

August 20, 2021

Robert Norman
Financial Services Department
City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277
Robert.Norman@redondo.org

SUBJECT: STATE MANDATED CLAIMING SERVICES FOR FY 2021-22 THROUGH 2025-26

Dear Mr. Norman:

MGT of America Consulting, LLC. (MGT) is pleased to submit this proposal to provide the City of Redondo Beach (City) with State mandated cost claiming services (SB 90) for the next five fiscal years.

The goal of every MGT SB 90 engagement is to produce state mandated cost claims that both maximize revenue and are technically sound and accurate. MGT is well suited to provide the City with State mandated cost claiming services based on the following:

STABILITY – MGT of America Consulting, LLC was established in 1974 and is a private corporation owned by current and retired partners, principals, and consultants of the firm. MGT has over 95 professional consulting staff with eight offices in California, Colorado, Michigan, Florida, Texas, and Washington.

When the COVID-19 threat transformed into a global pandemic, MGT quickly pivoted and safely shifted its employees from a centralized office environment to a work-at-home solution within days. During this shift and the months following, MGT did not furloughed or layoff a single employee. In times of crisis, the work cannot stop- in fact, it increases – so you learn to adapt on the fly. Moving forward and in concert with state and local guidelines, MGT will continue to provide the same level of service our clients have come to expect from MGT.

FULL SUITE OF SB 90 SERVICES TAILORED FOR THE CITY – MGT provides a full suite of SB 90 Services to the City for one fixed price - there will be no additional costs for new or first-time claims, travel or other administrative expenses. In addition to annual and new claim preparation, this proposal includes audit assistance, technical and program training, and information reporting on SB 90 payments and activities.

LEADERS IN LOCAL GOVERNMENT SB 90 SERVICES – No other firm comes close to meeting our staff experience, knowledge, and expertise. MGT is the only firm that has four consultants with over 15 years of experience in the SB 90 arena, and five other Sacramento based consultants, having all but one with over ten years of experience.

PROPOSED CONSULTANT TO THE CITY –We propose to assign Guy Burdick as the project manager and lead consultant. Based out of the Sacramento area, Mr. Burdick has managed dozens of SB 90 projects over his 18-year career. Guy has worked with over 100 city and county clients including current SB 90 clients City of Los Angeles, City of Santa Clarita and the counties of Nevada, El Dorado and Tuolumne.

MGT proposes to complete all aspects of this proposal for annual claims and new or initial claims released by the State Controller during the 2021-2022 fiscal year for a fixed fee of four thousand two hundred dollars (\$4,200). This fee is inclusive of all other charges such as travel and administrative expenses.

F I S C A L Y E A R S		
2020-21 Claims issued during 2021-22	2021-22 Claims issued during 2022-23	2022-23 Claims issued during 2023-24
\$4,200	\$4,250	\$4,300
2023-24 Claims issued during 2024-25	2024-25 Claims issued during 2025-26	<i>Fixed fee, billable on a semi-annual basis</i>
\$4,350	\$4,400	

For the past five years, our professional staff has been a key partner in the City's SB 90 claiming process. We appreciate the opportunity to continue this partnership. If you have any questions, please contact me at (916) 595-2646. As an Executive Vice President, I am authorized to make commitments, including financial ones, on behalf of MGT Consulting for all aspects of this proposal.

Sincerely,



J. Bradley Burgess, Executive Vice President
MGT of America Consulting, LLC



FIRM OVERVIEW AND EXPERIENCE

HISTORY AND ORGANIZATION STRUCTURE

MGT of America Consulting, LLC (MGT) began operations in 1974, and has thoughtfully expanded its consulting capabilities over the years. We currently have over 95 professionals throughout the country and eight regional offices. MGT is owned by the current and retired partners, principals, and consultants of the firm. The advantage of this ownership structure to our clients is that every member of the firm has a vested interest in the successful completion of every project, for every client. MGT is a financially stable consulting firm that is expanding throughout the United States.

We are proud of our California heritage and consulting roots. The original founders of Public Resource Management Group, LLC (PRM) all started their consulting careers with David M. Griffith and Associates (DMG) during the mid-1980s and early 1990s. That association formed our professional belief system and approach. Our core values are:

- ✧ Providing exceptional technical consulting services
- ✧ Developing partnerships with our clients that result in successful long-term relationships
- ✧ Guaranteed deliverables and services

As a financially sound, privately held firm, MGT has no Wall Street analysts to answer to, nor do we have corporate investors. MGT consultants focus on our clients and fulfilling the terms of our agreements. Since its inception in 1974, MGT has maintained persistent and steady growth. MGT is a financially healthy company and can provide the resources required to successfully complete the requested services both now and in the future.

MGT OFFICE LOCATIONS AND CONTACTS

MGT's home office is in Tampa, Florida. Redondo Beach's project will be exclusively staffed by consultants from our **Sacramento** office. Office locations and primary contact information are listed below.

FLORIDA Tampa Tallahassee	KANSAS Wichita	TEXAS Austin	
CALIFORNIA Sacramento Pasadena	MARYLAND Gaithersburg	VIRGINIA Richmond	
COLORADO Denver	MICHIGAN Bay City	WASHINGTON Olympia	
INDIANA Indianapolis	NORTH CAROLINA Raleigh		



OUR FIRM IS PROPOSING THE FOLLOWING SENIOR STAFF MEMBERS TO BE THE CONTRACTING AND PROJECT CONTACTS FOR THIS ENGAGEMENT:

FIRM HEADQUARTERS	MGT of America Consulting, LLC 4320 West Kennedy Boulevard Tampa, Florida 33609 P: 813.327.4717 Fax: 850.385.4501 FEIN: 81-0890071
INDIVIDUALS AUTHORIZED TO COMMIT FIRM	J. Bradley Burgess, Executive Vice President 2251 Harvard St., Ste. 134 Sacramento, CA 95815 P: 916.443.3411 Email: bburgess@mgtconsulting.com
PROJECT LEADER/ SACRAMENTO OFFICE	Guy Burdick, Manager 2251 Harvard St., Ste. 134 Sacramento, CA 95815 P: 916.833.7775 Email: gburdick@mgtconsulting.com

QUALIFICATIONS OF PROPOSED STAFF

We believe our firm is uniquely able to assemble the most experienced, best qualified professional staff for this engagement. MGT proposes to assign Mr. Brad Burgess and Mr. Guy Burdick to the City of Redondo Beach.

MR. J. BRADLEY BURGESS, EXECUTIVE VICE PRESIDENT – PROJECT EXECUTIVE

Our firm's SB 90 practice is led by J. Bradley Burgess, one of the three founding principals at Public Resource Management Group, which was acquired by MGT in August 2007. Prior to joining MGT, he was a vice president with DMG and Maximus. He was also an associate director with the CSAC and California Cities SB 90 Service. In total, Mr. Burgess has been directly involved with state mandate cost consulting for over 20+ years, and personally served over 100 cities and 30 counties in the SB 90 claiming area.

Mr. Burgess will be responsible for the overall coordination and execution of the Modesto engagement. He will be directly involved with contract negotiations and finalization. He will provide technical assistance and meet with the State Controller related to any field audits and negotiations, if necessary. Mr. Burgess will ensure that all aspects of service delivery are accomplished in the best possible manner and will be available to the City for questions.

MR. GUY BURDICK, MANAGER – PROJECT MANAGER

Mr. Burdick is a Manager with MGT and has over eighteen years of professional consulting experience working with local governmental agencies. He is experienced with large scope state mandated costs projects (SB 90), being responsible for coordination and submission of SB 90 claims, with extensive experience in defending clients in desk and field audits. He has participated in, managed, and completed more than 100 separate consulting engagements throughout his career for cities, counties, and special districts. His wide range of experience, along with his exceptional organizational and interpersonal skills, makes him a significant asset to every one of his projects.



Mr. Burdick will oversee the daily work of the project and ensure project implementation occurs on schedule and in accordance with all project requirements. Mr. Burdick will have direct responsibility for coordinating the collection of all applicable data from all of City departments, and will also be responsible for the following:

- ♦ Development of the overall project plan
- ♦ On-site and remote staff interviews
- ♦ Preparation of all indirect cost rates (ICRP), mandated cost claims and claim review
- ♦ Hand deliver claims to State Controller
- ♦ Interfacing with the SCO related to any field audits and negotiations
- ♦ Respond to any desk reviews performed by the SCO

EXPERIENCE WITH STATE MANDATED COST CLAIMING

MGT currently provides state mandated cost-claiming services to over 140 cities and counties in California. The list of city clients that have been served by our consultants during their careers is extensive. Most of our clients have used our firm for many years. It is also the case that many of our clients contract with MGT for multiple consulting engagements each year. We are proud of our service to our clients and value the trust they put in us above all else. A small sample of relevant MGT projects include:

AGENCY	SERVICE PERIOD	PROJECT(S)
City of Anaheim	2003 to present	SB 90 Services, Cost Allocation Plan
County of Orange	2008 to present	SB 90 Services, Cost Allocation Plan
County of Napa	2014 to present	SB 90 Services, Cost Allocation Plan
County of Sonoma	2006 to present	SB 90 Services, Cost Allocation Plan, Jail Access Fee
City of Oakland	2004 to present	SB 90 Services, Cost Allocation Plan, User Fee Plan
City of Burbank	2003 to present	SB 90 Services, Cost Allocation Plan, User Fee Plan
City of Sacramento	2003 to present	SB 90 Services, Cost Allocation Plan
City of Santa Barbara	2003 to present	SB 90 Services, Cost Allocation Plan
City of Whittier	2004 to present	SB 90 Services, User Fee Analysis
City of Livermore	2003 to present	SB 90 Services, User Fee Analysis, Right of Way

MGT offers Redondo Beach the best, most experienced consulting staff, as well as the highest level of service available. MGT has nine SB 90 consultants with over 100 years of combined local government experience. The client list and references that we provide to prospective clients only include agencies that our current staff has served. No other consulting firm can match MGT's qualifications in the SB 90 area.



APPROACH AND METHODOLOGY

MGT provides a true turn-key solution for mandated cost claiming services. Our staff is involved with our client's claiming process throughout the year, providing proactive news, reports, and the earliest notification of new SB 90 claims possible.

We provide our clients program summaries and data collection forms to assist in understanding all of the eligible components of each program. MGT's project manager will complete all claims, all indirect cost rate proposals, and compile all elements of the claims in electronic format and send to the City for review and signature well in advance of the claiming deadline. We will work closely with the SB 90 Coordinator keeping the City apprised of everything we are doing, but it will be MGT's responsibility to manage all aspects of the project. Some of the key aspects of this include:

- ♦ Quick and painless contract negotiations and approval
- ♦ Identify all possible SB 90 claiming opportunities
- ♦ Prepare and file all eligible annual SB 90 claims with the SCO
- ♦ Prepare and file all eligible first time or new SB 90 claims that have claiming instructions issued during the given fiscal year
- ♦ Provide assistance with SCO desk reviews and field audits for claims filed by MGT
- ♦ Assist the City with knowledge transfer and training related to the SB 90 process at the State level and also related to other local agencies in California
- ♦ Provide a list of claims filed for each fiscal year

ANNUAL AND NEW / INITIAL CLAIMS

1. Establish a schedule and approach needed to complete all annual, new or first-time claims due within the fiscal year. This includes interviews with all applicable City department personnel.
2. Assist department staff to understand the specific mandated requirements for each SB 90 program, and how the City complies with the specific reimbursable portions of each program. Eligibility will be determined using the following criteria:
 - a. The test claim's statement of decision.
 - b. The California Commission on State Mandates approved parameters and guidelines.
 - c. The SCO's claiming instructions.
 - d. How other agencies around the state are complying with and interpreting the mandate.
3. Prepare all necessary department wide ICRPs in accordance with 2 CFR Part 200. MGT consultants have prepared thousands of ICRPs over the past 25+ years. We believe that our experience has developed a depth of understanding that is unmatched in the field.
4. Receive claims from the City for single department SB 90 programs and review the claims for completeness, propriety, and eligibility of costs. Multi-departmental claims will be handled in a similar fashion, but MGT will add an additional level of scrutiny with these claims to ensure no direct costs are double counted.
5. Perform a quality assurance review of the City's SB 90 claims to ensure the costs are supported by appropriate source documentation.



6. Prepare claims and provide the completed claims and ICRPs to the City for review and signature at least two weeks prior to the claiming deadline.
7. File the signed claims with the SCO prior to the deadline.

PROJECT COORDINATION

MGT views the SB 90 process as a partnership between Redondo Beach and our firm. MGT will manage all aspects of project coordination, working closely with your SB 90 Coordinator to keep the City apprised of all relevant activity. Some of the key aspects of this coordination include:

- ◆ Provide the City with a list of all eligible claims, as well as Claim Summary sheets and Data Collection forms. All of these concise summaries and forms are available in a variety of electronic formats (Microsoft Word, Excel, and Adobe PDF) to make use and disbursement of claiming information as easy as possible.
- ◆ Work in concert with Redondo Beach's SB 90 Coordinator to coordinate the City's overall claiming process.
- ◆ Work with departments to ensure all data required to file eligible claims is gathered in a timely fashion. Our team works closely with our client departments to ensure all questions are answered and deadlines are met.
- ◆ Ensure all eligible claims are filed on time and provide the City with written documentation showing which claims were filed and which claims were not filed, and why.

DATA COLLECTION

The three components of data collection related to this engagement include: direct cost program data, indirect cost data, and supporting documentation.

DIRECT COST PROGRAM DATA COLLECTION

- ◆ Conduct individual meetings with departments to discuss all reimbursable mandated activities.
- ◆ Develop a schedule and plan for mining the necessary data to ensure claims are completed well before the claiming deadlines.
- ◆ Gather all required direct cost data.

DEPARTMENTAL INDIRECT COST DATA COLLECTION

- ◆ Gather salary and benefit data from the City or the individual departments for all required fiscal years.
- ◆ Collect certain pages from the City's 2 CFR cost allocation plan, if the City utilizes one.
- ◆ Gather information required to prepare 2 CFR Part 200 compliant ICRPs. This will be carried out in concert with other department interviews. It is important that this step occur each year because departments reorganize, assignments shift, new personnel are hired, or personnel retire.

SUPPORTING DOCUMENTATION COLLECTION

- ◆ MGT will work with City departments to determine the documentation that must be submitted to the state as attachments to claims, and what documentation should be maintained in the City's



files in case of the SCO inquiry or field audit. MGT will then collect only the documentation the SCO requires to be submitted.

CLAIM PREPARATION

Once data has been received from the City, MGT will prepare all eligible claims on behalf of the City using required SCO claim forms.

DIRECT COSTS

- ♦ Prepare all claims that apply to single departments. Once again, our experience will ensure no cost components are misinterpreted or omitted.
- ♦ Coordinate and prepare all multi-departmental claims. Simply gathering data for mandates that span different departments is not enough. The data must be cross-referenced and analyzed to ensure each department is capturing cost data for the same cases and are not misclassifying certain cases, a very common occurrence.

INDIRECT COSTS

- ♦ Prepare ICRPs, and all support documents for all claiming departments. Obtain approval from each subject department for all ICRPs to be used in conjunction with current SB 90 claims, as well as the SB 90 Coordinator. The ICRPs provide an approved method for claiming departmental indirect costs. At this step, it is vital to ensure no staff time being claimed as a direct cost in the claim, is included in the ICRP.

FILING PROCEDURES

MGT will provide the City's SB 90 Coordinator with a clear, understandable process for receiving the completed claims/ICRPs and obtaining the necessary signatures.

- ♦ MGT will perform one final quality control check to ensure the City has signed two original coversheets, all parts of the claim are included, and required documentation is attached.
- ♦ MGT will hand deliver all signed claims received from the City to the SCO on or before the stated deadline. We will also provide the SCO a claims receipt for their staff to sign and return.
- ♦ MGT submits hard copies of all claims to the SCO.

ONGOING SUPPORT & STATUS UPDATES

The claiming process is obviously the key aspect of this engagement, but the ongoing support services that MGT offers are important complimentary services to continuously upgrading the City's knowledge base, relations, and communications with the state and contract agencies, and anticipation of changes to the claiming process.

COMMUNICATING WITH STATE OFFICIALS

STATE LIAISON ASSISTANCE

MGT will monitor State Controller requests or issues that could affect the City's SB 90 claims.



MGT will also provide liaison assistance with the SCO at the desk review level for all MGT claims filed. The SCO may call requesting additional information, or duplicate documentation that may have been misplaced in their offices. Our firm will field these calls and fulfill all appropriate requests without the need for City involvement if possible. In addition, our staff has extensive experience preparing local agencies for field audits and assisting in their representation beyond the exit conference. MGT will offer assistance and response on any current or future field audits that may result from MGT claims filed in the past.

AUDIT ASSISTANCE & PROTECTION

Nobody wants to see the SCO auditing their claims, but higher levels of scrutiny are a fact of life. Our team has extensive experience preparing local agencies for field audits and assisting in their representation beyond the exit conference. Mr. Burgess and Mr. Burdick have assisted dozens of California cities and counties to file audit responses when there is a disagreement with the SCO audit findings. The City of Redondo Beach will have our seasoned experts working on the City's behalf on this project.

PROPOSED FEE

MGT proposes to complete all aspects of this proposal for annual claims and new or initial claims released by the State Controller during the 2021-2022 fiscal year for a fixed fee of four thousand two hundred dollars (\$4,200). This fee is inclusive of all other charges such as travel and administrative expenses.

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\$4,350	\$4,400	

The price quoted for services is all inclusive. There are no caps on number of claims, audit support, or meetings—our level of customer service to the City is unlimited. MGT will not bill you for travel time or expenses, additional time for on-site meetings, or additional claims. MGT wants to be City's partner in this process for the next three years and beyond.

