



City of Culver City

Staff Report

File #: 21-1064, Version: 1

Item #: C-8.

CC - (1) Approval of an Amendment to the Existing Professional Services Agreement with SGN & Associates in an Additional Amount Not-to-Exceed \$81,219 for Continued Financial Analysis and Financial Planning and Regulatory Compliance Services Resulting from Federal Transit Administration (FTA) Triennial Review; and (2) Approval of an Amendment to an Existing Professional Services Agreement with Urban Futures, Inc. for Financial Modeling and Analysis Services in an Amount Not-to-Exceed \$69,000.

Meeting Date: June 28, 2021

Contact Person/Dept: Mike Tobin/Transportation Department
Phone Number: (310) 253-6593

Fiscal Impact: Yes No **General Fund:** Yes No

Public Hearing: **Action Item:** **Attachments:**

Commission Action Required: Yes No **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/23/2021)

Department Approval: Rolando Cruz, Chief Transportation Officer (06/17/2021)

RECOMMENDATION

Staff recommends the City Council (1) approve an amendment to the existing professional services Agreement with SGN & Associates in an additional amount not-to-exceed \$81,219 to provide continued financial analysis and financial planning and regulatory compliance services resulting from Federal Transit Administration (FTA) Triennial Review; and (2) approve an amendment to an existing agreement for professional services agreement with Urban Futures, Inc. for financial modeling and analysis services in an amount not-to-exceed \$69,000.

BACKGROUND

Staff is seeking authorization to amend an existing agreement with SGN & Associates for the continuation of work done under a sole source agreement previously authorized by the City Manager as well as additional work for which the department conducted an informal procurement to assist with corrective actions from its most recent FTA Triennial Review. Additionally, Transportation Department seeks authorization to enter a new agreement with Urban Futures, Inc. utilizing a procurement for

these services for the City in general, previously conducted by the Finance Department and approved by City Council on May 28, 2019.

SGN & Associates

In late 2019 the Transportation Department underwent an (FTA) regulatory compliance review required by grant agreements every three years. The Triennial Review is a series of audits which measure a grantee's compliance with federal regulations ranging from financial management to regulatory topics like Title VI and Equal Opportunity Programs (EEO). SGN & Associates (SGN) was utilized to provide an independent review of policy and procedure as well as work with staff to ensure all documentation was completed and any deficiencies identified and corrected, wherever possible, prior to the FTA's formal review of the Transportation Department. Additionally, given SGN's considerable expertise in local transportation finance, the scope of work included ongoing financial planning that would ensure greater levels of adherence with federal requirements and align to a short-term strategic financial plan under development at the time.

It was determined the resultant findings from the Triennial Review would best be done with consultant expertise. To secure a consultant with the needed expertise, staff conducted an informal bid process and solicited three quotes. SGN & Associates was selected among the three bidders to carry out the work based on their experience, reasonableness of cost, and a proposal that most closely aligned to the statement of work requested.

Urban Futures, Inc.

At the May 28, 2019, City Council Meeting, a contract with Urban Futures, Inc. was approved by Council to provide for services related to financial modeling and analysis for the City at large. Considering discussions with the Finance Department to create a more robust financial model of transit finance, which present its own unique challenges, the Transportation Department is seeking authority to expand the scope of the existing agreement with Urban Futures under the same procurement authority.

DISCUSSION

The Fiscal Year 2022 Budget lists a Long-Term Financial Plan as the Transportation Department's number one priority. This was the consensus of department leadership as it is imperative for the long-term financial health of the agency and its ability to provision both traditional and forthcoming services as identified in the agency's Short-Range Transportation Plan. The ability to merge the programmatic information provided by SGN & Associates expertise with the formulaic model produced by Urban Futures will give the Transportation Department a firm understanding of its finances and a long-term outlook grounded in the financial practicalities of transit at a regional and national level all while maintaining a nimble framework which can allow the Department to adapt as estimated expenditures become actuals and sources of funds expand or contract.

The principal of SGN & Associates is Stephanie Negriff, who was the head of Santa Monica's Transportation Department until 2011. Ms. Negriff has an unparalleled understanding of the nuances of transit funding. The Transportation Department's revenue is derived from a plethora of sources from the Federal, State and Local levels, all of which unique in requirements for access to funds and

contain a myriad of procedures for liquidation of balances due. Therefore, it was determined by the Transportation Department and Purchasing Management that usage of a sole source procurement would be the best method for contracting authority as the scope of work is a continuation of the 2019 contract with SGN & Associates. Additionally, the informal procurement for support in meeting corrective actions to the Triennial Review findings is in alignment with the initial contract and therefore the Transportation Department is requesting the authority to combine the two scopes into the existing contract under a single amendment recognizing that the Triennial Review support component was informally procured and not sourced by non-competitive methods as was the financial analysis portion, which is a distinct component of the proposed amendment outlined herein.

To build on the expertise of SGN & Associates and the work they will be undertaking, Transportation is also seeking the authority to contract with Urban Futures, Inc. As noted, Urban Futures has an existing contract with the Finance Department for which it has developed a financial model that can be updated with relevant data on an on-going basis as new funding is allocated and or diminished from the many sources. It is expected that with prior understanding of Culver City's financial position and the insight provided for local transit finance the resulting model will help to inform and forecast a long-term strategic financial plan for the Transportation Department.

FISCAL ANALYSIS

The total expected cost for the work outlined above is \$150,219 (inclusive of a 15% contingency for each of the agreements). All funding is budgeted in the Transportation Department's Fiscal Year 2021 Budget in account 20370100.619800.

ATTACHMENTS

None.

MOTIONS

That the Culver City Council:

1. Approve an amendment to the existing professional services Agreement with SGN & Associates in an additional amount not-to-exceed \$81,219 to provide continued financial analysis and financial planning and regulatory compliance services resulting from Federal Transit Administration (FTA) Triennial Review; and
2. Approve an amendment to a professional services agreement with Urban Futures, Inc. for financial modeling and analysis services in an amount not-to-exceed \$69,000;
3. Authorize the City Attorney to review/prepare the necessary documents; and
4. Authorize the City Manager to execute such documents on behalf of the City.