claimed as a direct cost in the claim is also included in the ICRP.

## Annual SB 90 Claims:

- ◆◆ Establish schedule and approach needed to complete all annual claims due to the state during the 2017-2018, 2018-2019, and 2019-2020 fiscal year. This includes on-site interviews with all applicable County department personnel.
- ◆◆ Facilitate department staff describing how the County complies with the specific mandated programs and assist the County to determine eligible costs based on the following criteria:
  - The test claim's Statement of Decision.
  - The California Commission on State Mandates approved Parameters and Guidelines.
  - The SCO's claiming instructions.
  - How other agencies around the state are complying with and interpreting the mandate.

- ♦♦ Prepare all necessary department-wide ICRPs in accordance with 2 CFR Part 225 (formerly OMB A-87). MGT consultants have prepared thousands of ICRPs over the past 25 years. We believe that our experience has developed a depth of understanding that is unmatched in the field. Because MGT also prepared the County's annual cost plan, this provides another advantage to the County. We will ensure that all costs are treated consistently throughout both processes.
- ♦♦ Receive claims from the County for single department SB 90 programs and review the claims for completeness, propriety, and eligibility of costs. Multi-departmental claims would be handled in a similar fashion, but MGT would add an additional level of scrutiny with these claims to ensure that no direct costs are double counted.
- ♦♦ Perform a quality assurance review of the County's SB 90 claims to ensure that they mesh with the associated department ICRPs.
- ♦♦ Discuss any potential or necessary changes with the appropriate County staff member.
- ♦♦ Provide the completed claims and ICRPs to the County for review and signature at least 30 days prior to the claiming deadline.
- ♦♦ File the signed claims with the SCO prior to the deadline.

### New or First Time SB 90 Claims:

- ♦♦ Establish a schedule and approach needed to complete all new or first-time claims that are released during the 2017-2018, 2018-2019, and 2019-2020 fiscal year.
- ♦♦ Facilitate department staff describing how the County complies with the specific mandated programs and assist the County to determine eligible costs based on the following criteria:
  - The test claim's Statement of Decision.
  - The California Commission on State Mandates approved Parameters and Guidelines.
  - The SCO's claiming instructions.
  - How other agencies around the state are complying with and interpreting the mandate.
- ♦♦ Prepare all necessary department-wide ICRPs in accordance with 2 CFR Part 225 (formerly OMB) A-87 circular). MGT consultants have prepared thousands of ICRPs over the past 25 years. We believe that our experience has developed a depth of understanding that is unmatched in the field. Because MGT also prepared the County's annual cost plan, this provides another advantage to the County. We will ensure that all costs are treated consistently throughout both processes.
- ♦♦ Receive claims from the County for single department SB 90 programs and review the claims for completeness, propriety, and eligibility of costs. Multi-departmental claims

will be handled in a similar fashion, but MGT will add an additional level of scrutiny with these claims to ensure that no direct costs are double counted.

- ◆◆ Perform a quality assurance review of the County's SB 90 claims to ensure that the costs are supported by appropriate source documentation.
- ◆◆ Discuss any potential or necessary changes with the appropriate County staff member.
- ◆◆ Prepare claims and provide the completed claims and ICRPs to the County for review and signature at least 30 days prior to the claiming deadline.
- ◆◆ File the signed claims with the SCO prior to the deadline.

## Remittance Tracking

MGT will assist the County with all aspects of remittance tracking throughout the entire fiscal year. We will consistently:

- ◆◆ Provide copies of all claims receipts, declarations, and summary claiming reports to the County.
- ◆◆ Assist the County with tracking claim payments made by the state. Now that the state has resumed this function, MGT will assist the County with this sometimes confusing process.

## Ongoing Support and Status Updates

The claiming process is obviously the key aspect of this engagement, but the ongoing support services that MGT offers are important complimentary services to continuously upgrading the County's knowledge base, relations, and communications with the state and contract agencies, and anticipation of changes to the claiming process.

### Liaison Assistance

- ◆◆ MGT will also provide liaison assistance with the SCO at the desk review level. The SCO will call requesting additional information, or duplicate documentation that may have gotten lost in their offices. We will field these calls and fulfill all appropriate requests without the County's need to get involved. In addition, our staff has extensive experience preparing local agencies for field audits and assisting in their representation beyond the exit conference. MGT offers assistance and response on any current or future field audit that may result from claims filed in the past.

## Status Updates

- ♦♦ The SB 90 process is constantly changing and evolving. MGT will provide targeted, relevant communication on statewide issues, interpretations, and actions at the state capitol relating to the SB 90 process throughout the fiscal year via **MGT Instant Updates**®, a series of e-mail communiqués designed to keep our clients up to date with the latest mandate legislation, California Commission on State Mandates decisions, and state agency interpretations. MGT will sift through all of the pertinent activity to provide the County with the most relevant information throughout the year, saving the County time and resources.



- ♦♦ Upon request, MGT will prepare an annual **MGT Mandate Report**® for the County. This full-color summary claiming report breaks down the annual and first-time claiming cycles into graphic images. In past reports, we have displayed the following comparisons: Dollars claimed per department, Total claims per department, and Dollars claimed for the current fiscal year compared to the past year. If there are some additional ways that the County would like to see their claim information depicted, we will certainly provide those in the report as well. At this stage, we also discuss which claims were not prepared and filed by the County and why. The **MGT Mandate Report**® is unlike any run-of-the-mill management report. Claims are discussed in detail, and MGT will make recommendations related to process efficiency, enhancements in documentation for the future, and any other germane information to constantly improve Lake's mandate claiming process.

## Communicating with State Officials

### State Liaison Assistance

- ♦♦ MGT will also provide liaison assistance with the SCO at the desk review level. The SCO may call requesting additional information, or duplicate documentation that may have been misplaced in their offices. Our firm will field these calls and fulfill all appropriate requests without the need for County involvement. In addition, our staff has extensive experience preparing local agencies for field audits and assisting in their representation beyond the exit conference. MGT will offer assistance and response on any current or future field audits that may result from claims filed in the past.
- ♦♦ MGT will assist the County of Lake with all aspects of remittance tracking throughout the entire fiscal year. We will provide to the County, copies of all claims receipts, declarations, and summary claiming reports. Two to three times per year, MGT

purchases electronic “payment runs” from the SCO to facilitate payment tracking. MGT will prepare a customized electronic report for the County indicating payments made by the SCO. Our competitors will respond to your requests to track payments, but at MGT we take a proactive approach and supply your agency with better information, before you have to ask for it.

### **Audit Assistance and Protection**

- ◆◆ Nobody wants to see the SCO auditing their claims, but higher levels of scrutiny are a fact of life. Our team has extensive experience preparing local agencies for field audits and assisting in their representation beyond the exit conference. In the past, Mr. Burgess has assisted dozens of California cities and counties to file audit responses when agreement with the SCO audit findings is not resolved. MGT will offer assistance and response on any current or future field audits that may result from claims filed in the past.

# WORK PLAN COST ALLOCATION PLAN

## WORK PLAN – COST ALLOCATION PLAN

### Approach to Scope of Services – 2 CFR Part 225 (formerly OMB A-87) Cost Allocation Plan

The County of Lake has requested consulting assistance to prepare a 2 CFR Part 225 (formerly OMB A-87) cost allocation plan.

Benefits to users of a cost plan are:

- ◆◆ Compliant documentation to support indirect cost recovery on federal and state grants and awards.
- ◆◆ Defensible transfers from non-General Funds for identified administrative services.
- ◆◆ Determination of full costs for external charging such as user fees and billing rates.
- ◆◆ Knowledge of full costs (lease/buy decisions, outsourcing, etc.).

Cost allocation plans are a series of complex calculations that require an understanding of each jurisdiction's financial reports, administrative structure, and operational services and programs. Perhaps above all else, a cost allocation plan must adhere to 2 CFR Part 225 and GAAP guidelines and principles.

2 CFR Part 225 and GAAP have one over-arching requirement: the cost allocation plan must provide a distribution of costs that is fair and equitable to all recipients of the centralized administrative and support services irrespective of the potential for reimbursement.

The common perception of preparing a 2 CFR Part 225 and/or GAAP cost allocation plan is that there is a set of concrete rules applied categorically in every situation. This perception, however, is not reality. Therefore, our work approach and methodology incorporate not only a deep understanding of 2 CFR Part 225 and GAAP but also the practical applications of the principles and guidelines relative to each jurisdiction and unique situation.

### MGT's Approach to this Cost Allocation Plan Project

The County of Lake would receive the following **three advantages** by selecting MGT for the requested services.

1. A refined approach that is client-focused, efficient and non-disruptive for County personnel.
2. Proven project management and communication tools.

3. The experience of the personnel preparing the cost allocation plan, as well as, their ability to establish trust, confidence and rapport with County personnel.

## Engagement Approach

Our approach is to treat each project as a unique consulting engagement for a unique client. While every cost allocation consulting firm, including MGT, applies standardized processes and methodologies into every cost allocation project, we will never standardize a client. Every engagement includes an attempt to thoroughly understand our client's culture, political realities, operating and reporting structure, and financial challenges as well as desired project outcomes.

## Technical Methodology

Our cost allocation plan methodology has been reviewed and accepted by state agencies and federal cognizant agencies in multiple states, including California. Our methodology incorporates years of experience applying 2 CFR Part 225 (formerly OMB Circular A-87), GAAP, and Proposition 218 principles into a systematic, yet flexible, multi-step approach to raise the accuracy and acceptance of cost allocation plan results. This methodology utilizes the MGT proprietary software and incorporates a double step down format for preparing a cost allocation plan.

The following work plan has been refined over many years to provide a methodology that produces compliant cost allocation plans with minimal disruption to our client's workload. The County's task listing is included below by reference point.

## Specific Work Plan for the Cost Allocation Plan

### **1. Conduct an initial meeting with designated personnel.**

Meet with County personnel who have responsibility or a high interest in the cost allocation plans. This meeting will refine the specific objectives, requirements, measurements, and schedule of the consulting project. This meeting will also help the project consultants understand the unique aspects of the project specifically and the County generally.

### **2. Conduct an introductory training session with all relevant personnel.**

Conduct an initial and introductory training session with key County personnel or kick-off presentation for project stakeholders. Project consultants will work with County personnel to establish the objectives, content, and list of attendees for this meeting or presentation. MGT considers this session vital to successful project results.

Agenda items for these meetings or presentations could include:

- ♦♦ Review the project objectives.
- ♦♦ Review and confirm the federal and/or state requirements.
- ♦♦ Finalize and document the project measurements.
- ♦♦ Review and finalize the project schedule.
- ♦♦ Review available financial data.
- ♦♦ Review available allocation data.
- ♦♦ Explain the cost allocation plan process to interested department staff.
- ♦♦ Summarize the purpose for calculating the cost allocation plan.
- ♦♦ Explain how each meeting attendee is involved in the calculations.
- ♦♦ Discuss example summary reports produced by the project.
- ♦♦ Discuss example applications produced by the project.
- ♦♦ Address potential areas for additional direct or indirect cost recovery.
- ♦♦ Solicit questions and answers.

### **3. Review County's existing cost allocation plan.**

Review the County's existing cost allocation plan and associated data to determine appropriateness and to identify alternatives which may favorably impact indirect cost recoveries.

### **4. Collect basic financial and operational data.**

Collect and review data such as organization charts, expenditure statements, budgets, personnel counts, salary reports, and transaction statistics. Project consultants will work with County personnel to develop and gather the needed data in the most efficient way possible. The review of this data will provide the general structure for the cost allocation plan including the determination of "allocating" and "receiving" departments.

Allocating departments are referred to as central service departments and will include, but are not limited to, accounting, purchasing, human resources, and information technology. Receiving departments will be all applicable County general fund departments or divisions and all other non-general funded operations including the federal programs.

MGT will also identify, evaluate and inventory all federally funded programs and internal service funds so that central service support will be properly allocated.

### **5. Conduct department interviews.**

Meet with and interview each central service department to determine the allowable expenditures, services provided, direct billings, personnel providing the services, the recipients of the provided services, and appropriate statistical information for allocations.

The goal is to structure the cost allocation plan in a way that accurately and fairly reflects current County operations.

**6. Divide central service departments into functions.**

Divide the allowable costs in each central service department into functions. Functions represent distinct activities within a department.

Using information gathered in Task 5, Personnel Staffing Analysis (PSA) worksheets to assist in dividing departments into functions will be completed. The PSA provides a defensible basis for the distribution of department costs into department functions.

Determine and divide departments into functions based on timesheets, assignments, activities, or other allowed methods. Once staff members and their corresponding salaries are distributed into functions, other department costs such as materials and supplies will also be distributed into the same functions. This task breaks a department into functional cost pools, which can then be allocated throughout the County using meaningful, measurable, and auditable allocation bases.

**7. Distribute central service department costs into functions.**

Distribute the allowable costs in each central service department, and the incoming costs into each central service department, into the functions determined in Task 6. Incoming costs are the costs from other central service departments determined by a double step-down calculation. The distribution of allowable department costs and incoming costs will determine the total cost of providing each distinct service within each central service department.

This step utilizes a feature in the MGT proprietary cost allocation software not available in most other cost allocation plan software. The MGT proprietary cost allocation software has the ability to analyze, display, and allocate the indirect costs of each central service department in great detail. This detail facilitates review, explanation, and understanding of incoming costs which leads to reduced errors, fewer reruns of reports, and the ultimate acceptance and approval of the cost allocation plan.

**8. Develop allocation bases for central service department functions.**

Determine an appropriate allocation base for each function in each central service department. This determination will serve as the basis for allocating the allowable costs in each function to the recipients of the service. Project consultants will request corresponding transaction or other statistical data from central service department personnel.

Central service departments will allocate costs to all County funds that benefit from their services. This allocation methodology ensures the most fair and accurate distribution of costs as opposed to a methodology that singles out particular departments or funds for maximum allocation.

## 9. Process draft cost allocation plan.

Process the draft cost allocation plan using the MGT proprietary cost allocation software. The cost allocation plan will include both summary and detail reports. The summary report in each cost allocation plan provides information on the dollar amounts allocated from each central service department to every receiving department. The detailed reports in the cost allocation plan provide information on the expenditures, allowable costs, incoming costs, personnel distribution, functions, and allocation bases for every central service department.

## 10. Conduct internal review of the draft cost allocation plan

The project director/manager and lead consultant will perform an internal review process to raise the accuracy of the cost allocation plan to ensure County personnel do not waste time reviewing substandard or incomplete work.

**Three quality assurance measures** are followed within every engagement. The project's lead consultant will perform the **first measure**. This lead consultant will maintain a high level of communication with County personnel. Examples of communication may include monthly status reports, review of documents, and submittal of preliminary results. This proactive communication ensures assumptions are correct, decisions are sound, and final results are solid.

The **second measure** is jointly undertaken between the project director/manager and the lead consultant. Similar to the first quality assurance measure, the lead consultant maintains a high level of communication with the project director/manager. Assumptions are tested, issues discussed, and methods agreed to before and during the project, not following completion.

The **third and most formal measure** is a comprehensive review of the draft cost allocation plans by an additional MGT consultant – our Quality Assurance officer. This experienced consultant, although not directly involved in the project, has a fresher perspective of the project than does the project director/manager or lead consultant. This perspective incorporates knowledge from dozens of similar projects.

This perspective and review forces the lead consultant to defend project decisions. As a result, the cost allocation plan is strengthened, and a greater audit strategy is prepared in advance of final submittal to the County.

## 11. Provide draft cost allocation plan.

Present the cost allocation plan to County personnel for their review and approval 45 days prior to the State's deadline. This step is an opportunity to review preliminary results, address questions or concerns, and make changes as necessary. Task 10 will ensure County staff review quality draft results and are not spending time editing and correcting substandard work.

**12. Process final cost allocation plan.**

Process the final cost allocation plan after addressing issues or concerns raised in Task 11.

**13. Provide final cost allocation plan in paper and electronic format.**

Provide one printed original unbound copy, up to three (3) printed and bound copies, and an electronic copy (Excel or Adobe PDF file) of each final report following confirmation that the work is final by the County's project manager. Additionally, project consultants will provide electronic copies (Excel or Adobe PDF files) of summary schedules, variance analyses, and management reports as requested. All MGT work papers are also available upon request.

**14. Present results of cost allocation plan**

Present the final project results to the County's elected officials either in a work session or at a public meeting if requested. This presentation will include a high-level overview of the project and the applications, implications, and anticipated benefits to County operations. Detailed information will be presented as requested.

**15. Respond to audit inquiries.**

MGT consultants will resolve audit issues; provide answers and supporting documentation in response to federal and/or state audit inquiries for a period of five years after the approval of each cost allocation plan.

**16. Provide guidance and training.**

Provide on a continuous basis to provide additional assistance to County staff that has specific questions about the cost allocation plan process, methodology, and application of results.

**17. Identify additional uses for the cost allocation plan.**

Research and identify additional uses for the management and financial data included in the completed cost allocation plan including unit cost calculations.

**18. Prepare a project recap memo.**

Prepare a cost allocation plan recap memo. This memo will include comments and input from County personnel to review regarding the just-completed cost allocation plans. This memo will provide an opportunity for timely feedback on aspects of the cost allocation plan project that went well and aspects of the project that need improvement.

**LAKE COUNTY, CALIFORNIA**  
REQUEST FOR PROPOSAL FOR STATE MANDATED COST  
CLAIMING SERVICES (SB90) AND/OR  
COST ALLOCATION



# PROPOSAL COST

## PROPOSAL COST

### SB 90 Professional Fee Proposal

MGT is proposing a fixed-fee term for the SB 90 engagement. This fee is all inclusive (no expenses will be charged to the County). There are no caps on number of claims, number of phone calls, audit support, site visits, or any other related services.

**All Claims:** MGT will complete and file all eligible annual claims that are due to the State on February 15th of each fiscal year, as well as all new claims as listed in the SB 90 project approach in this proposal.

CLAIMS COVERED	FY 2017-2018	FY 2018-2019	FY 2019-2020
Annual SB 90 Claims Due Feb. 15th	Fixed Fee equal to \$7,500	Fixed Fee equal to \$7,500	Fixed Fee equal to \$7,500
New or First Time SB 90 Claims Issued During Fiscal Year	Equal to \$5,000	Equal to \$5,000	Equal to \$5,000

**Payment Terms:** MGT would invoice for Annual claims: 50% in September & 50% in February. New or first-time claims would be invoiced 100% after the claims are submitted to the State Controller's Office. If the County would like to discuss alternative billing methods, we are more than happy to consider other options.

## Cost Allocation Plan Professional Fee Proposal

MGT is proposing a fixed fee for the Cost Allocation Plan engagement. The price quoted for services is all inclusive. MGT will not bill you for travel expenses or additional time for on-site meetings.

SERVICE	PROPOSED FEE
Cost Allocation Plan (OMB A-87) done during FY 2017/2018	\$8,600
Cost Allocation Plan (OMB A-87) done during FY 2018/2019	\$8,900
Cost Allocation Plan (OMB A-87) done during FY 2019/2020	\$9,200

**Payment Terms:** Our traditional method of billing for these types of analyses is on a milestone basis. We propose the following invoicing arrangement:

- ♦♦ Completion of data collection interviews – 30%
- ♦♦ Delivery of draft cost allocation plan – 40%
- ♦♦ Delivery of final reports – 25%
- ♦♦ Completion of all services – 5%

If the County would like to discuss alternative billing methods, we are more than happy to consider other options.

## REFERENCES

## REFERENCES

### A Fair and Honest Approach to References

We often hear that multiple firms claim the same clients and projects in their proposal reference sections, making it very difficult for public agencies to differentiate between bidders. There is only one ethical way to present your consultants' and firm's professional experience. References and projects need to be accurately identified as either "current" or as "historic." Anything short of that standard is misleading and unethical. Projects performed five years ago by staff no longer at a given firm cannot accurately be referred to as "current" or "relevant."

The references and projects provided in this proposal include only active clients. We strongly encourage the County to investigate each firm's references carefully to ensure that all projects listed are active and that the staff members who performed those projects are still with that firm. We believe this standard provides a reasonable method for prospective clients to properly and fairly judge the true experience and expertise of each competing firm.

### SB 90 County Client List

MGT is the leader in County SB 90 claiming services. Thirty-two California counties recently choose MGT to help them file their state mandated cost reimbursement. We believe that no other firm has more than five counties as SB 90 claiming clients. Our experience with those agencies is an obvious advantage to Lake County because our access to those agencies claims, processes and department contacts provides perspectives that would not be available otherwise. If any of Lake County's departments want to know what their neighboring agencies are doing to track the costs of a new program, MGT can easily find out. MGT's current county SB 90 clients are as follows:

- ♦♦ San Mateo County
- ♦♦ Marin County
- ♦♦ Santa Barbara County
- ♦♦ Plumas County
- ♦♦ Calaveras County
- ♦♦ Amador County
- ♦♦ Yolo County
- ♦♦ Sacramento County
- ♦♦ Stanislaus County
- ♦♦ Monterey County
- ♦♦ Madera County
- ♦♦ Tuolumne County
- ♦♦ Napa County
- ♦♦ Alameda County
- ♦♦ Mono County
- ♦♦ Yuba County
- ♦♦ Santa Cruz County
- ♦♦ Nevada County
- ♦♦ Siskiyou County
- ♦♦ Lassen County
- ♦♦ Glenn County
- ♦♦ Inyo County
- ♦♦ Butte County
- ♦♦ Orange County
- ♦♦ Trinity County
- ♦♦ Modoc County
- ♦♦ Kings County
- ♦♦ Santa Clara County
- ♦♦ Lake County
- ♦♦ Riverside County
- ♦♦ Imperial County
- ♦♦ Sonoma County

## SB 90 and Cost Allocation Plan Client References

References from relevant local agencies that MGT has provided SB 90 and cost plan services completed within the last 24 months. We will be happy to provide the County with additional references for any of our other county clients as well.

<p><b>Amador County, CA</b></p>	<p>Mr. Joe Low, Auditor-Controller          Phone: 209.223.6363          e-mail: <a href="mailto:jlowe@amadorgov.org">jlowe@amadorgov.org</a>  <i>Work Performed: Cost allocation plans &amp; SB 90</i></p>
<p><b>San Mateo County, CA</b></p>	<p>Mr. Harshil Kankai          Phone: 650.599.1080          e-mail: <a href="mailto:HKanakia@smcgov.org">HKanakia@smcgov.org</a>  <i>Work Performed: Cost allocation plans &amp; SB 90</i></p>
<p><b>Butte County, CA</b></p>	<p>Thomas Limper, Deputy Chief Financial Officer          Phone: 530.538.2365          e-mail: <a href="mailto:tlimper@buttecounty.net">tlimper@buttecounty.net</a>  <i>Work Performed: Cost allocation plans &amp; SB 90</i></p>
<p><b>City of Sacramento, CA</b></p>	<p>Marian Fahy, Senior Budget Analyst          Phone: 916.808.5077          e-mail: <a href="mailto:mfahy@cityofsacramento.org">mfahy@cityofsacramento.org</a>  <i>Work Performed: Cost allocation plans, indirect cost rates &amp; SB 90</i></p>

# APPENDIX A

## RESUMES

## PROFESSIONAL BACKGROUND

**CONSULTING BACKGROUND.** Mr. Burgess has performed a wide variety of cost-of-service studies for local governments and state associations since 1990. Over the past 30 years, he has developed a broad expertise in local government consulting, with a primary focus on cost allocation methodologies, user fee analysis, state and local claims and grant applications, negotiations with state and federal authorities, and indirect cost rate proposal development. He has served as a corporate officer for the following consulting firms: MGT of America, Public Resource Management Group, LLC (founder), Maximus, DMG-Maximus, and David M. Griffith and Associates, Ltd.

**GOVERNMENT BACKGROUND.** Mr. Burgess has a broad background in government, public policy, and journalism. For three years, he edited and published a monthly professional magazine for the University of Missouri. Mr. Burgess was the IDOT budget analyst for Governor Thompson in the State of Illinois, and a consultant for Continental Illinois National Bank in Chicago. Mr. Burgess was a journalist for a daily newspaper in Kansas City, had professional projects in Egypt, Israel, & Saudi Arabia.

**PROFESSIONAL LEADERSHIP.** Mr. Burgess is the Executive Vice President responsible for MGT Financial Services, the largest national public sector financial services practice in America. He also serves on the firm's Board of Directors. He was one of three partners who started PRM, a firm that became the fastest growing costing services practice in the nation. During his tenure with DMG and Maximus, Mr. Burgess was responsible for a \$10 million local government consulting practice, with over 30 professional consultants, serving over 400 clients per year. In addition to SB 90 claiming, additional representative consulting studies include appropriation limitation studies, indirect cost rate proposal preparation, OMB A-87 cost allocation plans, user fee studies, development impact fee analysis, and legislative analysis.

## EXPERTISE

Mr. Burgess has personally served over 190 cities and 48 of the 58 counties within the state of California during his consulting career. He has also personally provided consulting services to 19 of California's 20 largest counties. Mr. Burgess also has extensive transit district experience within California and beyond, having worked with such districts as Los Angeles Metro Transit, SF Muni, BART, Oakland Port, San Diego Port, Charlotte Transit, and Sound Transit in Seattle.

**NATIONAL PUBLIC POLICY EXPERTISE.** Mr. Burgess served as the Associate Director of the California Cities SB 90 Service and the CSAC SB 90 Service. In this capacity, Mr. Burgess worked on behalf of all California local agencies to reach resolution on statewide issues such as the Open Meetings Act impasse; developing unit costs for several current mandates; and has assisted agencies such as San Francisco, Santa Barbara County, Orange County, Santa Clara County, Sacramento County, Monterey County, Marin County and San Mateo County, as well as large municipalities such as Oakland and Sacramento to defend SB 90 claims under audit by the California State Controller. Mr. Burgess has also represented local agencies before the California Legislature, the Commission on State Mandates and the Bureau of State Audits. Mr. Burgess has also provided over 35 statewide training sessions on cost accounting theory, and presentations to over 20 state associations. Mr. Burgess has also served on association panels in Florida, Texas, Illinois and Virginia.

## HIGHLIGHTS

25+ YEARS OF  
EXPERIENCE

### **MGT OF AMERICA CONSULTING LLC**

Executive Vice President  
MGT Financial Services  
MGT Board of Directors  
August 2007 – Present

### **PUBLIC MANAGEMENT GROUP, LLC (PRM)**

Founding Partner

### **MAXIMUS, INC.**

Vice President

### **DAVID M. GRIFFITH & ASSOCIATES (DMG)**

Vice President  
Director/Manager/  
Senior Consultant

### **STATE OF ILLINOIS**

Transportation Budget  
Analyst for Gov. Jim  
Thompson

## EDUCATION

**UNIVERSITY OF  
CHICAGO HARRIS  
SCHOOL OF PUBLIC  
POLICY STUDIES** Master's  
Degree – Public Policy  
Studies

### **UNIVERSITY OF MISSOURI**

Bachelor's Degree –  
Journalism

## PROFESSIONAL BACKGROUND

Christine Reynolds has over 17 years of professional experience in consulting specializing in government operations. She has worked with city, county, state, special district and school districts on cost accounting and state mandated cost claiming projects.

Prior to joining MGT of America, Ms. Reynolds served as a Senior Consultant with Maximus, Inc. where she provided project leadership, mandate expertise and training workshops to her clients. As the lead project manager for many local agencies she helped maximize state mandated cost recovery, evaluated compliance practices and established tracking processes to comply with the State Controller's document requirements.

Ms. Reynolds has also managed the completion of cost allocation plans for a wide range of local government clients, including managing the completion of mandated cost claiming for some of the largest counties in California. She has been the project manager with counties and cities, and personally filed combined claims in excess of \$16 million dollars annually.

## EXPERTISE

- ♦♦ Reimbursable state mandate programs
- ♦♦ Government cost allocation plans
- ♦♦ Indirect cost rate proposals
- ♦♦ Cost, revenue and forecast analysis
- ♦♦ State financial reports for local agencies
- ♦♦ 2 CFR 225 (A-87) Guidelines
- ♦♦ California SB 90 training workshops
- ♦♦ Proposal and contract development

## REPRESENTATIVE CLIENTS

- ♦♦ Santa Clara County
- ♦♦ Sacramento County
- ♦♦ Yuba County
- ♦♦ Alpine County
- ♦♦ Amador County
- ♦♦ Tuolumne County
- ♦♦ Mono County
- ♦♦ El Dorado County
- ♦♦ Humboldt County
- ♦♦ Lake County
- ♦♦ Stanislaus County
- ♦♦ Santa Cruz County

## HIGHLIGHTS

17 YEARS OF EXPERIENCE

**MGT OF AMERICA, INC.**  
Senior Consultant

**MAXIMUS, INC.**  
Senior Consultant

**DAVID M. GRIFFITH &  
ASSOCIATES (DMG)**  
Analyst

## EDUCATION

**WESTERN NEVADA  
COLLEGE, FALLON, NV**  
Project Management

## RANGE OF EXPERIENCE

**Consulting Background.** Jolene Tollenaar has fourteen years of professional experience in mandated cost claiming. She has worked with more than 150 cities, counties, school districts, community colleges, county office of educations, charter schools, and joint powers authorities on SB90 claiming projects during her consulting tenure. Her range of experience includes the following:

- ♦♦ Reimbursable California State SB90 Mandated Cost Programs
- ♦♦ Mandate test claim analysis and investigation
- ♦♦ Expert author of State Controller compliant multiyear State Mandated Cost Time Study Plans
- ♦♦ Audit liaison to the State Controller
- ♦♦ Indirect Cost Rate Proposals
- ♦♦ Daily Jail Rates

Ms. Tollenaar currently has several management responsibilities in addition to her SB90 project management responsibilities: authoring the portions of the SB90 practice's electronic mandate newsletter titled "MGT Instant Update.", Authoring, designing and producing the marketing, tracking, reporting and claiming materials for the school district, county office of education and community college mandated costing practice.

**Specific Projects.** Ms. Tollenaar has a vast amount of experience with local governments. Specific examples from SB90 consulting experiences are described below:

- ♦♦ SB90 Project Manager (SB90) for several counties including but not limited to; Stanislaus County, Lake County, and Sonoma County accurately completing an average of \$5,000,000 of high supported and detailed claims each year for payment to the State Controller.
- ♦♦ Provide Daily Jail Rate and Booking Fee consulting services and rate calculations for Nevada County, Placer County, and Yolo County.
- ♦♦ SB90 Project Manager (SB90) for Los Angeles Unified School District. Managed a team of six consultants who provided mandated cost accounting services for Los Angeles Unified School District for three years, filing over \$75,000,000 fully supported claims for payment to the State of California.
- ♦♦ Present best practices for mandated cost claiming to California Association of School Business Officials (CASBO) in conjunction with Morgan Hill Unified School District.
- ♦♦ Work in partnership with Los Angeles Unified School District and San Diego Unified School District developing costing methodologies for use by the Commission on State Mandates for the Pupil Suspension, Expulsions, and Expulsion Appeals mandate.

## HIGHLIGHTS

18 YEARS OF EXPERIENCE

### **MGT OF AMERICA, INC.**

Senior Consultant April  
2008 – 2013, MGT  
Subcontractor  
2013 to present

**MAXIMUS, INC.** Senior  
Consulting Manager April  
2003 – April 2008

**MANDATED COST  
SYSTEMS, INC.  
(CURRENTLY SI & A)**  
Supervisor/Project Manager  
June 1996 – April 2003

## EDUCATION & DEGREES

### **UNIVERSITY OF CALIFORNIA, DAVIS**

Bachelor of Science,  
Psychology



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