

AMENDMENT NO. 2

TO THE AGREEMENT BETWEEN THE COUNTY OF TEHAMA AND MGT of AMERICA CONSULTING, LLC

This Amendment to Agreement Number 2022-13, dated July 26, 2022, together with Amendment No. 1, 2024-021 dated Dec. 17, 2024 (collectively known as “the Agreement”), by and between the County of Tehama, through its Department of Public Works (County) and MGT Impact Solutions, LLC (Contractor) for the provision of preparing an optimal Indirect Cost Allocation Plan (ICAP), shall be amended as follows:

SECTION 3, COMPENSATION, SHALL BE AMENDED IN ITS ENTIRETY

3. COMPENSATION

CONSULTANT shall be paid in accordance with the rates set forth in the Fee Schedule, attached hereto as Exhibit "B,D,E and F" for performing the Scope of Services described in this Agreement. In addition, County shall reimburse Contractor for the actual and reasonable expenses for travel incurred by the CONSULTANT in the performance of the work hereunder. The rates set forth in the Fee Schedule are inclusive of all other expenses. Reimbursement for actual travel expenses will not exceed the currently authorized rates and per diem for COUNTY employees. The Maximum Compensation (including amendment nos. 1 and 2) payable under this Agreement shall not exceed \$55,950.00. CONSULTANT shall not be entitled to payment or reimbursement for any tasks or services performed except as specified herein. CONSULTANT shall have no claim against COUNTY] for payment of any compensation or reimbursement, of any kind whatsoever, for any service provided by CONSULTANT after the expiration or other termination of this Agreement. CONSULTANT shall not be paid any amount in excess of the Maximum Compensation amount set forth above, and CONSULTANT agrees that COUNTY has no obligation, whatsoever, to compensate or reimburse CONSULTANT for any expenses, direct or indirect costs, expenditures, or charges of any nature by CONSULTANT that exceed the Maximum Compensation amount set forth above. Should the CONSULTANT receive any such payment it shall immediately notify COUNTY and shall immediately repay all such funds to COUNTY. This provision shall survive the expiration or other termination of this Agreement.

SECTION 5, TERM OF AGREEMENT, SHALL BE AMENDED IN ITS ENTIRETY

5. TERM OF AGREEMENT

This agreement shall commence on July 26, 2022, and shall terminate on June 30, 2026, unless terminated in accordance with section 6 below.

It is mutually agreed that all other terms and conditions of Agreement Number 2022-13 shall remain in full force and effect.

IN WITNESS WHEREOF, County and Contractor have executed this agreement on the day and year set forth below.

Date: 5/15/25 COUNTY OF TEHAMA
Will Pike, Interim Director

Date: 5/14/2025 MGT IMPACT SOLUTIONS, LLC
Patrick Dyer, Vice President

130998
Vendor Number
3011 53230
Budget Account Number

Proposal

APRIL 30, 2025



Submitted by:

PATRICK DYER

VICE PRESIDENT, PERFORMANCE SOLUTIONS

3600 AMERICAN RIVER DRIVE, SUITE 150

SACRAMENTO, CA 95864

916.502.5243

pdyer@mgt.us

Indirect Cost Allocation Plan / Indirect Cost Rate Proposal

TEHAMA COUNTY PUBLIC WORKS
DEPARTMENT



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Introductory Letter

April 30, 2025

James N. Simon
Director, Public Works
County of Tehama
9380 San Benito Avenue
Gerber, CA 96035

SUBJECT: PROPOSAL FOR INDIRECT COST ALLOCATION PLAN/INDIRECT COST RATE PROPOSAL

Dear Mr. Simon:

MGT Impact Solutions, LLC (MGT) is pleased to present this proposal to provide Indirect Cost Allocation Plan/ Indirect Cost Rate Proposal (ICAP/ICRP) for the Tehama County Public Works Department (County). MGT has experience with completing this project for the County over the past several years, and we understand how to implement the changes to the process that Caltrans has requested.

MGT understands that these plans are needed in order to optimize the recoveries of indirect costs from federal and state grants and contracts, and that Caltrans has requested that the department change from a single department-wide indirect cost rate to multiple rates for each functional division or special district. The ICAP will examine all costs in the agency, classify them as eligible or ineligible for direct or indirect cost recovery pursuant to parameters set forth in 2 CFR 200, and then allocate the shared administrative/indirect costs among all of the functional divisions or special districts for the department.

Our firm offers the County solutions that will meet your specific objectives while providing the best overall value.

- ♦ **Experience, Exceptional Staff & Immediate Availability.** This proposed team of MGT offers the County unparalleled expertise and access to expertise and recent studies of other similar agencies. Our combined qualifications and very recent experience with neighbors in Northern California of Butte County, Sutter County, Plumas County, and Lassen County makes this team an obvious choice for the County for the requested services in its RFP.
- ♦ **Familiarity with Tehama County.** MGT currently provides cost allocation consulting services to the County of Tehama. This familiarity and experience provides our project team with a very well-rounded knowledge of the region's processes and needs.

We believe that MGT is the best choice for Tehama County for a variety of reasons, including:

- ♦ Preparing cost allocation plans and indirect cost rates for claiming against federal and state programs is our **core business**. MGT has over 40 full-time consultants who prepare cost plans all year long. This focus allows us to provide better service and better advice in these areas.



INTRODUCTORY LETTER

- ♦ We know what factors produce **exceptional studies** and what causes projects to stall or eventually fail. MGT will provide the County with a plan for the best possible project results. You will know what the project milestones are, who is responsible for what tasks and we will show you how to avoid the timeline pitfalls that can derail this type of project.

Our qualifications, proposed project staff, and comprehensive work plan will provide the County with sound and defensible cost allocation plans and rates. Our work plan is based on extensive experience in preparing cost allocation plans and rates in accordance with 2 CFR Part 200 requirements, including for Caltrans.

We look forward to the opportunity to serve the County. MGT is committed to perform the work within the time period presented in the RFP and agrees to successfully complete all tasks outlined in this document. This proposal is firm and irrevocable for a period of no less than 90 calendar days from the date of submittal. If you have questions on any aspect of our proposal, please contact Michelle Garrett at 303-807-6331 or mgarrett@mgt.us

I am authorized by our firm to commit MGT to the terms and conditions included in the attached proposal.

Sincerely,



Patrick J. Dyer, Vice President, Performance Solutions
Authorized to Bind the Firm



MGT Information, Qualifications & Experience

MGT History and Organization Structure

MGT Impact Solutions, LLC (MGT) began operations in 1974 as a public sector research firm and has expanded its consulting national consulting firm specializing in ***assisting public sector clients to operate more efficiently and effectively***. A significant portion of MGT's work is repeat business, reflecting a high level of customer satisfaction in our ability to provide exceptional professional services.

MGT is organized as a privately held, employee-owned and financially stable limited liability company with a deep roster of experienced cost allocation experts, support resources, and a commitment to serve the public. MGT 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. This ownership structure creates a mindset that permeates through every MGT owner: ***we change the communities we serve – for good.***

MGT has acquired a keen understanding of the structures, operations, and issues facing public agencies.

This understanding comes from **nearly 50 years** of extensive experience providing financial and management consulting services to state and local governments, and the prior work experience of our consultants. We are not the biggest, oldest, or highest profile consulting firm; just the best for combining firm qualifications and consultants' cost allocation expertise with the needs of cities, counties, and state agencies.

Prior to working as consultants, many of our consultants worked in government agencies as managers and staff. This inside knowledge and understanding of government gives our consultants an ability to hit the ground running from the very start of a project. MGT consultants understand what it means to work within constrained timelines, and the need to produce a product that concisely and clearly articulates findings and results.



MGT

FIRM AT A GLANCE

Name: MGT Impact Solutions, LLC (MGT)

Founded: 1974

Locations: Headquarters in Tampa Florida; branch offices nationwide

Staff: 260+ consultants with a deep roster of experienced cost allocation experts

Structure: Privately held, employee-owned, client-driven

Lines of Business: Government Consulting, Education and Financial Solutions, Diversity and Inclusion, Human Capital, Cyber Security and Technology

The Social Impact of MGT's Work



Defined by Impact



We understand the goals of this cost allocation plan project and how these processes impact the citizens of Tehama County. By appropriately allocating administrative costs, the County complies with federal and state regulations, and ensures that general fund revenues are protected from unintentional subsidization of state and federal grants and contracts and are available to provide the County's core services to its citizens. MGT is a service organization. Recognizing the end goals and the positive benefit that our work provides, and not treating these processes as a commodity, ensures that we are working towards a positive goal with our clients and producing the best possible outcomes.

▶ **Goals of this Project:** MGT will develop an effective cost allocation plan process, prepare a cost allocation plan and state/federally compliant indirect rates, and submit and negotiate the plan and rates to Caltrans for their review and approval.

▶ **Clear Community Benefit:** Appropriately allocated costs and indirect cost rates ensure the County is in compliance with federal and state laws and helps ensure appropriate use of the department's various funding sources. Properly crafted cost allocation plans assist the County and ensure the organization meets its mission in providing services to the public.

▶ **MGT—Dedicated to the Community:** We see the Tehama County community as our community. MGT consultants have worked in the public sector and understand the challenges you face. We think in the long-term—for *relationships and solutions*. That is why we are deeply committed to helping you bring out the best in your community. Seeing lives improved is how we really measure our mutual success.

MGT's Commitment to Culture

MGT staff are able to quickly assess and assimilate into various situations. Our focus is always on the task at hand, but we recognize that we are performing each task within a unique cultural environment. Our teams work across the country with new organizations on a regular basis and take the time to understand the challenges facing each organization. It starts with listening to our clients, not making assumptions, and drawing appropriate comparisons to past experiences. Our high level of repeat work demonstrates our ability to be professional and develop new relationships.

MGT Office Locations

MGT's headquarters are in Tampa, Florida, with additional locations across the country. The project will be managed and staffed from our **Sacramento office and California area consulting team**.

NATIONAL FIRM LOCAL FOCUS

ALABAMA
Montgomery

CALIFORNIA
Sacramento | Pasadena
| Carlsbad

COLORADO
Denver

FLORIDA
Tallahassee | Tampa

GEORGIA
Atlanta

KANSAS
Wichita

ILLINOIS
Chicago

MASSACHUSETTS
Boston

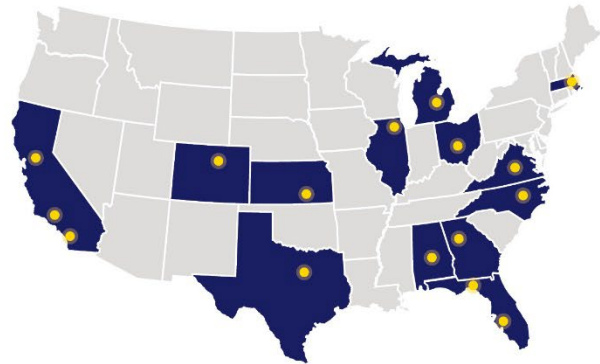
MICHIGAN
Bay City

NORTH CAROLINA
Raleigh

OHIO
Columbus

TEXAS
Dallas

VIRGINIA
Richmond



MGT is structured into several primary consulting divisions. The MGT Financial Solutions Group, consisting of **over 40 experienced costing consultants** will be responsible for completion of the project.

MGT MAJOR CONSULTING LINES OF BUSINESS



Government Consulting

Everything from an organizational analysis to a jail privatization study to a strategic plan to move an organization from reactive mode to proactive mode.



Diversity and Inclusion

Disparity research and diversity studies to provide an organization or community with a more equitable and inclusive environment.



Education Solutions

From student outcomes and performance, to operational effectiveness, our solutions have impacted more than 50 million students across the globe.



Financial Solutions

Our nationally-recognized experts help clients weather fluctuating market conditions and rising demands on their budgets using a variety of proven solutions.



Human Capital

Specializing in classification and compensation studies, this practice helps public agencies retain and attract the right talent.



Cyber Security and Technology

We help IT and Cyber leaders navigate and manage cyber threats through a Cyber Security Office program that provides an “a la carte” menu for customization.

The MGT Consulting Advantage



MGT offers an expert **impartial perspective** on organizational structure, processes, and practices. As an independent entity, our only vested interest is that of our clients; therefore, we apply our extensive experience to generating objective independent solutions to meet our client needs.



MGT leverages **best-of-breed data sources** to inform policy development and service delivery. Our team balances “gold standard” resources with our unique past performance lessons learned. MGT is committed to offering useful recommendations that achieve tangible results and is ever mindful of the practical and political realities the County may face.



MGT has an **extensive track record** of providing consulting services that are similar in scope to this project. Our solutions help the organizations we work with achieve their goals and serve their constituents more effectively and efficiently. The considerable amount of repeat work we deliver demonstrates our ability to be professional and develop lasting client relationships.



MGT provides solutions which are **specifically tailored** to meet the needs of our clients. The MGT team has an impressive track record of providing customized solutions, objective research, creative recommendations, and quality products that respond to each client's unique needs and time requirements.

MGT Contact Information

PROJECT LEADER / PROPOSAL CONTACT	Patrick Dyer Vice President 3600 American River Drive, Suite 150 Sacramento, California 95864 P: 916.502.5243 Email: pdyer@mgtconsulting.com
MGT HEADQUARTERS	MGT Impact Solutions, LLC 4320 West Kennedy Boulevard Tampa, Florida 33609 P: 813.327.4717 Fax: 850.385.4501 www.mgtconsulting.com FEIN: 81-0890071
INDIVIDUALS AUTHORIZED TO COMMIT FIRM	Patrick Dyer Vice President 3600 American River Drive, Suite 150 Sacramento, California 95864 P: 916.502.5243 Email: pdyer@mgt.us Robert Holloway Senior Vice President & Chief Strategy Officer 516 North Adams Street Tallahassee, Florida 32301 P: 850.386.3191 E-mail: rholloway@mgt.us A. Trey Traviesa CEO & Chairman of the Board 4320 West Kennedy Boulevard, Suite 200 Tampa, Florida 33609 P: 813.327.4717 E-mail: ttraviesa@mgt.us Carla Luke Chief Financial Officer 4320 West Kennedy Boulevard, Suite 200 Tampa, Florida 33609 P: 813.327.4717 E-mail: cluke@mgt.us

What Makes MGT Consulting the Best Choice?

MGT Consulting is the best choice for this project for a variety of reasons, including:

- ♦ **Cost Allocation is Our Core Business.** Preparing cost allocation plans and indirect cost rates is our core business. We know what plans are, what they are used for, how they impact

organizations and communities, and that they are not a commodity. There are engineering firms and small CPA companies who dabble in this area and larger consulting firms that do cost allocation plans, but these firms are not committed to these core services over the long run. MGT has over 40 full-time consultants who prepare cost allocation plans and indirect cost rates all year, every year. This focus and commitment allows us to provide better service and the best advice in these areas.

- ♦ **Finest Project Staff and Deepest Bench.** MGT has handpicked the finest consultants in the cost accounting field. No other single factor is as important as the professional staff providing the analysis and managing the project. Our staff understand what the plan is used for and its impacts.
- ♦ **Proximity.** Our project team will be close to Tehama County throughout this effort. We will provide plenty of virtual or on-site consulting and assistance, as appropriate.
- ♦ **Anticipation.** We know what factors produce exceptional plans and what causes projects to stall or eventually fail. MGT will provide the County with a plan for the best possible project. You will know what the project milestones are and who is responsible for what tasks. And we can show you how to avoid common timeline challenges that can derail this type of project.
- ♦ **Innovations.** MGT's consultants have been responsible for many of the key innovations in the cost allocation plan area. We invented a cost allocation system that not only provides the most accurate double step-down methodology, but also has a management reports feature that allows the County to understand year-over-year changes in any of its allocations. Every number in our cost allocation plans can be easily traced to its source.

Further information on MGT and its services are available at www.mgtconsulting.com.

MGT Cost Allocation Experience

MGT's Financial Solutions Team within our Performance Solutions Group concentrates on cost allocation plans, grant preparation and support, indirect cost rate proposals, user fee studies, and internal service fund rate calculations. These have been our core service offerings since 2007, and our consultants have been leading innovators and practitioners in this field since the late 1980's. Constantly striving for better results and better customer service, our consultants have designed some of the most important new cost allocation methodologies and approaches in the marketplace.

MGT provides a wide range of cost allocation services, ranging from city and county indirect plan preparation, calculation and negotiation of statewide indirect cost allocation plans, to public assistance cost allocation narrative review, development, federal claiming assistance. Each year, MGT staff prepare and submit hundreds of plans and rates to state and federal authorities for review and approval, as illustrated in the map in **Exhibit 1**. Over the past two years, we have significantly invested in our team, adding senior level staff with decades of experience in preparing user fee studies and reviewing, developing, and implementing public assistance cost allocation plans. No firm, anywhere in the United States, has a better understanding of the guidelines set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) and how it is carried out in practice.

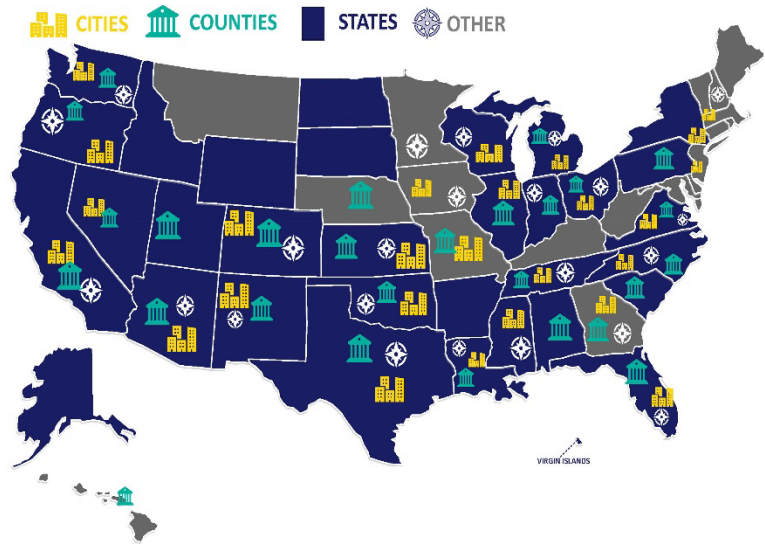


Exhibit 1. MGT's National Cost Allocation Experience

Our collective experience provides our clients the confidence that the work done by MGT will not only meet what is considered the “Best Practices” in their specific circumstance but will also meet the requirements set forth in the federal circular and required by their cognizant agency(ies). When the County selects MGT, it gets access to all of the best practices gained from our national experience as well as our regional experience throughout California.

In addition to our experience and technical expertise, one of MGT's greatest strengths is our consultants' ability to communicate effectively with our clients, from direct operational staff that provide user fee or cost plan services, up to managers, directors, and elected officials. We provide flexibility in the amount of time each level within our clients' organizational structure wants to devote to each project while ensuring everyone involved in the effort understands the scope, objectives, and most importantly, the outcome(s).

MGT's Specific Cost Allocation Expertise

The main goal of indirect cost allocation plans is to allocate centrally provided services to all benefitting funds, divisions, departments or programs in a fair and equitable manner. MGT prepares more county indirect cost allocation plans than any other firm in the United States. We have provided similar services to many comparable counties nationally, as well as numerous cities throughout the nation. We understand jurisdictions like County and what it takes to have a successful engagement.



Cost Allocation
Plan Specialists
Since 1974



We have prepared
2,000+ CAPs over
the last 5 years



We prepare
cost plans in
37 STATES



70% of our
consulting staff
are former public
sector leaders



**Robust CAP
Software**
includes comparison
trends &
management tools



40+ dedicated CAP consultants
averaging **15+** years experience

MGT CALIFORNIA COST PLAN STUDIES

While our experience is varied and includes local governments in more than 37 states, our focus for this proposal is on cities and counties in *California*. MGT prepares cost allocation plans for 27 of California's 58 counties. Specific project information from a few key California cities and counties, many of which include indirect cost rates that are submitted to and approved by Caltrans, are included in the References section of our proposal.

CALIFORNIA CITIES	CALIFORNIA COUNTIES & DISTRICTS
Alameda	Alpine County
Anaheim	Amador County
Beaumont	Butte County
Bell Gardens	Calaveras County
Chula Vista	Del Norte County
Corona	El Dorado County
Dublin	Golden Gate Bridge, Highway & Trans District
Fresno	Humboldt County
Healdsburg	Inyo County
Industry	Lake County
Inglewood	Lassen County
La Mesa	Los Angeles County Housing Commission
Long Beach	Madera County
Moreno Valley	Marin County

CALIFORNIA CITIES	CALIFORNIA COUNTIES & DISTRICTS
Nevada City	Modoc County
Newport Beach	Mono County
Oakland	Napa County
Pasadena	Orange County
Rancho Cucamonga	Plumas County
Redlands	Port of Oakland
Richmond	San Bernardino County
Rohnert Park	San Joaquin County
Roseville	San Mateo County
Sacramento	San Mateo County Sheriff
San Jose	Santa Cruz County
Sanger	Sonoma County
Santa Ana	Stanislaus County
Santa Monica	Tuolumne County
Santa Rosa	Ventura County
Stockton	Yolo County
Suisun City	Yolo County Community Services
Turlock	Yuba County
Vallejo	
Windsor	
Yuba City	

MGT NATIONAL COST PLAN STUDIES

MGT has prepared cost allocations for the following national clients within the last five years.

MGT COST ALLOCATION PLAN CLIENTS		
ALASKA		
Alaska Environmental Conservation		
ALABAMA		
Jefferson County Commission	Alabama DCNR	
ARIZONA		
City of Flagstaff	Cochise County	Arizona Attorney General
City of Glendale	Coconino County	Arizona Department of Forestry
City of Mesa	Maricopa County	Arizona Forestry & Fire Mgmt
City of Surprise	Pima County	Arizona Game & Fish
City of Tucson	Pinal County	Arizona Office of the Governor
City of Yuma	Yuma County	
CALIFORNIA		
City of Alameda	City of Roseville	Lake County
City of Anaheim	City of Sacramento	Lassen County
City of Beaumont	City of San Jose	Los Angeles County
City of Chula Vista	City of San Marcos	Madera County
City of Clovis	City of Santa Ana	Marin County

MGT COST ALLOCATION PLAN CLIENTS

City of Corona	City of Santa Clara	Modoc County
City of Daly City	City of Santa Monica	Mono County
City of Dublin	City of Santa Rosa	Napa County
City of Encinitas	City of Suisun	Orange County
City of Fremont	City of Turlock	Plumas County
City of Fresno	City of Vallejo	San Bernardino County
City of Fullerton	City of West Covina Fire Dept	San Joaquin County
City of Healdsburg	City of Whittier	San Mateo County
City of Industry	City of Yuba City	San Mateo County Sheriff
City of La Mesa	Alpine County	Santa Cruz County
City of Long Beach	Amador County	Sonoma County Sheriff's Department
City of Newport Beach	Butte County	Stanislaus County
City of Oakland	Calaveras County	Tuolumne County
City of Pasadena	Del Norte County	Ventura County
City of Rancho Cucamonga	El Dorado County	Yolo County Community Services
City of Redlands	Humboldt County	Yuba County
City of Rohnert Park	Inyo County	Golden Gate Bridge Highway & Transportation District
City of Rohnert Park Public Safety	LA County Metro Transportation Authority	Port of Oakland

COLORADO

City and County of Broomfield	Bent County	Lincoln County
City and County of Denver	Boulder County	Logan County
City and County of Denver Fire Rates	Cañon City	Mesa County
City and County of Denver Public Works	Chaffee County	Moffat County
City and County of Denver Special Districts	Cheyenne County	Montezuma County
City and County of Denver Environmental Health	Crowley County	Montrose County
City and County of Denver Human Services	Delta County	Otero County
City of Boulder	Dolores County	Ouray County
City of Brighton	Douglas County	Park County
City of Carson	Eagle County	Phillips County
City of Centennial	Elbert County	Pitkin County
City of Colorado Springs	Fremont County	Prowers County
City of Durango	Garfield County	Rio Blanco County
City of Lafayette	Gilpin County	Routt County
City of Loveland	Grand County	Saguache County
City of Rifle	Gunnison County	Sedgwick County
City of Westminster	Huerfano County	Summit County
Town of Castle Rock	Jefferson County	Teller County
Adams County	Kiowa County	Washington County
Arapahoe County	LaPlata County	Yuma County
Archuleta County	Larimer County	Colorado Dept of Public Safety

MGT COST ALLOCATION PLAN CLIENTS

Baca County	Las Animas County	The Center for Relationship Education
FLORIDA		
City of Margate	Collier County	Pinellas County
City of Ft. Lauderdale	Martin County	Southwest Florida Water Management District
Broward County	St. Johns County	
GEORGIA		
City of Atlanta	DeKalb County	
HAWAII		
Kauai County		
IDAHO		
State of Idaho Controller's Office	Idaho Department of Health and Welfare	
ILLINOIS		
Boone County	Cook County	Rock Island County
DuPage County	Kane County	
INDIANA		
Blackford County	Jay County	Vermillion County
DeKalb County	Lawrence County	Warrick County
Delaware County	Montgomery County	Wayne County
Fountain County	Porter County	Whitley County
Jackson County		
KANSAS		
City of St. Marys	Sedgwick County	Kansas Department of Wildlife Parks and Tourism
City of Topeka	Kansas Corporation Commission	Kansas Department of Commerce
City of Wichita	Kansas Department of Labor	Unified Government of Kansas
Johnson County	Kansas Department of Wildlife	Unified Government of WYCO/KCK
LOUISIANA		
City of Alexandria	State of Louisiana	Jefferson Parish
City of Baton Rouge	State of Louisiana Division of Administration (OSRAP)	Lafayette Consolidated Government
City of Lake Charles	State of Louisiana HCM	Orleans Parish District Attorney
City of New Orleans	State of Louisiana Office of Technology Services	Rapides Parish
Louisiana Department of Transportation & Development	Baton Rouge Retirement System	Rapides Parish Police Jury
Louisiana Housing Corporation	East Baton Rouge Parish District Attorney	St. Charles Parish
Louisiana Office of Aircraft Services	Imperial Calcasieu Regional Planning & Development Commission (IMCAL)	St. Tammany Parish Government
MARYLAND		
Frederick County		
MICHIGAN		
City of Kalamazoo	Gogebic County	Montcalm County
City of St. Johns	Grand Traverse County	Montmorency County
Alcona County	Gratiot County	Muskegon County

MGT COST ALLOCATION PLAN CLIENTS

Alger County
Alpena County
Arenac County
Baraga County
Barry County
Bay County
Benzie County
Branch County
Calhoun County
Cass County
Charlevoix County
Cheboygan County
Clare County
Clinton County
Crawford County
Delta County
Dickinson County
Emmet County

Hillsdale County
Houghton County
Huron County
Ingham County
Isabella County
Iosco County
Kalkaska County
Lapeer County
Leelanau County
Livingston County
Luce County
Mackinac County
Manistee County
Marquette County
Mason County
Menominee County
Missaukee County

Newaygo County
Oceana County
Ontonagon County
Osceola County
Oscoda County
Otsego County
Ottawa County
Presque Isle County
Roscommon County
Saginaw County
Sanilac County
Schoolcraft County
Shiawassee County
St. Clair County
St. Joseph County
Tuscola County
Wexford County

MISSOURI

Clay County

NORTH CAROLINA

City of Fayetteville
City of Greenville
City of Hickory
City of Salisbury
City of Winston-Salem
Town of Cary
Alleghany County
Cabarrus County
Camden County
Catawba County
Craven County
Currituck County

Davie County
Duplin County
Forsyth County
Greene County
Guilford County
Harnett County
Hertford County
Hoke County
Iredell County
Lee County
Lincoln County
McDowell County

Nash County
Pitt County
Randolph County
Richmond County
Robeson County
Rockingham County
Rowan County
Stokes County
Warren County
Wilson County
North Carolina Dept of
Environment & Natural Resources
North Carolina Housing Finance
Agency
State of North Carolina
Department of Environmental
Quality

NORTH DAKOTA

State of North Dakota

NEBRASKA

Dawson County

Gosper County

City of Lincoln

NEW MEXICO

City of Farmington
Los Alamos County

New Mexico Dept of Health
State of New Mexico - Early Childhood Education and Care Department

City of Las Cruces

NEVADA

Nevada Department of Corrections
State of Nevada

City of Las Vegas

City of Reno

MGT COST ALLOCATION PLAN CLIENTS

OHIO

Northeast Ohio Regional Sewer District

Ohio Division of Environmental Response and Revitalization

Greater Cleveland Reg Transit

Adams County

OKLAHOMA

City of Edmond

City of Tulsa

Oklahoma County

OREGON

Pacific States Marine Fisheries Commission

PENNSYLVANIA

Beaver County

Luzerne County

TENNESSEE

Nashville and Davidson County - Metro Government

TEXAS

City of Abilene

City of Midland

Harris County

City of Arlington

City of Odessa

Harris County Health Department

City of Bryan

City of Plano

Kendall County

City of College Station

City of San Angelo

Tarrant County

City of Corpus Christi

City of San Antonio

Texas Comptroller of Public
Accounts

City of Dallas

City of Waco

Texas Department of Agriculture

City of Fort Worth

Cameron County

Texas Office of the Attorney
General

City of Garland

Collin County

Texas Office of the Governor

City of Houston

El Paso County

Texas Veterans Commission

City of Lewisville

Galveston County

Rio Grande Council of
Government

City of Longview

Texas Department of Housing and
Community Affairs

UTAH

State of Utah

U.S. VIRGIN ISLANDS

U.S. Virgin Islands

Virgin Islands Economic Development Authority

VIRGINIA

City of Newport

City of Roanoke

Loudoun County

City of Newport News

City of Suffolk

State of Virginia DMME

City of Portsmouth

WASHINGTON

City of Ocean Shores

City of Spokane

Sound Transit Authority

State of Washington Office of Financial Management

WISCONSIN

Walworth County

TRIBAL GOVERNMENTS

Moapa Band of Paiute Indians

Navajo Nation

Staff Qualifications and Approach

Key Personnel and Expertise

While the qualifications and experience of a firm are important, perhaps more important are the qualifications and experience of the proposed project team. MGT has successfully implemented the team approach to most cost allocation projects. We assign multiple consultants to every complex cost allocation plan we prepare for the following reasons.

- ♦ To speed up the timeline of the project.
- ♦ To increase the quality of the results through diversity of experience and strengths.
- ♦ To provide redundancy in staffing to assure project milestones and deadlines are met even in the unforeseen, but potentially possible, event when a project consultant becomes ill or injured or otherwise unavailable.

There are **three primary benefits** to our proposed project team.



The first, and perhaps the greatest benefit, of the proposed project team is cost allocation experience with other organizations similar to the County that share common goals. Our consultants have an average of over 15 years of experience in preparing cost allocation plans and applying them to enterprise operations, and state and federal grant programs.



The **second benefit** is that the expertise of the team as a whole is greater than the sum of the team's parts. The proposed team members bring unique education, skills, and experiences from numerous local government cost allocation, user fee, management study, and performance review consulting engagements.



The **third benefit** is that by placing more than one expert on the project, all phases of the project are completed in a timely manner which results in an overall on-time project.

In addition to the proposed project team, MGT can draw from a deep pool of experienced cost allocation consultants to supplement the project as necessary. These consultants have unique skill sets such as performance measurements, performance management, and process improvement. These experts are available to assist the proposed project team as needed.

The Financial Solutions Team is managed by Patrick Dyer, who is responsible for the entire Solutions Group. Mr. Dyer is supported by Bret Schlyer. Both have over 20 years of experience working with public sector organizations and providing cost allocation, indirect cost rate, and cost recovery services across the country. Mr. Schlyer and Mr. Dyer will either be actively engaged on a project, assigned as a technical advisor, or provide oversight on every engagement. Their involvement will be based on expertise and/or geography. Mr. Schlyer is based in Ohio and Mr. Dyer in California.

Qualifications of Project Team Members

MR. PATRICK J. DYER, VICE PRESIDENT | PROJECT EXECUTIVE

Mr. Patrick Dyer is a Vice President with MGT and is responsible for Western Region Financial Solutions operations for the firm. Based in Sacramento, Mr. Dyer is an expert in cost allocation plan development, user fee projects and most recently a variety of projects related to regulated medicinal and recreational cannabis.

He has over a 20-year background in local government, focusing on 2 CFR Part 200 cost allocation development, user fee rate calculations, indirect cost rate calculations, state mandated cost reimbursement, federal and state grant recovery, and cost of services for local governments. His areas of expertise include local agency 2 CFR Part 200 cost allocation plans, departmental indirect cost rates and state mandated cost reimbursement claims (SB 90). He brings exceptional writing, organizational and interpersonal skills to this study, and experience with getting indirect cost rates approved by Caltrans.

Prior to joining MGT, Mr. Dyer was a project manager for Public Resource Management Group and DMG-Maximus dating back to 2001. Prior to his consulting career, Mr. Dyer worked in local government finance for the City of Davis. Mr. Dyer was responsible for all city revenue collection in its Finance Department overseeing general accounts receivables, transient occupancy tax collections, utility billing for water, sewer and solid waste as well as the city's gross receipts tax and business license programs.

Mr. Dyer has annually contributed to dozens of cost allocation plan and indirect cost rate projects throughout California.

MS. MICHELLE GARRETT, SENIOR MANAGER | PROJECT CONSULTANT

Ms. Garrett is a Senior Manager with MGT and has over 20 years of governmental experience. Since joining MGT she has prepared cost allocation plans, user-fee studies and indirect cost rate calculations, and other management documents for numerous cities and counties throughout the country. Her experience also includes negotiation with federal and state authorities, audit defense and customized cost analyses for public-sector clients. She has proven experience complying with and negotiating cost

Ms. Garrett has prepared cost allocation plans, user fee studies and indirect cost rate calculations for cities and counties in Arizona, Hawaii, New Mexico, California, Florida, Tennessee, Oklahoma, and a particular emphasis in Colorado. Ms. Garrett has worked with over 75 cities and counties in Colorado, giving her a long and successful history of preparing exceptional cost allocation plans all over the state.

Project Staff Roles and Responsibilities

Tehama County Project Officer

▪ TBD

MGT suggests that the County appoint a single point of contact to serve as the Project Officer. The Project Officer will have primary responsibility and final authority over all activities, and they will provide project guidance and direction to the MGT team. The Project Officer will approve the contract, work plan, and final report. All project correspondence, progress reports, and final reports will be delivered to the Project Officer.

MGT Project Executive▪ **Patrick Dyer, Vice President**

The MGT Project Executive will be the primary person responsible for ensuring the resources to conduct the study are available from start to finish and that the team fulfills all contractual requirements, produces a quality report, and meets all project deadlines. The Project Executive is responsible for ensuring client success.

MGT Project Manager▪ **Michelle Garrett, Senior Manager**

The MGT Project Manager is the main point of quality control, has final authority for the project and deliverables, and helps resolve conflicts over any project issues. The Project Manager will be responsible for the completion of the scope of services and the provision of all deliverables. She will be actively involved in all tasks of our work plan and the development of all deliverables. The Project Manager will lead client meetings and interviews and be responsible managing the project on a day-to-day basis including the delegation of tasks, scheduling and operations of the project, including data gathering, data summation, creating the cost allocation model and the indirect cost rates

MGT Consultant Team▪ **Bret Schlyer, Vice President**

These individuals will work in close contact with MGT's Project Executive, Project Manager, and key County employees as appropriate, to summarize information and assist in the completion of the cost allocation plan and indirect cost rates.

Resumes

Resumes for the project team personnel are provided on the following pages.



PATRICK J. DYER

Vice President | Performance Solutions

Mr. Dyer has over 20 years of professional experience in government operations. He has worked with city, county, state, special district, joint powers authority government agencies on cost accounting and state mandated cost claiming projects during his twelve-year consulting tenure. Mr. Dyer's most recent consulting projects focus on the following areas: development user fee calculations, Federal Emergency Management Agency (FEMA) guidance and claiming, regulated cannabis/marijuana studies, city and transit agency cost allocation plans and state mandated cost consulting (specific to CA).



Areas of Expertise

- ♦ California State Mandate Reimbursement (SB 90)
- ♦ Cost Allocation Plans, Software & Training
- ♦ Indirect Cost Rate Proposals for Caltrans
- ♦ Cost of Service / User Fee Studies
- ♦ Transit Agency Cost Allocation and Indirect Costs
- ♦ Federal Negotiations and Audit Defense (FTA, FAA, HSA)
- ♦ Mental Health Funding Sources (AB 3632)
- ♦ Daily Jail Rate, Booking Fee Analyses
- ♦ Animal Care, Shelter, Enforcement Operations Costs, and Fees
- ♦ Elections Program Operations and Cost Accounting
- ♦ Expert Witness on Cost/Fee Lawsuits
- ♦ Clerk, Recorder and Elections Fees/Operations
- ♦ FEMA Claiming & CARES Act Funding
- ♦ State Agency Fee Studies & Outreach
- ♦ Education Funding & Fiscal Sustainability

Education

Bachelor of Science, Business Administration (Finance), California State University Sacramento

Professional Experience

MGT of America Consulting, LLC, *Vice President, August 2007-Present*

Public Resource Management Group, LLC, *Senior Consulting Manager*

MAXIMUS, Inc., *Project Manager*

City of Davis, Finance Department, *Revenue Collections Customer Service Coordinator*

Leadership Expertise

Mr. Dyer is a senior member of MGT's leadership team. His duties as Vice President include direct project work in addition to a variety of management and administrative items. Mr. Dyer's business development and administrative duties include the following:

- ♦ Sales, marketing, and budget oversight for a practice of \$4.0 million of consulting engagements
- ♦ Administer contracts, agreements and insurance requirements
- ♦ Staff reviews, supervision and workload analysis for 15 consulting professionals
- ♦ Coordinate, write, review, respond to complex government RFPs

Professional History

Prior to beginning his consulting career, Mr. Dyer spent over ten years with the City of Davis, most recently holding the position supervising the Finance Department staff handling all City revenue collection, loans, parking citation billing, 15,000 utility billing accounts and the City's 5,000 business licenses. Mr. Dyer also completed a successful pilot data capture program between the City of Davis and the State of California



PATRICK J. DYER

Vice President | Performance Solutions

Department of Motor Vehicles to develop a virtual private network to exchange vehicle owner information and streamline parking collection processes for local government.

While at the City of Davis, Mr. Dyer held the position of President with the Davis City Employees Association, a labor union for approximately 300 of the City's miscellaneous employees. While holding that position, Mr. Dyer gained valuable experience related to employer-employee contracts (MOUs), labor relations law, collective bargaining, class/comp studies and compensation analysis.

Client Service Highlights

Management Consulting for Student Housing | Maryland Economic Development Corporation (MEDCO)

Mr. Dyer was part of a team engaged by the Maryland Economic Development Corporation (MEDCO) to deliver a management consultant report for a specific student housing project at Bowie State University, University of Maryland Baltimore County, Towson University, University of Maryland Baltimore, and University of Maryland College Park. Prompted by a failure of the universities to reach the required 1.20 coverage ratio, a requirement of the trust indenture, MGT, an independent entity, developed recommendations with respect to fees, rental rates and changes imposed and collected by MEDCO in connection with its operations of the project and improvements or changes in operations or management of the project or the services rendered by MEDCO.

California Wildfires FEMA Public Assistance Claiming | County of Santa Cruz, CA

Mr. Dyer was engaged to develop defensible FEMA claiming and documentation for disaster event claiming. The scope of the MGT contract was to enhance the activities of the Auditor Controller Tax Collector by assisting County staff with Federal Guidance, interpretations of Policy Manual, development of improved time keeping, procurement documentation and staff training of CAL OES and FEMA guidance related to the County's category B response to the CZU Lightning Complex Fires in August 2020.

Cost Allocation, Transit | Sound Transit, Seattle, WA

Mr. Dyer initiated a formal cost allocation plan structure for submission to the Federal Transportation Administration (FTA). Prior to engaging MGT, ST had not obtained approval for their indirect costs on federal grants. MGT analyzed, documented the process, negotiated with federal auditors and obtained FTA approval for its cost allocation and indirect cost rates. In total, ST runs \$45 million through its cost plan for central service costs. This formal approval of the indirect cost rates helps ST defend a portion of its \$170+ million in annual federal grants.

Health Agency Fee Calculations | El Dorado County, CA - Health & Human Services Agency

Mr. Dyer led a team of four consultants to analyze user fees and cost recovery for this eight department super-agency. MGT reviewed cost recovery, developed fee comparisons and recommendations for the Health, Lab, Environmental Health, Animal Services, Vital Records, Mental Health, Public Guardian and Emergency Medical Services departments. This six-month project resulted in defensible fees for \$7.2 million in county cost for user fee activity and recommended changes or new fees of approximately \$125,000.

Animal Care & Fees | County of Los Angeles, CA - Animal Care & Control

Mr. Dyer led a team of five other consultants to completely overhaul the billing methods for contract cities animal care services for the largest animal care system in the nation. Mr. Dyer and his team questioned assumptions and re-tooled billing models to enable Los Angeles County to recommend increasing cost recovery from 30% to 70% from its 49 contract agencies. Over a six-year phase-in, the county expects to recover an additional \$5 million in revenue because of MGT's recommendations.

Animal Care & Fees | Madera County, CA



PATRICK J. DYER

Vice President | Performance Solutions

Mr. Dyer recalculated the full cost of its Animal Care and Shelter services for the city and county. As a result of MGT's calculations and recommendations, the County expected to recover an additional \$250 thousand dollars from its contract city. County officials were extremely happy to have a 52x return on their investment by hiring MGT Consulting.

Regulated Cannabis | County of Santa Cruz, CA - Cannabis Licensing Office (CLO)

Mr. Dyer was engaged to develop defensible license fees for the cannabis activity in the unincorporated areas of Santa Cruz County. In total the costs of the CLO and other county departments that assist with regulation and business compliance activities total \$1.3 million. The fee structure and allocation to the various license activities are expected to ensure these county efforts expended on licensing, cultivation, dispensary, manufacturing and other cannabis businesses, are completely fee supported.

Regulated Cannabis | State of Maryland - Medical Cannabis Commission (MMCC)

The MMCC hired MGT to assist the State to understand and evaluate the industries and activities that will be involved in the development and ongoing operation of a Maryland medical cannabis industry. The MMCC requested analysis of North American Industry Classification System (NAICS) codes, spending, investment, and valuation patterns involved in the medical cannabis industry. The MMCC used the MGT study to define the known business impacts of the cannabis industry and utilized the MGT identified NAICS codes to begin its own analysis of the racial and economic diversity within the new emerging cannabis market.

CARES, ARPA, FEMA & Other Pandemic Funding Sources | County of Santa Cruz, CA

The County Budget Director engaged the MGT team to help it prioritize, track and train county staff on the nuances of the different funding sources intended to support the activities and impacts of the COVID-19 pandemic. Track costs, review for eligibility, maximize recovery, minimize audit risk for the various funding sources. Project began in March 2020 and is ongoing.



MICHELLE GARRETT

Manager | Financial Solutions

MGT CONSULTING GROUP

Ms. Garrett is a Manager in MGT's Financial Solutions Group and has over fifteen years of cost accounting consulting experience. Since joining MGT she has prepared cost allocation plans, user-fee studies and indirect cost rate calculations, and other management documents for numerous cities and counties throughout the country. Her experience also includes negotiation with federal and state authorities, audit defense and customized cost analyses for public-sector clients. She has proven experience complying with and negotiating cost allocation plans with state and federal cognizant agencies.



Ms. Garrett received her Bachelor of Science in Business Administration degree with honors from the Northern Arizona University and her Master in Accountancy with honors from the University of Missouri. She passed the CPA exam her first sitting.

Ms. Garrett has prepared cost allocation plans, user fee studies and indirect cost rate calculations for cities and counties in Arizona, Hawaii, New Mexico, California, Florida, Tennessee, Oklahoma, and a particular emphasis in Colorado. Ms. Garrett has worked with over 75 cities and counties in Colorado, giving her a long and successful history of preparing exceptional cost allocation plans all over the state.

Areas of Expertise

- ♦ Federal Cost Allocation Plans (2 CFR Part 200)
- ♦ Indirect Cost Rate Proposals (ICRP)
- ♦ Full Cost Allocation Plans (GAAP)
- ♦ Charge Back and Billing Rate Models
- ♦ User Fee Studies
- ♦ Daily Jail Rate
- ♦ Regulated Cannabis/Marijuana Cost Analyses

Education

Master of Accountancy, University of Missouri – Columbia

Bachelor of Science in Business Administration, Northern Arizona University

Professional Affiliations

Certified Public Accountant (inactive)

Professional Experience

MGT of America Consulting, LLC, *Senior Manager, 2007 – present*

Public Resource Management (PRM), *Consultant*

Sloan's Lake HMO, *Senior Accountant*

Reinsurance Group of America, *Accountant*

Coopers & Lybrand, LLP, *Senior Audit Associate*

Client Service Highlights

Cost Allocation Plans | Delta County, CO

Ms. Garrett worked with county personnel and Department of Human Services personnel to optimize the cash flow in the county. Improvements were made through the utilization of the State of Colorado Human Services reimbursement and the utilization of reimbursement from Federal and State Human Services programs via analysis of their cost allocation plan.



MICHELLE GARRETT

Manager | Financial Solutions

MGT CONSULTING GROUP

Cost Allocation Plans, Special District Cost Rates | City and County of Denver, CO

Ms. Garrett has led a team to provide the City and County of Denver with 2 CFR Part 200 and Full Cost Allocation Plans since 2003. More recently, she has been a part of the MGT project team to provide Denver with a cannabis study, user fee studies, and departmental and special district cost plans and rates.

Representative Clients

- Summit County, Colorado
- City & County of Broomfield, Colorado
- City & County of Denver, Colorado
- Eagle County, Colorado
- Rio Blanco County, Colorado
- Otero County, Colorado
- Gilpin County, Colorado
- Gunnison County, Colorado
- Larimer County, Colorado
- Mesa County, Colorado
- Ouray County, Colorado
- Pitkin County, Colorado
- City of Boulder, Colorado
- City of Loveland, Colorado
- Shelby County, Tennessee
- Butte County, California
- Los Alamos County, New Mexico
- San Mateo County, California
- Plumas County, California
- Pinellas County, Florida
- Pinal County, Arizona
- Orange County, California
- Lassen County, California
- Jefferson County, Colorado
- Garfield County, Colorado
- Montrose County, Colorado
- Delta County, Colorado
- Fremont County, Colorado
- Park County, Colorado
- Crowley County, Colorado
- Archuleta County, Colorado
- City of Westminster, Colorado
- City of Brighton, Colorado
- Canon City, Colorado
- Town of Castle Rock, Colorado
- Kauai County, Hawaii
- County of Yuma, Arizona
- City of Yuma, Arizona
- Lake County, California
- La Plata County, California
- La Mesa County, California
- City of Goodyear, Arizona
- City of Fort Collins, Colorado
- City of Edmond, Oklahoma
- Coconino County, Arizona
- Culver City, California

Scope of Work

Approach and Methodology

Cost allocation plans and indirect cost rates are essential tools for municipal fiscal management. Well-documented and defensible plans are essential for our clients to recover indirect administrative costs in a variety of internal and external contexts. MGT is a nationally recognized specialist in developing cost allocation plans and assisting our clients with cost allocation plan implementation. Our effort will allow the County to account for the actual cost of providing services and to calculate hourly staff rates that will recover all allocated costs using a clear, equitable and defensible method that complies with regulations.

MGT's cost allocation plans and indirect cost rates provide our clients with exceptional financial and managerial information. Examples of useful and meaningful information that can be extracted from the plan reports include:

- ◆ Compliant documentation for state or federal reimbursement
- ◆ Defensible interfund transfers
- ◆ Identification of administrative expense

Burso™ Cost Allocation Software

We utilize MGT's proprietary cost allocation software, **Burso™**, to develop the cost allocation plans. Our cost allocation software incorporates years of refinements and continual field use by MGT consultants. The software has been utilized to develop local government, statewide and state agency cost allocation plans that have been reviewed by numerous federal and state agencies. It is the tool we use to generate all of the 2 CFR Part 200 and Full Cost allocation plans we prepare on behalf of city, county and state clients each year.

The **Burso™** software uses a double iteration (step-down) methodology ensuring the full allocation of all costs and the recognition of the cross allocations among central service agencies. The software enables the allocation of an unlimited number of cost pools using multiple allocation bases. Report outputs include detailed schedules that reconcile all costs allocated in the CAP to the County's financial statements. It also provides summary and management reports which compare the current year's allocation results with prior years.



Burso™ writes reports directly into Microsoft Excel, providing us the ability to modify the presentation of results fully customized to Tehama County.

Burso™ writes reports directly into Microsoft Excel, which provides us the ability to modify the presentation of the results in a nearly unlimited fashion. MGT's final reports are packed into all-inclusive PDF files that include a plan cover, table of contents, introduction, certifications, detailed cost allocation results, and departmental narratives. Executive Summary information and year-to-year comparison worksheets can be incorporated into separate deliverables for County management and other users that are more interested in bottom line results and don't require all the detailed calculations. Our cost plans offer transparency to both reviewers and the public.

Effective and Continuous Communication

Effective and continuous communication between the MGT Project Director, the County Project Officer, MGT team members, and stakeholders is one of the most critical aspects of project management. The MGT Project Director will actively seek input and feedback from the County Project Officer and key stakeholders at each stage of this study. MGT's Project Director will regularly communicate information about the study's progress and problems which may arise before becoming a larger issue.

Project Management

Each of our proposed senior level consultants is an expert in applying various project management methods and techniques to cost allocation projects. This expertise is rooted in completing hundreds of cost allocation plans, many for jurisdictions similar in size to the County and many requiring negotiations with state and federal auditors. Additionally, all MGT consultants attend regular peer group reviews and training sessions to continuously refine project management, client service and 2 CFR Part 200 knowledge and skills.

Our approach is to jointly establish a framework of firm timelines and milestones with each client based on that client's unique circumstances and needs. Aside from fixed deadlines and milestones, however, the framework is flexible to accommodate each client and even each annual project for recurring clients.

MGT's project management process and client satisfaction components are graphically represented below in **Exhibit 2**. We have found that focusing on these six components of client satisfaction ensures that the work is properly performed and that milestones are met on schedule and within budget. The primary tool for delivering each of the components is communication. Our project teams are in regular contact with the project executive, providing project status updates and explaining any variances from the planned schedule. Additionally, **MGT is committed to regular client contact through client meetings and formal status updates at regular intervals.**

MGT Client Satisfaction Components

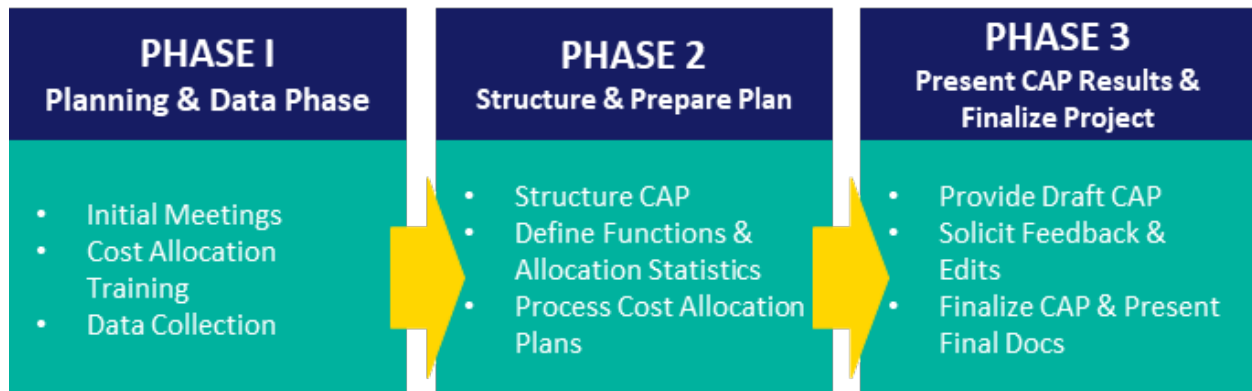


Exhibit 2. MGT's Components to Client Satisfaction

Proposed CAP Work Plan

Organized Phased Approach to CAP

The following work plan has been refined over many years to provide a methodology that produces MGT's cost allocation plans with minimal disruption to our client's workloads. Following are the steps involved with preparing a 2 CFR Part 200 and indirect cost rates. The tasks associated with the overall process are presented below. This is a draft schedule which can easily be modified depending on the County's direction.



PHASE 1 PLANNING & DATA PHASE

Task 1.0: CONDUCT AN INITIAL MEETING WITH DESIGNATED PERSONNEL

Meet with County personnel who have responsibility or a high interest in the cost allocation plan and indirect cost rates. This meeting will revisit the project scope, adjust specific objectives, goals, uses, requirements, measurements, and agree upon the schedule of the project. This meeting will also help the project consultants understand the unique aspects of the County including any changes in the organizational structure. Since we have experience with this project previously, this meeting will be utilized to discuss the changes that Caltrans is requesting and how it will impact the project.

Task 2.0: CONDUCT INTRODUCTORY TRAINING SESSION WITH ALL RELEVANT PERSONNEL

Conduct an initial and introductory training session with key County personnel and project stakeholders. Project consultants will work with County personnel to reintroduce the objectives, content, and list of attendees for this meeting or presentation. This session is vital to successful project results including

approval by operating department officials. Agenda items for these meetings or presentations could include:

- ◆ Review the project scope, objectives, and schedule.
- ◆ Review available financial and allocation data.
- ◆ Summarize the purpose for calculating the cost allocation plans.
- ◆ Review example summary reports produced by the project.
- ◆ Discuss example applications produced by the project.
- ◆ Review and confirm the federal and/or state requirements.
- ◆ Address potential areas for additional direct or indirect cost recovery.
- ◆ Review the potential impact of the changes Caltrans are requesting in the current process. How will indirect rates that are different for each functional area impact cost recovery.

Task 3.0: REVIEW THE DEPARTMENT'S ORGANIZATIONAL STRUCTURE

As we endeavor to update the existing cost allocation and indirect cost rate process to reflect the Caltrans changes, we will review the department's organizational structure to identify what different functional areas or funding sources may need to be isolated for creating separate allocations and/or rates.

Task 4.0: 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 structure for the cost allocation plans including the determination of direct and indirect costs and identify potential allocation statistics.

Task 5.0: CONDUCT DEPARTMENT INTERVIEWS

Meet with and interview department staff or representative, if necessary, to assist in determining the allowable expenditures, services provided, charge backs or direct bills, personnel providing the services, the recipients of the provided services, and appropriate allocation data.

Task 6.0: EVALUATE EXISTING METHODOLOGIES AND DEVELOP REPORT OF FINDINGS AND RECOMMENDATIONS

Based on the information gathered in Task 4.0 and the data received from all prior steps, MGT will evaluate the County's existing methodology and identify all of the changes that will be necessary to comply with the Caltrans change request.

PHASE 2 STRUCTURE & PREPARE PLAN

Task 7.0: DEVELOP COST PLAN STRUCTURE & DISTRIBUTE INDIRECT COSTS INTO FUNCTIONS

Using the department organizational structure, costs and staffing information, MGT will determine the basic structure of the cost allocation plan, identifying indirect and direct costs, and grouping the indirect costs into functions/pools for allocation:

- ♦ Indirect cost pools will be determined based on timesheets, assignments, activities, or other allowed methods. Once staff members and their corresponding salaries are distributed into pools, related costs such as materials and supplies will also be distributed into the same pools. The goal of this task is to group similar indirect costs so that they can be allocated similarly throughout the cost allocation plan.

This step uses a feature in Burso™ that is 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 indirect cost pool 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.

Task 8.0: DEVELOP ALLOCATION BASES FOR INDIRECT COST POOLS

Determine an appropriate allocation base for each indirect cost pool. This determination will serve as the basis for allocating the allowable costs in each pool to the recipients of the service.

Indirect cost pools will be allocated to all functional divisions or funding sources that they provide benefit to. This allocation methodology ensures the fairest and most accurate distribution of costs as opposed to a methodology that singles out divisions or funds for maximum allocation.

Task 9.0: PROCESS DRAFT COST ALLOCATION PLANS AND INDIRECT COST RATES

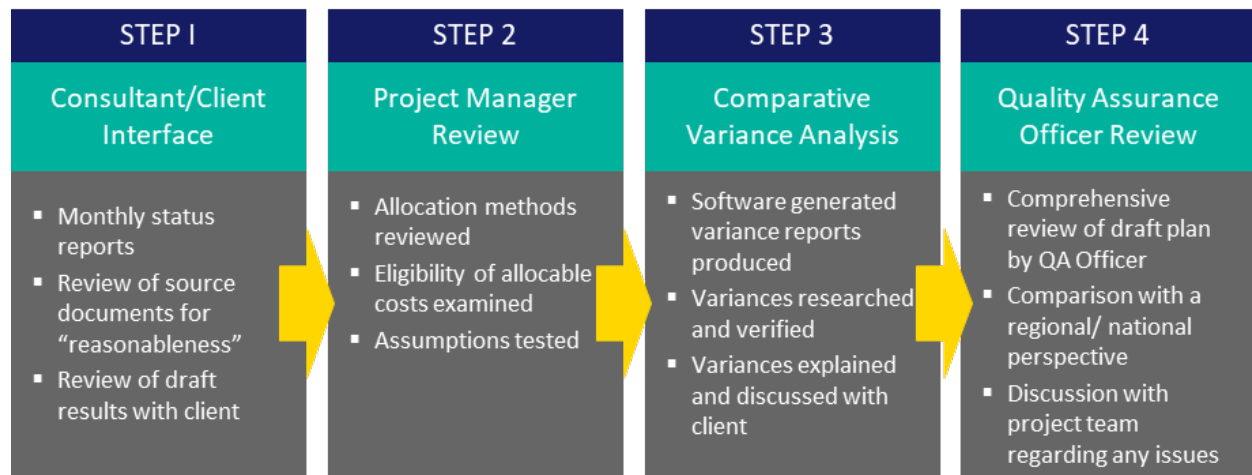
Process the draft cost allocation plans using Burso™. The cost allocation plans will include summary and detail reports. Summary reports in the cost allocation plans will provide information on the dollar

amounts allocated from each central service department to every receiving department. The detailed reports in the cost allocation plans provide information on the expenditures, allowable costs, incoming costs, personnel distribution, functions, and allocation bases for every central service department.

The indirect cost rates will be developed based on the completed cost allocation plan. Preliminary plans are for different indirect cost rates for each functional division within the department. MGT will identify the appropriate indirect cost rate base (what costs the rate will be applied against) through discussions with the department and an analysis of the spending from each funding source.

Task 10.0: **QUALITY CONTROL & INTERNAL REVIEW OF DRAFT COST ALLOCATION PLAN AND INDIRECT COST RATES**

The project manager and the project consultant will undertake an internal review process to raise the accuracy of the cost allocation plan and indirect cost rates and ensure County personnel do not waste time reviewing substandard or incomplete work. Additionally, the **Burso™** proprietary cost allocation software automatically generates self-auditing schedule that reconciles the sum of all central service department expenditures to the sum of all allocated costs.



Task 11.0: **PROVIDE TEHAMA COUNTY WITH DRAFT COST ALLOCATION PLAN AND INDIRECT COST RATES**

Present a copy of the draft cost allocation plan and indirect cost rates. This step is an opportunity to review preliminary results, address questions or concerns, and make changes as necessary.

PHASE 3 PRESENT RESULTS & FINALIZE PROJECT

Task 12.0: PROCESS FINAL PLAN AND RATES & PROVIDE FINAL DOCS

Process the final cost allocation plan and indirect cost rates after addressing any issues raised in Task 11.0.

Provide an electronic copy (Adobe PDF file) of the final cost plan and indirect cost rates following confirmation that the work is final by the County project officer. 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.

Each cost allocation plan will contain:

- ◆ A narrative that clearly defines the purpose, uses, and goals of the plan.
- ◆ Descriptions of the methodology and procedures.
- ◆ Descriptions of the central services and the allocation bases utilized to allocate costs.
- ◆ Actual distribution of indirect costs to programs.

Task 13.0: PRESENT PROJECT RESULTS TO PROJECT STAKEHOLDERS AND SUBMIT TO CALTRANS FOR REVIEW

Presentation of the final project results to the County's stakeholders. MGT will also submit the final documents to Caltrans for their review and approval. MGT will work as the County's partner in leading the effort in negotiation and achieving final approval of the plan and rates. .

ICAP/ICRP Project Deliverables

DELIVERABLES

- ◆ 2 CFR Part 200 compliant DPW Cost Allocation Plan
- ◆ 2 CFR Part 200 compliant Indirect Cost Rate Proposal
- ◆ County Submission Packet for two items above for each of the following fiscal periods:
 1. ICAP/ICRP Based on 2024/2025 Actual Expenditures
 2. ICAP/ICRP Based on 2025/2026 Actual Expenditures

Schedule of Work

These tasks will lead to the completion of the 2 CFR Part 200 cost allocation plan and indirect cost rates in four months, assuming key data is made available in a timely manner. This represents the estimated amount of time to provide the proposed services.

Cost Allocation Plan and indirect Rates		Month				On Going
		1	2	3	4	
PHASE 1: PLANNING & DATA PHASE						
1.0	Initial Meeting					
2.0	Introductory Training					
3.0	Review Existing Structure					
4.0	Collect Core Organization & Financial Data					
5.0	Conduct Department Interviews					
6.0	Evaluate Existing Methodologies and Develop Recommendations					
PHASE 2: STRUCTURE & PREPARE PLAN						
7.0	Develop cost plan structure & Distribute central service department costs into functions					
8.0	Develop allocation bases for central service department functions					
9.0	Process Draft Cost Plans and Indirect Rates					
10.0	Quality Control & Internal Review					
11.0	Provide Draft Cost Plans					
PHASE 3: PRESENT CAP RESULTS & FINALIZE PROJECT						
12.0	Process Final Cost Plans & Provide Final Docs					
13.0	Present project results to project stakeholders and negotiate with Caltrans					
14.0	Prepare a cost allocation plan project recap report					

Required Statements

Conflict of Interest Statement

MGT has no actual, apparent, direct or indirect, or potential conflicts of interest that may exist with respect to the firm, management, or employees of the firm or other persons relative to the services to be awarded pursuant to this RFP.

Litigation Statement

MGT has not been involved in any litigation or court proceedings whereby a court or any other administrative agency has ruled against MGT in any matter related to the professional activities of our firm.

Contract Agreement

MGT accepts the terms of the sample contract agreement provided in Appendix C of the County's RFP. This proposal is firm and irrevocable for a period of no less than (90) ninety calendar days from the date of submittals are due.

Federal-Aid Provisions

MGT is committed to be in compliance with any additional requirements in reference to Attachment 3 – Local Assistance Procedures Manual Exhibit (LAPM) 10-I, and will complete any of the necessary forms following contract award.

Cost Proposal

MGT will provide the proposed deliverables for the following fixed, all-inclusive guaranteed maximum fee. This fee contains all direct and indirect costs including meetings, document production, etc.

Project Description	Total Fees
2 CFR Part 200 Compliant Public Works Cost Allocation Plan and Indirect Cost Rates based on FY25 actual expenditures, completed in 2026	\$7,800
2 CFR Part 200 Compliant Public Works Cost Allocation Plan and Indirect Cost Rates based on FY26 actual expenditures, completed in 2027	\$8,150

Method of Payment

Progressive payments based on achieved milestones can be requested.

Project Assumptions

Our work plan and proposed fee for this project were developed with several key assumptions about the project. Changes to these assumptions may impact either or both our methodology and proposed fee. We welcome the opportunity to meet with the County to review, validate, or adjust these assumptions based on more complete information, and adjust the work plan and/or budget accordingly.

Below, we present our assumptions:

- ♦ The County will designate a Project Officer for this project. This person will function as the primary point of contact for the project, and coordinate and facilitate the flow of information and communication between the County, key stakeholders, and MGT.
- ♦ The County's Project Officer will ensure that comments on draft documents are consolidated into a single document and any conflicting comments are reconciled before delivering the comments to MGT.
- ♦ MGT will have access to and cooperation and participation by staff and management. MGT expects to have reasonable, timely access to the County's personnel and data. If the County stops the project for any reason, MGT will be due all fees for services performed to date.
- ♦ If necessary, meeting facilities will be arranged for and used at the expense of the County. The County will provide all requested documents at its own expense.
- ♦ All costs and other data provided by the County will be considered accurate and valid. MGT will not be responsible for the audit and/or verification of any cost or other data provided by the County.

References

The projects described below are some of the most relevant and impactful MGT projects that have been completed in the last five years. Our extensive experience in the cost allocation and indirect cost rate field is described in a few of these select projects. Funding sources for MGT projects are not known by MGT.

MGT has not provided letters of recommendation as part of this submittal. Many of our clients have expressed concern that providing letters of recommendation could compromise their ability to be viewed as impartial for future solicitations where MGT is among the proposers. To avoid creating this potential conflict, MGT instead recommends that you contact our references directly to discuss our performance on the projects we've completed for them.

SANTA CRUZ COUNTY, CA COST ALLOCATION PLAN	
Contact Person:	Ms. Laura Bowers, Deputy Auditor-Controller
Phone Number:	(831) 454-2684
Email Address:	Laura.bowers@santacruzcountyca.gov
Mailing Address	701 Ocean Street Santa Cruz, CA 95060
Date of Performance	2013-Present
Project Description: Cost Allocation Plan Services	

CITY OF WHITTIER, CA USER FEE STUDY AND COST ALLOCATION PLAN	
Contact Person:	Ms. Alice Hui, Assistant Director of Administrative Services
Phone Number:	562.567.9836
Email Address:	ahui@cityofwhittier.org
Mailing Address:	13230 Penn Street Whittier, CA 90602
Date of Performance:	2007-Present
Project Description:	MGT prepared a citywide cost of service study. Activities include: interviewing city staff, data collection, developing the cost of services on a full cost, per-unit basis, comparing the cost of services to the current fee levels, developing and presenting recommendations on potential fee changes. In 2017, MGT provided a citywide user fee analysis and recently completed an update to that study in FY 2022.

REFERENCES

SAN LUIS OBISPO COUNTY, CA PLANNING AND BUILDING AND CANNABIS FEE STUDY	
Contact Person:	Mr. Wes Drysdale, Manager, Administrative Services
Phone Number:	805.781.5205
Email Address:	wdrysdale@co.slo.ca.us
Mailing Address:	1055 Monterey Street San Luis Obispo, CA 93408
Dates of Performance:	Planning and Building Fee Study 2021; Cannabis Fee Study 2022
Project Description:	<p>Developed cost-based fees for planning and building permits, conducted peer price comparisons, advised on impact of fees on permitting system, developed a technology fee.</p> <p>Reduced the number of authorized fees from 800 to fewer than 200, greatly simplifying its fee schedule, making it more understandable and transparent to applicants.</p> <p>Cannabis fee study.</p>