

C-8

September 19, 2023

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary documents including any necessary subsequent amendments, with MGT of America LLC (MGT), of Florida, for the preparation of the City of Long Beach Cost Allocation Plans, on the same terms and conditions afforded to Pinellas County in an annual amount of \$93,270, and authorize a 10 percent contingency in the amount of \$9,327, for a total annual amount not to exceed \$102,597, until the Pinellas County contract expires on September 30, 2024, with the option to renew for as long as the Pinellas County contract is in effect, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with MGT for the furnishing and delivering of cost allocation plans. MGT currently develops and prepares the annual Cost Allocation Plan (both Citywide and 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), as well as departmental cost allocation plans. These plans are necessary for the City of Long Beach (City) to maximize cost recovery from external entities (including grants and contract agencies), as well as General Fund cost recovery for central services from other City funds. Cost allocations are also used as part of the calculation to determine the full cost of services for purposes of establishing user rates and fees.

The Accounting Division of the Financial Management Department researched procurement options for Cost Allocation Plan services and discovered other governmental agencies had completed an open, fair, transparent, and competitive procurement process. The City reviewed the contract options and determined that the contract between Pinellas County and MGT provided the best value to the City.

MGT was selected based on their competitive pricing, service level, and expertise. MGT possesses historical City knowledge and proprietary software used to develop the various cost allocation plans, including methodologies which range in complexity based on the specific plan. MGT also assisted in the submission of the Fiscal Year 2021 Cost Allocation Plan to the City's cognizant agency.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies. This alternative procurement method can save time and reduce costs through economies of scale by purchasing under existing contracts from other governmental agencies on a voluntary and selective basis, when authorized by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Monica Kilaita on August 31, 2023, Purchasing Agent Michelle Wilson on August 22, 2023, and by Revenue Management Officer Geraldine Alejo on August 25, 2023.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract concurrently is requested on September 19, 2023, to ensure the contract is in place expeditiously.

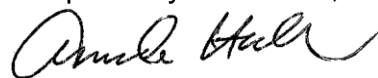
FISCAL IMPACT

The total annual amount of the contract will not exceed \$102,597, inclusive of a 10 percent contingency. The total cost is budgeted in the General Fund Group in the Financial Management and Citywide Activities Departments. This recommendation has no staffing impacts beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR
FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE AN AGREEMENT WITH MGT OF AMERICA LLC FOR THE PREPARATION OF THE COST ALLOCATION PLAN, ON THE SAME TERMS AND CONDITIONS AFFORDED TO PINELLAS COUNTY, FLORIDA, IN AN ANNUAL AMOUNT NOT TO EXCEED \$93,270, UNTIL THE PINELLAS COUNTY CONTRACT EXPIRES ON SEPTEMBER 30, 2024, WITH THE OPTION TO RENEW FOR AS LONG AS THE PINELLAS COUNTY CONTRACT IS IN EFFECT, AT THE DISCRETION OF THE CITY MANAGER

WHEREAS, the Charter of the City of Long Beach, Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City is seeking services for the development and preparation of the annual Cost Allocation Plans, which are necessary for the City to maximize cost recovery from external entities, and General Fund cost recovery for central services from other city funds; and

WHEREAS, Pinellas County, Florida, has a Standard Services Agreement for the purchase of these Cost Allocation Plans services under Standard Services Agreement No. 06-2021 (“Pinellas Agreement”); and

WHEREAS, the Department of Financial Management researched procurement options, and discovered that Pinellas County completed an open, fair,

1 transparent and competitive procurement process; and

2 WHEREAS, the City’s participation in the Pinellas Agreement will facilitate
3 the City’s ability to develop and prepare the annual Cost Allocation Plan, including
4 methodologies which range in complexity based on the specific plan, as well as provide
5 considerable cost benefits to the City; and

6 WHEREAS, if the City had to utilize a formal bid process rather than
7 participate in the Pinellas Agreement considerably more funds would be required;

8 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
9 follows:

10 Section 1. The above recitals are true and correct and are incorporated
11 herein by this reference.

12 Section 2. The City Manager or designee is hereby authorized to enter an
13 agreement with MGT of America LLC for the preparation of the Cost Allocation Plan, of the
14 same type and kind identified in the Pinellas Agreement except as modified by mutual
15 agreement of the City and MGT of America LLC, and the purchase by the City shall be on
16 the same terms and conditions afforded to Pinellas County in an amount not to exceed
17 Ninety-Three Thousand Two Hundred Seventy Dollars (\$93,270) including tax and
18 shipping, until the Pinellas Agreement expires on September 30, 2024, with the option to
19 renew for as long as the Pinellas Agreement is in effect, at the discretion of the City
20 Manager.

21 Section 3. This resolution shall take effect immediately upon its adoption
22 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY
DAWN MCINTOSH, City Attorney
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Long Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City Council
of the City of Long Beach at its meeting of _____, 2023 by the
following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk