



Agenda Date: 10/10/2006
Agenda Placement: 6K

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Pamela Kindig - Auditor-Controller
Auditor - Controller
REPORT BY: Pamela Kindig, Auditor-Controller, 253-4647
SUBJECT: Agreement with MAXIMUS, Inc. to purchase Cost Plan Software

RECOMMENDATION

Auditor-Controller requests the following actions concerning Maximus, Inc.:

1. Authorize the Auditor-Controller to sign a purchase agreement for the MAXCars software license at \$4,000 and the first year's maintenance fee of \$2,000 to assist the Auditor's office in the preparation of the County's Cost Plan; and
2. Approval of and authorization for the Chair to sign an agreement for a maximum of \$2,000 for the term October 10, 2006 through June 30, 2007 to provide on site training for the MAXCars software.

EXECUTIVE SUMMARY

The request today is to authorize the purchase of the MAXIMUS MAXCars cost allocation system (Software license, one year of maintenance and training) for the total cost of \$8,000. This computerized allocation which can develop A-87 compliant indirect cost plans will assist the Auditor-Controller staff in preparing the complex plan each year.

FISCAL IMPACT

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| Is there a Fiscal Impact? | Yes |
| Is it currently budgeted? | Yes |
| Where is it budgeted? | Auditor - Controller |
| Is it Mandatory or Discretionary? | Discretionary |
| Discretionary Justification: | This software will provide computerized allocation which can develop A-87 compliant indirect cost plans and assist the Auditor-Controller staff prepare the required report. |

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| Is the general fund affected? | Yes |
| Future fiscal impact: | The purchase of the license and the training are one time costs. However, the initial contract only covers one year of maintenance. The County will be required to pay the maintenance fee on an annual basis. For each subsequent year, the maintenance fee will not increase by more than 10% from the prior year's maintenance. |
| Consequences if not approved: | Auditor-Controller staff will need to prepare the required A-87 compliant indirect cost plans without the assistance of the software. |
| Additional Information: | None |

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Every year the County Auditor-Controller's Office prepares an OMB A-87 Cost Plan which allocates the County's administrative overhead costs (such as finance, human resources, legal services, etc.), that are not already directly billed, to all County departments. The methodology used in this Plan is based on rules promulgated by the Federal Office of Management and Budget (OMB) and each county's plan is approved by the State Controller's Office. OMB A-87 costs are recognized by the Federal and State governments as a basis for claiming certain Federal and State funds. In addition, the OMB A-87 allocation can be used to establish fully-costed fees and charges for service and to appropriately allocate the County's administrative overhead costs to non-General Fund departments and programs.

In order to assist the Auditor-Controller staff in preparing the OMB A-87 Cost Plan, the first request today is to request that the Board authorize the Auditor-Controller to sign a purchase agreement for the MAXCars software license at \$4,000 and the first year's maintenance fee of \$2,000. MAXCars is a sophisticated Microsoft Windows based cost allocation system that can develop A-87 compliant indirect cost plans. The first year's maintenance fee of \$2,000 includes 8 hours of technical phone support and any annual updates.

The second request today is authorization for the Chair to sign an agreement for a maximum of \$2,000 for the term October 10, 2006 through June 30, 2007 to provide on site training for the MAXCars software. Training will be provided to the Auditor-Controller staff at the County for 8 hours.

The purchase of the license and the training are one time costs. However, the initial contract only covers one year of maintenance. The County will be required to pay the maintenance fee on an annual basis. For each subsequent year, the maintenance fee will not increase by more than 10% from the prior year's maintenance.

Because the lifetime vendor relationship has exceeded \$50,000, Board approval is required for the requests today. Competitive bidding was not solicited due to necessary restrictions in specifications and quality consideration.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Maiko Klieman