

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 9/26/05		Item Number: <u>C-7</u>
AGENDA ITEM: Award of a Professional Services Contract to Public Resource Management Group for the Preparation of Cost Allocation Plans.		
Contact Person/Dept.: Mary V. Noller, Budget & Finance		Phone Number: (310) 253-6012
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐
Public Hearing: ☐		Action Item: ☒ Attachments: ☒
Public Notification: Master Notification List (09/21/05), Transportation Department, Public Works, Redevelopment Agency		
Department Approval: Marlee Chang, 9/15/05		CAO Approval: Scott Bixby for Jerry Fulwood 9/19/05
City Controller Approval: Marlee Chang 9/19/05		

RECOMMENDATION:

Staff recommends that the City Council award a three-year contract to Public Resource Management Group (PRM) to perform cost allocation preparation services.

BACKGROUND:

A cost allocation plan is an analysis of the cost of providing central services and the derivation of formulas that will be used to allocate these by the General Fund to the Redevelopment Agency, to the various enterprise funds, and to the grant funds. The basis for the determination of the costs is time sheet notations made by the employees who render the central services. The allocation formulas are based on the number of transactions (such as the number of employees [in a given function], or the size of the budget of that function).

The City had contracted with PRM for the preparation of the cost allocation plans for the first time last fiscal year. The professionalism of its consultants, thoroughness of evaluation, and quality work product were commented on by several staff members involved in the process. PRM also hosted a "Cost Allocation 101" session for staff members to explain the process and answer questions staff had regarding the process. PRM is becoming a leading consultant in the cost allocation field in the State of California.

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The PRM work product consists of a full-service cost plan and a cost plan that conforms to Federal guidelines for agencies receiving Federal grants, such as the Transportation Department.

FISCAL ANALYSIS:

The City sent a Request for Proposal (RFP) in August 2005 for the preparation of cost allocation plans. The following vendors submitted proposals:

Vendor	Cost 1st Year	Cost 2nd Year	Cost 3rd Year	Total
MAXIMUS	9,400.00	7,050.00	7,050.00	23,500.00
PRM	8,000.00	8,400.00	8,800.00	25,200.00
Revenue & Cost Specialists	14,500.00	10,000.00	10,000.00	34,500.00
Muni-Financial*	25,000.00	N/A	N/A	N/A

** Quote for one year only.*

Staff realizes the PRM three-year contract price is \$1,700 higher than MAXIMUS. After reviewing the proposals for various qualifications other than price, such as consultant interaction with City staff, meeting of deadlines important to the City, and delivery of work product, staff feels that PRM better meet the needs of the City for these services. This last fiscal year, City staff time was significantly reduced in regards to preparation of cost allocation plan information, mainly due to the professional, timely and streamlined work supplied by PRM. Over a three-year period, this reduction in staff time is believed to more than make up the financial difference between quotes.

PRM will provide full services to the City of Culver City for each of the three years, which include PRM consultant(s) visiting the City to work/interview Budget staff and the appropriate staff members from involved departments. There is adequate funding in the Budget & Finance Division budget to pay for the first year of these services for fiscal years 2005-06. Funding for the subsequent years will be incorporated in the respective year's budget.

ATTACHMENTS:

A copy of the PRM proposal.

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MOTION:

That the City Council:

1. Award a professional services contract to Public Resource Management Group for the preparation of cost allocation plans for an amount not to exceed \$8,000 in fiscal year 2005-06, \$8,400 in fiscal year 2006-07, and \$8,800 in fiscal year 2007-08, for a combined total of \$25,200; and
2. Instruct the City Attorney to draft the contract; and
3. Authorize the Chief Administrative Officer to execute the contract.