



## Staff Report

**TO:** City Council  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** December 7, 2021  
**SUBJECT:** **Contract for Full Cost Allocation Plan and Comprehensive User Fee Study Services**

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### **Background and Analysis:**

The City of Beaumont conducted an independent audit for FY2020. Contained in the audit's report was a finding in regard to the need of an updated formal cost allocation plan used to charge costs of federally funded projects. The most recent plan update was conducted in April 2016.

The audit recommendation is to perform a full cost allocation study of administrative costs to ensure the detailed methodology for the allocation of administrative costs is reasonable and appropriate, based on the current circumstance, and that the methodology is clearly defined and documented. A plan should be prepared in accordance with the uniform guidance in the event the City wishes to allocate and claim the indirect costs against federal (and state) grant programs.

In an effort to maintain periodic fee studies, the City also conducted a study to update its comprehensive user fee schedule, which was also last updated in April 2016. This simultaneous fee study will provide a basis to the City to ensure there is adequate cost recovery within its fees.

A committee was created for the evaluation of the proposals and each department affected by the services was represented. The City issued a request for proposals (RFP) on September 28, 2021, for a full cost allocation plan and comprehensive user fee study services. The following four firms responded and met the qualifications of the RFP.

- Wildan Financial Services \$33,930,
- Revenue and Costs Specialists \$34,980,
- Matric Consulting Group \$45,000, and

- MGT Consulting \$49,860.

The selection committee reviewed the proposals based on the weighted criteria contained within the RFP. Wildan Financial Services and Revenue Costs Specialists (RCS) were invited for oral presentations and interviews and the committee unanimously agreed that RCS would provide the best services related to the City's needs based on their proposal and presentation.

All RCS principals have had prior city experience, serving as analysts, managers or directors. RCS is knowledgeable in fund accounting, department structures and municipal services. RCS principals perform all studies in a professional and expedient manner and do not rely on junior staff to perform vital tasks with their clients.

The proposal also includes Windows-based costing software that was developed by RCS which will allow the City to continuously update the cost allocation and user fee studies, as well as input hypothetical services to calculate the estimated costs of providing new services. Once the project is completed, RCS will ensure that the system and data files are properly installed with no licensing limitations. RCS will provide training and lifetime support and offers annual fee updates as a service.

A contract has been negotiated with RCS for services as outlined in the Professional Services Agreement (Attachment A).

**Fiscal Impact:**

The fiscal impact of this contract is \$34,980 and is within budget for account 100-1225-7068-0000. City staff estimates the cost to prepare this report was \$340.

**Recommended Action:**

Approve a professional services agreement with Revenue and Costs Specialists for full cost allocation plan and comprehensive user fee study services.

**Attachments:**

- A. Contract Services Agreement