



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 11/3/2015

Agenda Placement: 6M

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Leanne Link for Nancy Watt - County Executive Officer
County Executive Office
REPORT BY: Molly Rattigan, PRINCIPAL MANAGEMENT ANALYST - 253-4112
SUBJECT: SB 90 and A-87 Cost Preparation

RECOMMENDATION

County Executive Officer requests approval of and authorization for the Chair to sign an agreement with MGT for America for a maximum amount of \$30,000 per fiscal year for the term July 1, 2015 through June 30, 2016 with a provision for automatic renewal for three additional fiscal years for the preparation of SB 90 reimbursement claims and the annual indirect cost allocation plan.

EXECUTIVE SUMMARY

In 2013, the County issued a Request for Proposals and selected MGT of America for the preparation of SB90 reimbursement claims and the indirect cost allocation plan. An agreement was executed by the Purchasing Agent effective July 1, 2013 through June 20, 2014 with the provision of a one-year automatic renewal. Staff is requesting a new agreement to continue the provision of this service in Fiscal Year 2015-2016 and for up to three additional fiscal years.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Central Services
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This service is necessary to ensure the accurate and timely preparation of

SB90 claims and the A-87 Indirect Cost Allocation plan. These items are critical for the County to seek reimbursement particularly from the State and Federal government for services provided.

Is the general fund affected? Yes

Future fiscal impact: This agreement contains an automatic renewal provision for three fiscal years beyond Fiscal Year 2015-2016. The annual cost is \$30,000.

Consequences if not approved: If this item is not approved, the County will need to seek a new vendor or develop internal expertise to create SB90 claims and the A-87 Indirect Cost Allocation Plan. MGT provides these services to many local jurisdictions and the County benefits from their expertise.

Additional Information:

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

In 2013, the County issued a Request for Proposals and selected MGT of America for the preparation of SB90 reimbursement claims and the indirect cost allocation plan. An agreement was executed by the Purchasing Agent effective July 1, 2013 through June 20, 2014 with the provision of a one-year automatic renewal. Staff is requesting a new agreement to continue the provision of this service in Fiscal Year 2015-2016 and for up to three additional fiscal years.

Passed by the Legislature in 1972, SB90 states that if the Legislature or a state agency mandates that a local government provide a new or enhanced service, they must provide funding for the cost of providing the new or enhanced services. The State Controller's Office is tasked with paying claims when the State Legislature provides a budget allocation for that purpose.

The Federal Office of Management and Budget establishes guidelines for allocating indirect costs known as the Office of Management and Budget (OMB) Circular A-87 - Cost Principles for State, Local, and Indian Tribal Governments. The A-87 cost plan is used by the State and Federal governments as an acceptable methodology for billing indirect costs for funded services including road projects, health and human services allocations, grants and other programs.

MGT is a highly qualified firm providing these specialized services. They work closely with many counties, the California State Association of Counties (CSAC) and the State Controller's Office to ensure full reimbursement of eligible SB90 claims filed in a complete and timely manner in addition to preparing A-87 Cost Allocation plans for other jurisdictions. The County Executive Office and the Auditor-Controller track all SB90 claims filed with the State Controller's Office and oversee the A-87 plan process. Although the State is not fully reimbursing SB90 at this time, the County has received payments for previous claims submitted and it's important to continue to submit claims for future payment. The County could lose out on significant revenue annually if SB90 claims or the A-87 Cost Allocation Plan are not prepared appropriately and timely.

MGT of America is not a local vendor.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan