

# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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November 16, 2004

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

**SUBJECT:** Agreement With Maximus, Inc., Doing Business in California as Virginia Maximus, Inc., to Provide SB 90 State-Mandated Cost Claiming Services (Citywide)

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## DISCUSSION

In 1981, the City contracted with Maximus, Inc., (Maximus) for cost allocation services, based on a competitive Request for Proposal process. In their proposal, Maximus offered additional services, including assistance in preparing cost-reimbursement claims. Subsequently, the City hired the firm as a consultant in filing State-mandated, unfunded program cost-reimbursement claims (SB 90 claims), which they have done since Fiscal Year 1992 (FY 92). Examples of State-mandated costs are: Stolen Vehicle Notification, Booking and Fingerprinting, Investment Reports, Open Meetings Act, and Absentee Ballots. More recently, Maximus assisted the City in filing claims related to the Police Officers' Bill of Rights (POBAR) and the State Controller's Office audit of POBAR. The firm is staffed with experienced personnel who are knowledgeable about determining the reimbursable costs of governmental programs and the submission of cost claims to the State of California. Maximus provides this same service to a broad range of governmental clients throughout the State.

With the firm's expertise, the City is able to file claims for all potentially reimbursable costs. In prior years, the City has filed for reimbursements of almost \$1 million per year with Maximus's assistance. Due to the State's budget deficit, no mandated claims have been paid since FY 02. Maximus has continued to file claims on behalf of the City to ensure the City is prepared, should the State fund the reimbursements; however, Proposition 1A included language to restore current and back SB 90 payments starting in FY 06.

Maximus is proposing a three-year agreement with the City to provide SB 90 State-mandated cost-claiming services. The three-year agreement allows the City to secure a fixed fee to stabilize costs. Maximus's staff is familiar with the City's processes and has established a history of providing quality professional services to the City. The cost of this contract is reimbursable, resulting in this agreement paying for itself.

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This matter was reviewed by Senior Deputy City Attorney Donna Gwin on November 2, 2004 and Budget Officer David Wodynski on October 20, 2004.

FISCAL IMPACT

The cost of this agreement is \$21,050 per year for FY 05 to FY 07. The cost of this agreement for FY 05 is included in the adopted budget of the General Fund (GP) and the Department of Financial Management (FM). These costs could be offset by State reimbursements, if received.

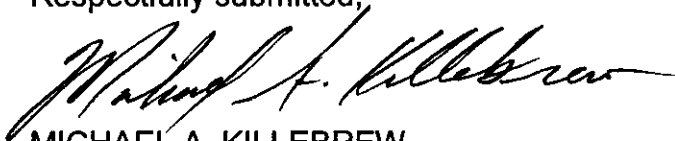
TIMING CONSIDERATIONS

The current agreement expired September 30, 2004. City Council action to execute a three-year agreement is requested on November 16, 2004 to ensure that the new agreement is in place expeditiously.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute an agreement with Maximus, Inc., doing business in California as Virginia Maximus, Inc., at a cost of \$21,050 per year, to provide Citywide SB 90 State-mandated cost claiming services from October 1, 2004 through September 30, 2007.

Respectfully submitted,



MICHAEL A. KILLEBREW  
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



GERALD R. MILLER  
CITY MANAGER