

PROFESSIONAL SERVICES AGREEMENT

Cost Allocation Plan and Indirect Cost Rate Proposal

THIS AGREEMENT is made and entered into this ____ day of _____, 20 __, by and between the City of Roseville, a municipal corporation ("CITY"), and MGT of America Consulting, LLC a Florida limited liability company ("CONSULTANT"); and

W I T N E S S E T H:

WHEREAS, CITY desires professional services consisting of a cost allocation plan and indirect cost rate proposal; and

WHEREAS, CONSULTANT has prepared a proposal in response to RFP#10-22 dated August 2, 2021, which describes the scope of work to be performed by CONSULTANT, the budget for the work, and the schedule for performance of the work; and

WHEREAS, CONSULTANT is qualified and experienced to provide such professional services.

NOW, THEREFORE, the parties agree as follows:

1. Term. The term of this Agreement shall commence upon execution and expire on October 5, 2024. The City Manager may, in his or her discretion, elect to extend the Agreement in one (1) year increments for up to an additional two (2) years by giving CONSULTANT thirty (30) days advance written notice of each optional one (1) year renewal. Such extensions shall be memorialized by a written amendment to this Agreement.

2. Services. CONSULTANT shall perform, at the direction of CITY, the scope of services as described in EXHIBIT "A," attached hereto and incorporated herein by this reference.

3. Compensation. For its services provided hereunder, CONSULTANT shall be compensated on a time and expense basis in accordance with the hourly rates as described in EXHIBIT "B," attached hereto and incorporated herein by this reference. Any proposed increase in the effective rates for future services must be preceded by at least a 90-day written notice to the contracting department. Total compensation shall not exceed twenty seven thousand, eight hundred seventy dollars per year (\$27,870) for an overall total compensation for the initial term not to exceed eighty three thousand, six hundred ten dollars (\$83,610). Total compensation for optional renewal years of this Agreement shall not exceed twenty seven thousand, eight hundred seventy dollars per year (\$27,870). Adjustment to the total compensation per year shall require a written amendment to this Agreement, subject to approval by the City Council.

CONSULTANT shall submit one monthly invoice for its services. Such invoices shall be delineated by task, the person performing the services, and the hourly rate, which shall be stated in time increments of not greater than one tenth (1/10) hours. CITY shall pay invoices within thirty (30) days after receipt, if the services specified in the invoice have been satisfactorily completed.

4. Indemnification. To the fullest extent allowed by law, CONSULTANT shall defend, indemnify, and save and hold harmless CITY, its officers, agents, employees and volunteers from any claims, suits or actions of every name, kind and description brought forth, or on account of, injuries to or death of any person (including but not limited to workers and the

public), or damage to property, resulting from or arising out of CONSULTANT's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights created by this Agreement, except those matters arising from CITY's sole negligence or willful misconduct. The parties intend that this provision shall be broadly construed.

CONSULTANT agrees to defend and indemnify CITY if, despite the parties intent and practice, any venue, agency, or court with competent jurisdiction determines that CONSULTANT and/or any of its agents, officers, employees, volunteers, independent contractors, or subcontractors, are characterized as employee(s) of CITY.

CONSULTANT's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnity obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

5. Insurance. CONSULTANT agrees to continuously maintain, in full force and effect, the following minimum policies of insurance during the term of this Agreement.

<u>COVERAGE</u>	<u>LIMITS OF LIABILITY</u>
Workers' Compensation	Statutory
Commercial General Liability	\$1,000,000 each occurrence \$2,000,000 aggregate Personal Injury: \$1,000,000 each occurrence \$2,000,000 aggregate
Automobile Liability	\$1,000,000 combined single limit
Professional Liability (errors and omissions)	\$1,000,000 per claim \$2,000,000 aggregate

a. Form. CONSULTANT shall submit a certificate evidencing such coverage for the period covered by this Agreement in a form satisfactory to Risk Management and the City Attorney, prior to undertaking any work hereunder. Any insurance written on a claims made basis is subject to the approval of Risk Management and the City Attorney.

b. Additional Insureds. CONSULTANT shall also provide a separate endorsement form or section of the policy showing CITY, its officers, agents, employees and volunteers as additional insureds for each type of coverage, except for Workers' Compensation and Professional Liability. Such insurance shall specifically cover the contractual liability of CONSULTANT. The additional insured coverage under the CONSULTANT's policy shall be primary and noncontributory, as evidenced by a separate endorsement or section of the policy, and shall not seek contribution from CITY's insurance or self-insurance. In addition, the additional insured coverage shall be at least as broad as the Insurance Services Office ("ISO") CG 20 01 Endorsement. Any available insurance proceeds in excess of the specified minimum insurance coverage requirements and limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the full coverage and maximum limits of any insurance proceeds available to the named insureds, whichever is greater.

c. Cancellation/Modification. CONSULTANT shall provide ten (10) days written notice to CITY prior to cancellation or modification of any insurance required by this Agreement.

d. Umbrella/Excess Insurance. The limits of insurance required in this Agreement may be satisfied by a combination of primary and excess insurance. Any excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply

on a primary and noncontributory basis for the benefit of CITY (if agreed to in a written contract) before CITY's own insurance shall be called upon to protect it as a named insured.

e. Subcontractors. CONSULTANT agrees to include in its contracts with all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Furthermore, CONSULTANT shall require its subcontractors to agree to be bound to CONSULTANT and CITY in the same manner and to the same extent as CONSULTANT is bound to CITY under this Agreement. Additionally, CONSULTANT shall obligate its subcontractors to comply with these same provisions with respect to any tertiary subcontractor, regardless of tier. A copy of CITY's indemnity and insurance provisions will be furnished to the subcontractor or tertiary subcontractor upon request.

f. Self-Insured Retentions. All self-insured retentions ("SIR") must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or CITY. CITY reserves the right to obtain a full certified copy of any insurance policy and endorsements. The failure to exercise this right shall not constitute a waiver of such right.

g. Waiver of Subrogation. CONSULTANT hereby agrees to waive subrogation which any insurer of CONSULTANT may acquire from CONSULTANT by virtue of the payment of any loss under a Workers Compensation, Commercial General Liability or Automobile Liability policy. All Workers Compensation, Commercial General Liability and Automobile Liability policies shall be endorsed with a waiver of subrogation in favor of CITY,

its officers, agents, employees and volunteers for all work performed by CONSULTANT, its employees, agents and subcontractors.

h. Liability/Remedies. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve CONSULTANT of liability in excess of such coverage, nor shall it preclude CITY from taking such other actions as are available to it under any other provisions of this Agreement or law.

6. Records. CONSULTANT and its subcontractors shall maintain all files and records relating to the services performed hereunder during the term of this Agreement and for a period of not less than one (1) year after the date of termination or expiration. Provided, however, that in the event of litigation or settlement of claims arising from the performance of this Agreement, CONSULTANT and its subcontractors shall maintain all files and records until such litigation, appeals or claims are resolved. Duly authorized representatives of CITY shall have right of access during normal business hours and after reasonable notice to CONSULTANT's and subcontractors' files and records relating to the services performed hereunder, and may review and copy the files and records at appropriate stages during performance of the services and during the one (1) year period following termination or expiration of this Agreement. CONSULTANT shall include this provision in its contracts with all subcontractors.

7. Time is of the Essence. Time is of the essence of this Agreement.

8. Compliance with Laws. CONSULTANT shall comply with all federal, state and local laws, ordinances and policies as may be applicable to the performance of services under this Agreement.

9. Ability to Perform. CONSULTANT agrees and represents that it has the time, ability and professional expertise to perform the services required under this Agreement.

10. Governing Agreement. In the event of any conflict between this Agreement and its EXHIBITS, the provisions of this Agreement shall govern. In the event of any conflict between any of the EXHIBITS, the provisions of the first in order of attachment shall govern.

11. Assignment. CONSULTANT is employed to perform unique personal services. CONSULTANT shall not assign this Agreement without the prior written consent of CITY. CONSULTANT shall not employ or otherwise incur any obligation to pay other specialists or experts for services in connection with this Agreement, without prior written consent of CITY.

12. Independent Contractor. CONSULTANT, inclusive of its agents, officers, employees, volunteers, independent contractors, and subcontractors, shall act as an independent contractor, and covenants and agrees that it will conduct itself consistent with such status, that it will neither hold itself out as, nor claim to be, an officer or employee of CITY by reason of this Agreement.

CONSULTANT and CITY agree that: (a) CONSULTANT is free from the control and direction of CITY in connection with the performance of the work; (b) CONSULTANT is providing services directly to CITY; (c) CONSULTANT has and will maintain at all relevant times a business license; (d) CONSULTANT maintains a business location that is separate from CITY; (e) CONSULTANT is customarily engaged in an independently established business of the same nature as that involved in the work performed hereunder; (f) CONSULTANT actually contracts with other businesses to provide the same or similar services and maintains a clientele without restrictions from CITY; (g) CONSULTANT advertises and holds itself out to the public as available to provide the same or similar services; (h) CONSULTANT provides its own tools,

vehicles, and equipment to perform the services; (i) CONSULTANT has negotiated its own rates; (j) CONSULTANT set its own hours and location of work in accomplishing CITY's on-call needs; and (k) CONSULTANT has the right to control the manner and means of accomplishing the result desired and exercises its own expert independent judgement.

13. Representations and Warranties. CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working for CONSULTANT, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY shall have the right to terminate as void this Agreement, without liability, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

14. Successors in Interest. This Agreement shall be binding upon the heirs, successors, executors, administrators and assigns of the respective parties hereto.

15. Copyright, Ownership and Use of Materials. All tangible material ("Material") created or delivered pursuant to this Agreement is considered a work made for hire under the Copyright Act. To the extent such Material does not qualify as a work made for hire, CONSULTANT hereby assigns to CITY all right, title, and interest, including but not limited to all copyrights, in all Material created by CONSULTANT in its performance under this Agreement. Material constitutes the scope of work outlined in Exhibit A and attached hereto, and all written and other tangible expressions, including but not limited to, drawings (including computer aided drawings), papers, documents, reports, surveys, renderings, exhibits, sketches,

maps, models, prints, paintings or photographs, in any and all media or formats in which such materials have been created or are maintained. All Material furnished by CONSULTANT is, and shall remain, the property of CITY.

CONSULTANT shall execute any documents necessary to effectuate such assignment. In the event that CONSULTANT uses, employs, designates, or retains any person or entity who is not an employee of CONSULTANT, to perform any work required of it pursuant to this Agreement, CONSULTANT shall require said person or entity to execute an agreement containing the preceding paragraph.

16. Termination of Agreement. The City may terminate this Agreement without cause by giving CONSULTANT ten (10) days advance written notice from the City Manager. CONSULTANT may terminate this Agreement without cause by giving CITY thirty (30) days advance written notice. In the event of termination through no fault of CONSULTANT, CITY shall compensate CONSULTANT for services performed as of the date of termination, upon the release to CITY of all Material hereunder, in any and all media or formats in which such materials have been created or are maintained. CITY retains the right to receive and use any MATERIAL, notwithstanding any termination or any dispute regarding the amount to be paid.

17. Attorney's Fees; Venue; Governing Law. If either party commences any legal action against the other party arising out of this Agreement or the performance hereof, the prevailing party in such action shall be entitled to recover its reasonable litigation expenses, including but not limited to, court costs, expert witness fees, discovery expenses, and attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

18. Modification. This Agreement and each provision contained herein may be waived, amended, supplemented or eliminated only by mutual written agreement of the parties.

19. Severability. If any of the provisions contained in this Agreement are for any reason held invalid or unenforceable, such holding shall not affect the remaining provisions or the validity and enforceability of the Agreement as a whole.

20. Notices. Any notices to parties required by this Agreement shall be delivered personally or mailed, U.S. first class postage prepaid, addressed as follows:

CITY OF ROSEVILLE

Scott Pettingell, Budget Manager
311 Vernon Street
Roseville, CA 95678

CONSULTANT

J. Bradley Burgess, Executive VP
2251 Harvard Street, Ste. 134
Sacramento, CA 95815

Either party may amend its address for notice by giving notice to the other party in writing.

21. Integrated Agreement. This is an integrated agreement and contains all of the terms, considerations, understanding and promises of the parties. It shall be read as a whole.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ____ day of _____, 20__, and CONSULTANT has caused this Agreement to be executed.

[SIGNATURES ON FOLLOWING PAGE]

CITY OF ROSEVILLE, a
municipal corporation

MGT OF AMERICA CONSULTING, LLC,
a Florida limited liability company

BY: _____
DOMINICK CASEY
City Manager

BY: _____
its:  EXECUTIVE VP

and

ATTEST:

BY: _____
its: _____

BY: _____
SONIA OROZCO
City Clerk

APPROVED AS TO FORM:

BY: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
DENNIS KAUFFMAN
Chief Financial Officer/
Assistant City Manager

Exhibit A

DELIVERABLES – COST ALLOCATION PLAN

COST ALLOCATION PLAN DELIVERABLES	
♦	Virtual meetings, workshops, interviews, and presentations on approach, methodology and recommendations related to the cost allocation plans and indirect cost rates.
♦	A draft Full Cost allocation plan using a double step-down allocation methodology based on the City's budget expenditures and interviews with personnel and reviewed with the City staff.
♦	A final Full Cost allocation plan using a double step-down methodology based on budget expenditures; the final cost allocation plan will be produced as Excel and PDF files.
♦	A draft 2 CFR Part 200 (Federal) Cost allocation plan using a double step-down allocation methodology based on the City's actual expenditures and interviews with personnel and reviewed with the City staff.
♦	A final 2 CFR Part 200 (Federal) Cost allocation plan using a double step-down methodology based on actual expenditures; the final cost allocation plan will be produced as Excel and PDF files.
♦	Draft indirect cost rates for selected departments.
♦	Final indirect cost rates for selected departments. Historically this is a citywide list of up to 20 indirect costs rates used by the City for the following purposes: <ul style="list-style-type: none"> ○ Informational awareness (knowing the full cost within a department or program) ○ Labor charges/transfers (directly load into the system to ensure full-cost recovery) ○ State/Federal grants or reimbursement claims (SB 90 claims, CalFire/CDAA or other reimbursement)
♦	Once two or more years of the City's data is loaded into MGTCAP® , we can produce customized management reports based on the final cost allocation plans. These management reports may include the following information: <ul style="list-style-type: none"> ○ A comparison to the prior year's cost allocation plans, or similar analysis, to identify major variances of allocated costs to key receiving departments. (comparisons will start in year #2 based on prior results.) ○ A trend analysis. ○ The per-unit costs of specific administrative and support activities. ○ Variance analysis of costs or allocations.
♦	One printed and bound copy and one (1) unbound copy of each of the final cost allocation plans as well as one electronic (Excel and/or PDF) copy.
♦	A "Cost Plan 101" training session and comprehensive review of the draft cost allocation plan for finance personnel or other project stakeholders, including allocating department personnel, key receiving department personnel, City management and/or elected officials.
♦	Development of strategies and procedures to be used by City personnel that will optimize potential indirect cost recovery.

♦ Cost Allocation Implementation Plan. Strategies to assist the City to fully integrate the cost allocation plans data into ongoing operations.
♦ Defend and respond to audit or other inquiries from federal/state and/or local authorities following delivery of the final cost allocation plans for three years after the approval of each plan.
♦ Ongoing training, guidance, and assistance to personnel.
♦ Access to all records for the requested period.
♦ Formal project status reports at intervals requested by City personnel (at least monthly).
♦ A formal project recap report. This report will include comments and input from the City personnel to review regarding the just completed project. This report will also provide personnel an opportunity to provide timely feedback on aspects of the project that went well and aspects of the project that need improvement. This feedback will then be formulated into the following year's work plan.

COST PROPOSAL

MGT proposes to perform the services included in this proposal for a fixed fee of **\$27,870**. This budget will provide the City with **176** consulting hours each fiscal year, which will provide the City with ample time and resources to produce a cost allocation plan as described in the scope of services. Estimated expenses are shown for anticipated travel, copying, and other costs related to the scope of work. Only actual expenses will be charged. MGT is happy to honor this same fixed pricing for additional periods to the City of Roseville.

City of Roseville CAP & ICRP Project		Proposed Hours	Proposed Cost
PHASE 1: DEVELOPMENT OF DRAFT COST ALLOCATION PLAN		38	\$ 6,810
1	Initial Meeting	2	
2	Introductory Training	4	
3	Review Existing CAP Methodology & Structure	4	
4	Collect Core Organization & Financial Data	8	
5	Conduct Department Interviews	16	
6	Evaluate Existing Methodologies and Develop Recommendations	4	
PHASE 2: STRUCTURE & PREPARE PLAN		54	\$ 7,130
7	Develop Cost Plan Structure & Distribute Central Service Department Costs into Functions	24	
8	Develop Allocation Bases for Central Service Department Functions	6	
9	Process Draft Cost Plans	14	
10	Quality Control & Internal Review	2	
11	Provide Draft Cost Plans	8	
PHASE 3: PRESENT CAP RESULTS & FINALIZE PROJECT		84	\$ 13,180
12	Process Final Cost Plans & Provide Final Docs	8	
13	Present Project Results to Project Stakeholders, Management or Council	16	
14	Prepare Draft ICRPs for 20 City Departments/Orgs	24	
15	Review Rates, Make Edits, Finalize Calculations & ICRP Docs	32	
16	Prepare a Cost Allocation Plan Project Recap Report & Post Project Training Session	4	
	Travel & Expenses		\$ 750
TOTAL:		176	\$ 27,870

Multi-Year Pricing

MGT proposes a fixed not to exceed price each year for the following three years with two additional renewal periods at the City's option.

FY 2021-22	FY 2022-23	FY 2023-24
\$27,870	\$27,870	\$27,870

Renewal Periods at City's Option

FY 2024-25	FY 2025-26
\$27,870	\$27,870

Hourly Billing Rates

MGT's hourly billing rates are as follows:

MGT Professional Staff	Hourly Billing Rates
Analyst	\$ 95
Consultant	\$ 125
Senior Consultant	\$ 145
Manager	\$ 180
Senior Manager	\$ 195
Director	\$ 235
Vice President	\$ 275
Executive Vice President	\$ 340

Additional services requested that fall outside the scope of this project shall be provided on a time-and-materials basis using the above hourly rates, with all expenses billed at cost subject to pre-approval. The hourly rate schedule is part of MGT's quote for use in invoicing for progress payments and for extra work incurred that is not part of this RFP.

Method of Payment

MGT will provide monthly invoices to the City or will invoice according to the above milestone. It is customary for MGT to invoice 10% of the contract price at the time of contract execution. This invoiced amount covers MGT efforts on strategy sessions, preliminary on-site meetings, project planning and items not tied to fixed fee tasks outlined in the proposal. The amount due per month will then be based on the remaining amount of the fixed fee amount divided by the anticipated number of months to complete the project.