

SERVICE AGREEMENT NO. 980

Cost Allocation Plans and User Fee Study

THIS **Cost Allocation Plans and User Fee Study Agreement** ("Agreement") is entered into by and between the City of Corpus Christi, a Texas home-rule municipal corporation ("City") and MGT of America, Consulting Group, LLC ("Contractor"), effective upon execution by the City Manager or the City Manager's designee ("City Manager").

WHEREAS, Contractor has bid to provide Cost Allocation Plans and User Fee Study in response to Request for Bid/Proposal No. 980 ("RFB/RFP"), which RFB/RFP includes the required scope of work and all specifications and which RFB/RFP and the Contractor's bid or proposal response, as applicable, are incorporated by reference in this Agreement as Exhibits 1 and 2, respectively, as if each were fully set out here in its entirety.

NOW, THEREFORE, City and Contractor agree as follows:

- 1. Scope.** Contractor will provide Cost Allocation Plans and User Fee Study ("Services") in accordance with the attached Scope of Work, as shown in Attachment A, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety, and in accordance with Exhibit 2.
- 2. Term.** This Agreement is for 36 months, with performance commencing upon the date of issuance of a notice to proceed from the Contract Administrator or Purchasing Division. This Agreement includes an option to extend the term for up to two additional twelve-month periods ("Option Period"), provided, the parties do so prior to expiration of the original term or the then-current Option Period. The decision to exercise the option to extend the term of this Agreement is, at all times, within the sole discretion of the City and is conditioned upon the prior written agreement of the Contractor and the City Manager.
- 3. Compensation and Payment.** The total value of this Agreement is not to exceed \$101,630.00, subject to approved extensions and changes. Payment will be made for Services completed and accepted by the City within 30 days of acceptance, subject to receipt of an acceptable invoice. All pricing must be in accordance with the attached Bid/Pricing Schedule, as shown in Attachment B, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

- 4. Contract Administrator.** The Contract Administrator designated by the City is responsible for approval of all phases of performance and operations under this Agreement, including deductions for non-performance and authorizations for payment. The City's Contract Administrator for this Agreement is as follows:

For Cost Allocation Plans:
Martha Messer
Finance
361.826.3624
marthame@cctexas.com

For User Fee Study:
Saundra Thaxton
Strategic Management
361.826.3682
saundra@cctexas.com

5. Insurance; Bonds.

(A) Before performance can begin under this Agreement, the Contractor must deliver a certificate of insurance ("COI"), as proof of the required insurance coverages, to the City's Risk Manager and the Contract Administrator. Additionally, the COI must state that the City will be given at least 30 days' advance written notice of cancellation, material change in coverage, or intent not to renew any of the policies. The City must be named as an additional insured. The City Attorney must be given copies of all insurance policies within 10 days of the City Manager's written request. Insurance requirements are as stated in Attachment C, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

(B) In the event a payment bond, a performance bond, or both, are required of the Contractor to be provided to the City under this Agreement before performance can commence, the terms, conditions, and amounts required in the bonds and appropriate surety information are as included in the RFB/RFP or as may be added to Attachment C, and such content is incorporated here in this Agreement by reference as if each bond's terms, conditions, and amounts were fully set out here in its entirety.

- 6. Purchase Release Order.** For multiple-release purchases of Services to be provided by the Contractor over a period of time, the City will exercise its

right to specify time, place and quantity of Services to be delivered in the following manner: any City department or division may send to Contractor a purchase release order signed by an authorized agent of the department or division. The purchase release order must refer to this Agreement, and Services will not be rendered until the Contractor receives the signed purchase release order.

- 7. Inspection and Acceptance.** Any Services that are provided but not accepted by the City must be corrected or re-worked immediately at no charge to the City. If immediate correction or re-working at no charge cannot be made by the Contractor, a replacement service may be procured by the City on the open market and any costs incurred, including additional costs over the item's bid/proposal price, must be paid by the Contractor within 30 days of receipt of City's invoice.
- 8. Warranty.** The Contractor warrants that all products supplied under this Agreement are new, quality items that are free from defects, fit for their intended purpose, and of good material and workmanship. The Contractor warrants that it has clear title to the products and that the products are free of liens or encumbrances. In addition, the products purchased under this Agreement shall be warranted by the Contractor or, if indicated in Attachment D by the manufacturer, for the period stated in Attachment D. Attachment D is attached to this Agreement and is incorporated by reference into this Agreement as if fully set out here in its entirety.
- 9. Quality/Quantity Adjustments.** Any Service quantities indicated on the Bid/Pricing Schedule are estimates only and do not obligate the City to order or accept more than the City's actual requirements nor do the estimates restrict the City from ordering less than its actual needs during the term of the Agreement and including any Option Period. Substitutions and deviations from the City's product requirements or specifications are prohibited without the prior written approval of the Contract Administrator.
- 10. Non-Appropriation.** The continuation of this Agreement after the close of any fiscal year of the City, which fiscal year ends on September 30th annually, is subject to appropriations and budget approval specifically covering this Agreement as an expenditure in said budget, and it is within the sole discretion of the City's City Council to determine whether or not to fund this Agreement. The City does not represent that this budget item will be adopted, as said determination is within the City Council's sole discretion when adopting each budget.

- 11. Independent Contractor.** Contractor will perform the work required by this Agreement as an independent contractor and will furnish such Services in its own manner and method, and under no circumstances or conditions will any agent, servant or employee of the Contractor be considered an employee of the City.
- 12. Subcontractors.** Contractor may use subcontractors in connection with the work performed under this Agreement. When using subcontractors, however, the Contractor must obtain prior written approval from the Contract Administrator if the subcontractors were not named at the time of bid or proposal, as applicable. In using subcontractors, the Contractor is responsible for all their acts and omissions to the same extent as if the subcontractor and its employees were employees of the Contractor. All requirements set forth as part of this Agreement, including the necessity of providing a COI in advance to the City, are applicable to all subcontractors and their employees to the same extent as if the Contractor and its employees had performed the work.
- 13. Amendments.** This Agreement may be amended or modified only by written change order signed by both parties. Change orders may be used to modify quantities as deemed necessary by the City.
- 14. Waiver.** No waiver by either party of any breach of any term or condition of this Agreement waives any subsequent breach of the same.
- 15. Taxes.** The Contractor covenants to pay payroll taxes, Medicare taxes, FICA taxes, unemployment taxes and all other related taxes. Upon request, the City Manager shall be provided proof of payment of these taxes within 15 days of such request.
- 16. Notice.** Any notice required under this Agreement must be given by fax, hand delivery, or certified mail, postage prepaid, and is deemed received on the day faxed or hand-delivered or on the third day after postmark if sent by certified mail. Notice must be sent as follows:

IF TO CITY:

City of Corpus Christi
Attn: Martha Messer
Finance
1201 Leopard Street, Corpus Christi, Texas 78401
Fax: 361.826.3601

IF TO CONTRACTOR:

MGT of America Consulting, LLC
Attn: J. Mark Carpenter
Director
1801 E. 51st Street, Suite 365-504 , Austin, Texas, 78723
Fax: 972.596.3862

17. CONTRACTOR AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY OF CORPUS CHRISTI AND ITS OFFICERS, EMPLOYEES AND AGENTS ("INDEMNITEES") FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, CLAIMS, DEMANDS, SUITS AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ON ACCOUNT OF PERSONAL INJURIES (INCLUDING DEATH AND WORKERS' COMPENSATION CLAIMS), PROPERTY LOSS OR DAMAGE, OR ANY OTHER KIND OF INJURY, LOSS, OR DAMAGE, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, ATTORNEYS' FEES AND EXPERT WITNESS FEES WHICH ARISE OR ARE CLAIMED TO ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PERFORMANCE OF THIS AGREEMENT, REGARDLESS OF WHETHER THE INJURIES, DEATH OR DAMAGES ARE CAUSED OR ARE CLAIMED TO BE CAUSED BY THE CONCURRENT OR CONTRIBUTORY NEGLIGENCE OF INDEMNITEES, BUT NOT IF BY THE SOLE NEGLIGENCE OF INDEMNITEES UNMIXED WITH THE FAULT OF ANY OTHER PERSON. CONTRACTOR MUST, AT ITS OWN EXPENSE, INVESTIGATE ALL CLAIMS AND DEMANDS, ATTEND TO THEIR SETTLEMENT OR OTHER DISPOSITION, DEFEND ALL ACTIONS BASED THEREON WITH COUNSEL SATISFACTORY TO THE CITY ATTORNEY, AND PAY ALL CHARGES OF ATTORNEYS AND ALL OTHER COSTS AND EXPENSES OF ANY KIND ARISING FROM ANY SAID LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, SUITS, OR ACTIONS. THE INDEMNIFICATION OBLIGATIONS OF CONTRACTOR UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

18. Termination.

(A) The City Manager may terminate this Agreement for Contractor's failure to perform the work specified in this Agreement or to keep any required insurance policies in force during the entire term of this Agreement. The

Contract Administrator must give the Contractor written notice of the breach and set out a reasonable opportunity to cure. If the Contractor has not cured within the cure period, the City Manager may terminate this Agreement immediately thereafter.

(B) Alternatively, the City Manager may terminate this Agreement for convenience upon 30 days advance written notice to the Contractor. The City Manager may also terminate this Agreement upon 24 hours written notice to the Contractor for failure to pay or provide proof of payment of taxes as set out in this Agreement.

19. **Assignment.** No assignment of this Agreement by the Contractor, or of any right or interest contained herein, is effective unless the City Manager first gives written consent to such assignment. The performance of this Agreement by the Contractor is of the essence of this Agreement, and the City Manager's right to withhold consent to such assignment is within the sole discretion of the City Manager on any ground whatsoever.
20. **Severability.** Each provision of this Agreement is considered to be severable and, if, for any reason, any provision or part of this Agreement is determined to be invalid and contrary to applicable law, such invalidity shall not impair the operation of nor affect those portions of this Agreement that are valid, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or part had been omitted.
21. **Order of Precedence.** In the event of any conflicts or inconsistencies between this Agreement, its attachments, and exhibits, such conflicts and inconsistencies will be resolved by reference to the documents in the following order of priority:
 - A. this Agreement and its attachments
 - B. the bid solicitation document, including addenda (Exhibit 1)
 - C. the Contractor's bid response (Exhibit 2)
22. **Certificate of Interested Parties.** Contractor agrees to comply with Texas Government Code Section 2252.908, as it may be amended, and to complete Form 1295 "Certificate of Interested Parties" as part of this Agreement.
23. **Governing Law.** This Agreement is subject to all federal, State, and local laws, rules, and regulations. The applicable law for any legal disputes arising out of this Agreement is the law of the State of Texas, and such form and venue

for such disputes is the appropriate district, county, or justice court in and for Nueces County, Texas.

- 24. Entire Agreement.** This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and supersedes all prior negotiations, arrangements, agreements and understandings, either oral or written, between the parties.

(SIGNATURE PAGE FOLLOWS)

CONTRACTOR

Signature:  _____

Printed Name: A. Trey Traviesa _____

Title: Managing Member / Chairman CEO _____

Date: 2/8/17 _____

CITY OF CORPUS CHRISTI

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Attached and Incorporated by Reference:

- Attachment A: Scope of Work
- Attachment B: Bid/Pricing Schedule
- Attachment C: Insurance/Bond Requirements
- Attachment D: Warranty Requirements

Incorporated by Reference Only:

- Exhibit 1: RFB/RFP No. 980
- Exhibit 2: Contractor's Bid/Proposal Response

Attachment A - Scope of Work

PART 1 – COST ALLOCATION PLANS

1.1. General Requirements/Background - Cost Allocation Plans

The Contractor is required to timely produce for the City, in compliance with this Scope of Work, a Full Cost Allocation Plans that allocates indirect costs to all City departments and will be used for management purposes such as setting administrative transfer amounts to the general fund from enterprise and special revenue funds, and a Federal 2 CFR Part 200 Cost Allocation Plan that conforms to all applicable federal and state regulations and guidelines, to be used to recover indirect costs charged to federal and state grants.

1.2. Scope of Work for Cost Allocation Plans

A. A Full Cost Allocation Plan is required each year as follows:

1. The full cost allocation plan will not require negotiation with an outside agency, but will be used for internal pricing policies only. It will be prepared in accordance with Generally Accepted Accounting Principles and Procedures.
2. The Contractor will prepare the full cost allocation with the assistance of the City as described herein. The initial full cost allocation plan will be based on the Fiscal Year 2016-2017 adopted budget provided to the successful proposer by the City. The City's fiscal year end is September 30; the Contractor will receive cost and allocation data approximately 210 days after fiscal year end.
3. The Contractor is required to perform a comparison of prior and current year allocations with delivery of draft plan. The City will require approximately two weeks to review and work out possible revisions to the plan prior to delivery of final plan.
4. The following is a timetable that shows the approximate dates on which the Contractor may expect to receive the information necessary to perform the tasks outlined herein and on which delivery of the plans is expected:

September 30	Fiscal year ends
March 31	Audited financial statements available.
April 1 – May 30	City and Contractor work together to determine data requirements and city to produce such data

June 15	Delivery of draft Federal 2 CFR Part 200 & Full Cost Allocation Plans expected
July 1	Delivery of final Federal 2 CFR Part 200 & Full Cost Allocation Plans expected

5. One full cost allocation plan and one Federal 2 CFR Part 200 cost allocation plan will be due from the Contractor in the initial fiscal year of the initial term of the contract and in each of the ensuing fiscal years of the initial term of the contract and any extensions thereof.
 6. The City will assign a liaison between the City departments and the Contractor to ensure information is gathered as expeditiously as possible. The Contractor will provide the City with a preliminary list of data requirements, and the Contractor will need to make a site visit each year to consult with City staff to determine allocation bases and final data requirements.
 7. The Contractor will be required to produce and deliver four bound copies and one electronic copy of each plan, to be completed within the 90 day time frame described above.
 8. The report will include a chapter for each central service agency describing the functions or services provided, the means of allocation, departmental expenditures, incoming indirect costs, and costs allocated to each benefiting agency in detail and summary. The report will also include an overall summary of costs allocated to each benefiting agency by central service agency.
 9. The Contractor shall maintain all working papers for a period of at least five years after termination or expiration of the contract and any extension thereof.
- B. A Federal 2 CFR Part 200A Cost Allocation Plan is required each year as follows:

The Contractor will prepare the Federal 2 CFR Part 200 plan on actual audited cost data reconciled to the City's Comprehensive Annual Financial Report (CAFR). The allocation data used in preparing this plan should, in most cases, be the same as those used in preparing the full cost allocation plan.

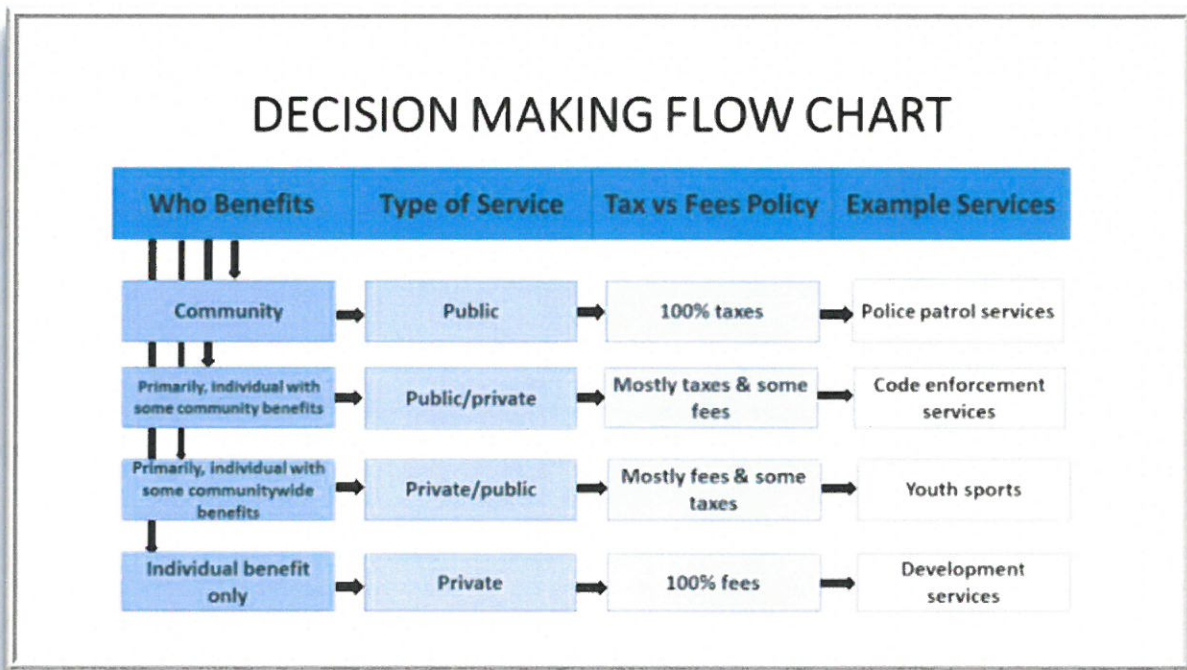
PART 2 – USER FEE STUDY

1.3. General Requirements/Background - User Fee Study

The Contractor is required to conduct a user fee study. This study will calculate the full cost of all current and potential fee-for-services for certain General Fund departments, divisions, and services.

A user fee service is one in which the applicant (personal, business, organization) receives a benefit that does not accrue to non-applicants. The purpose of a user fee study is to identify the full cost of providing a service and then set a cost recovery and subsidy level that is appropriate to the market, service, department, and goals of the City.

The recipients of some user fee services benefit monetarily. In this case, the recovery/subsidy policy is to recover the full costs of those services, such as development services. Policy making groups across the country routinely set these fees to recover full, or near full costs. The recipients of some user fee services do not benefit monetarily, but rather more in a sense of quality of life or community. The recovery/subsidy policy is set to recover only a portion of the full costs of those services such as recreation and library services.



Overview

Each city has unique requirements and user fees must lie between full cost recovery and/or full subsidy. This user fee study must calculate the costs of providing services and incorporate layers of decisions based on multiple variables such as the following:

- Elasticity of demand
- Practicality of collection
- Encouraging, or discouraging, consumption behavior

- Private sector competition

A typical user fee study includes the following goals and objectives:

- Define what it costs the City to provide various fee-related services;
- Determine whether there are any opportunities to implement new fees;
- Identify service areas where the City might adjust fees based on the full cost of services and other economic or policy considerations;
- Develop revenue projections based on potential increases (or decreases) to fees;
- Perform internal analyses of staffing levels, workload statistics, and performance measures;
- Establish cost recovery and subsidy policies;
- Adopt an updated user fee schedule.

Key Personnel

It is critical that the Contractor provide qualified individuals to work on this study. The project team has been accepted that combines deep knowledge and experience in preparing cost allocation plans and user fee studies in Texas. In the event of an unforeseen circumstance and an approved team member is unavailable to provide the proposed services, a replacement member with equal or greater cost allocation experience will be added to the team. This transition will be seamless.

Background

The City conducted a comprehensive review and calculation of general fund user fees in approximately 25-30 years. In this period, user fee services and delivery have changed, or been eliminated or implemented. Few new fees have been identified that support the services provided by the City. We recognize the immediate need do so.

1.4. Scope of Work for User Fee Study

A. General Fund departments to be studied include the following:

- *Fire: Emergency Ops.*
- *Emergency Medical Services (EMS)*
- *Libraries*
- *Police*
- *Animal Care*
- *Code Enforcement*
- *Parks and Recreation*

B. The City has a need for user fee calculations and recommendations prior to the next annual budget cycle beginning in May 2017 with the fiscal year beginning October 1. The Contractor is required to complete this study prior to this timeline and to deliver a fee study model which can be updated annually by the City.

C. In calculating the full cost of user fees, a transparent approach is required utilizing City staff's knowledge with Contractor's expertise to generate comprehensive and accurate results. Costs must be generated from the "bottom-up," building the costs component by component to arrive at legally defensible fees. The "bottom-up" approach will:

- ensure that all personnel time by department, division, etc. is identified and accounted;
- ensure that all costs—user fee service related or not—are included in the study;
- include checks and balances to ensure all personnel time and associated costs are captured and distributed accurately, not just on a high-level percentage basis;
- ensure transparency with a clear and easily understandable identification of all time and associated costs for all department personnel, services, and activities.

D. The Contractor shall ensure that the full cost calculation incorporates both direct and indirect costs, including direct salaries and benefits, operating costs, capital asset use charges, indirect support from other departments, and is consistent with the methodology recommended by the Government Finance Officers Association (GFOA).

E. **Technical Approach: Project Segments and Sequence** - Phases are suggested to balance the needs of both a comprehensive city-wide study and the need of results by May 2017. On-site meetings will be required to inquire about work processes associated with fee activities:

- Preliminary Results of User Fee Study
- Presentation of User Fee Study Results - to staff and city council with workshops obtaining input to subsidy levels required.
- Completion of User Fee Study
- Staff training on fee model: training of budget staff for subsequent year's model update

F. **User-Friendly Spreadsheet Calculation Model**

1. The Contractor will provide a spreadsheet user fee model to the City that is easy to use, yet powerful enough to handle even the most complex of fees. The model will be flexible and able to accommodate fund, department, divisions, and fees of vastly different sizes. The model will be fully customized to accurately reflect the unique aspects of the City's organization.
2. The model will allow the cost of services to be analyzed at the unit cost level, or on a program-wide basis where desired. The model will accommodate the ability to individually control all types of costs, including personnel costs, contract costs, direct materials, departmental support costs and allocated

indirect costs, and include several self-checking audit formulas. This will allow the model to calculate fees that are both accurate and comprehensive.

G. Comprehensive Calculation Methodology

1. The Contractor will design an analytical calculation that is defensible, yet flexible enough to complete the analysis within a reasonable timeframe and without unduly impacting the other work requirements of client staff. The Contractor will be required to use the Standard Cost method:

In this method, the average or standardized cost is determined through the calculation of a productive hourly cost rate for each staff position. The productive hourly cost rates are then applied to the time to complete activities within a department. This not only has the benefit of continuity, but it can also be used to forecast required staffing workloads as volume changes. Two critical requirements of this approach are the proper development of the productive hourly rate, and the capturing of all fee and non-fee activities within any single budget unit.

2. The Contractor will use highly detailed calculations to produce standard costs as the most defensible and practical method. On-site interviews will be conducted with the City staff in the data gathering stage and the review stage. All data is derived from the City's sources. Documented information will be used, such as unit volume where available, and best-estimates from City staff where data has not been historically collected.

H. Summary of Costs and Fees

1. The Contractor's final product will consist of a summary schedule of full costs and fees, divided into two distinct sections:

- a. Current Fees: this section displays information about all services areas as they currently exist and compares the fee levels to the full cost information:

- current fee
- annual revenue
- full cost
- recovery percentage
- annual subsidy

- b. Recommendations: developed with input from City staff and City Council, the recommendations section provides instant feedback for decision makers as to what the subsidy will be for a service if fees are set at less than 100% recovery. By entering varying recovery levels, the model will re-calculate the fee and provide updated information regarding:

- expected annual revenue

- expected increase over current revenues
- expected annual subsidy

Service Name	Fee Description	Annual Volume	Current					Recommendations				
			Per Unit		Full Cost	Annual		Per Unit		Annual		
			Current Fee	Current Recovery %		Annual Revenue	Annual Subsidy	Recovery Level	Fee @ Policy Level	Annual Revenue	Increased Revenue	Recommended Subsidy
1 Lot Line Adjustment	Fee	353	\$120	89%	\$135	\$42,360	\$5,297	100%	\$135	\$47,657	\$5,297	
2 Site Plan Review	Fee	425	\$200	89%	\$224	\$85,000	\$10,200	100%	\$224	\$95,200	\$10,200	
3 Appeal	Fee	44	\$500	57%	\$876	\$22,000	\$16,544	100%	\$876	\$38,544	\$16,544	
4 Special Exception	Fee	12	\$800	86%	\$932	\$9,600	\$1,584	100%	\$932	\$11,184	\$1,584	
5 Long Range Planning	Non-Fee					\$59,560	\$59,560					\$59,560
Grand Totals						\$158,960	\$93,185			\$192,585	\$33,625	\$59,560

I. Deliverables

- A. The Contractor will be required to conduct a project kick-off meeting for all user fee department personnel, City management, and other project stakeholders is needed.
- B. The Contractor will also conduct user fee training sessions and comprehensive review of the first draft user fee reports for finance and budget personnel or other project stakeholders is also required. Each phase will include complete user fee calculations, recommendations, reports and presentations for prioritized general fund departments.
- C. Following completion of calculations and recommendations, the Contractor will provide a report of study results that will need to be compiled and presented by the Contractor to City personnel and officials and include workshops. **Information provided should include at a minimum:**
 1. Final user fee calculation reports for the phased departments with current or potential new user fees. These reports will be based on the reviewed and approved draft user fee calculation reports. Each departmental report will include:
 - Description of each City service for which a fee is charged or could be charged.
 - The number of units provided in an obtainable 12-month period for each fee or potential new fee.
 - Review the reasonableness of each fee or potential new fee.
 - Documentation of data used to calculate each fee or potential new fee.
 - Transparent calculation of direct/indirect costs associated with each fee or potential new fee on a per-unit basis formatted for the continuation of user fee study.
 - Detailed recommendation options to recover the full cost, or portion of full cost of each fee or potential new fee.
 - Detailed calculation of subsidies for each fee or potential new fee.

- Factors that could prevent the implementation of the full cost of existing user fees or potential new user fees.
 - Rationale and considerations for charging fees or potential new fees.
 - Detailed projected City revenues and revenue increases based on recovery recommendation options.
 - Recommendations to the change of existing or implementation of new user fees.
2. A draft comprehensive project report. The draft project will represent the City's cost recovery policy, including recommendations for current and new fees. The draft report will include:
- An executive summary of the results of the user fee study.
 - Detailed schedules documenting:
 - A description of each service provided.
 - Summarization of full cost composition, present cost recovery, and cost/revenue analysis by department.
 - Summarization of a comparison of current user fee levels to the full cost of that service.
 - Summarization of various fee alternatives with associated impact on revenue generation and cost recovery including applicable comparative data relevant to public policy issues.
 - Summarization of all user fee charges and rate increases for the City and projected current revenues and increases in revenues.
 - Discussion of the operational or accounting considerations needed for implementation for services for which user fees are not collected.
3. A final comprehensive report. The final will represent the City's cost recovery policy including recommendations for current and new fees. The final report will include:
- An executive summary of the results of Phase 1 of the user fee study.
 - Detailed schedules documenting:
 - A description of each service provided.
 - Summarization of full cost composition, present cost recovery, and cost/revenue analysis by department.
 - Summarization of a comparison of current user fee levels to the full cost of that service.
 - Summarization of various fee alternatives with associated impact on revenue generation and cost recovery including applicable comparative data relevant to public policy issues.
 - Summarization of all user fee charges and rate increases for the City and projected current revenues and increases in revenues.

- Discussion of the operational or accounting considerations needed for implementation for services for which user fees are not collected.
4. Members of the project team will present results of the user fee study to City personnel and officials at informal, or more formal venues such as a council work session or public hearing. The presentations will include executive-level reviews of process for completing and implementing the user fee study and include discussion of subsidy levels and determination of such. Copies of phased work papers as requested. A User Fee Model will be provided with sufficient staff training to update for subsequent years.

J. Schedule by Task

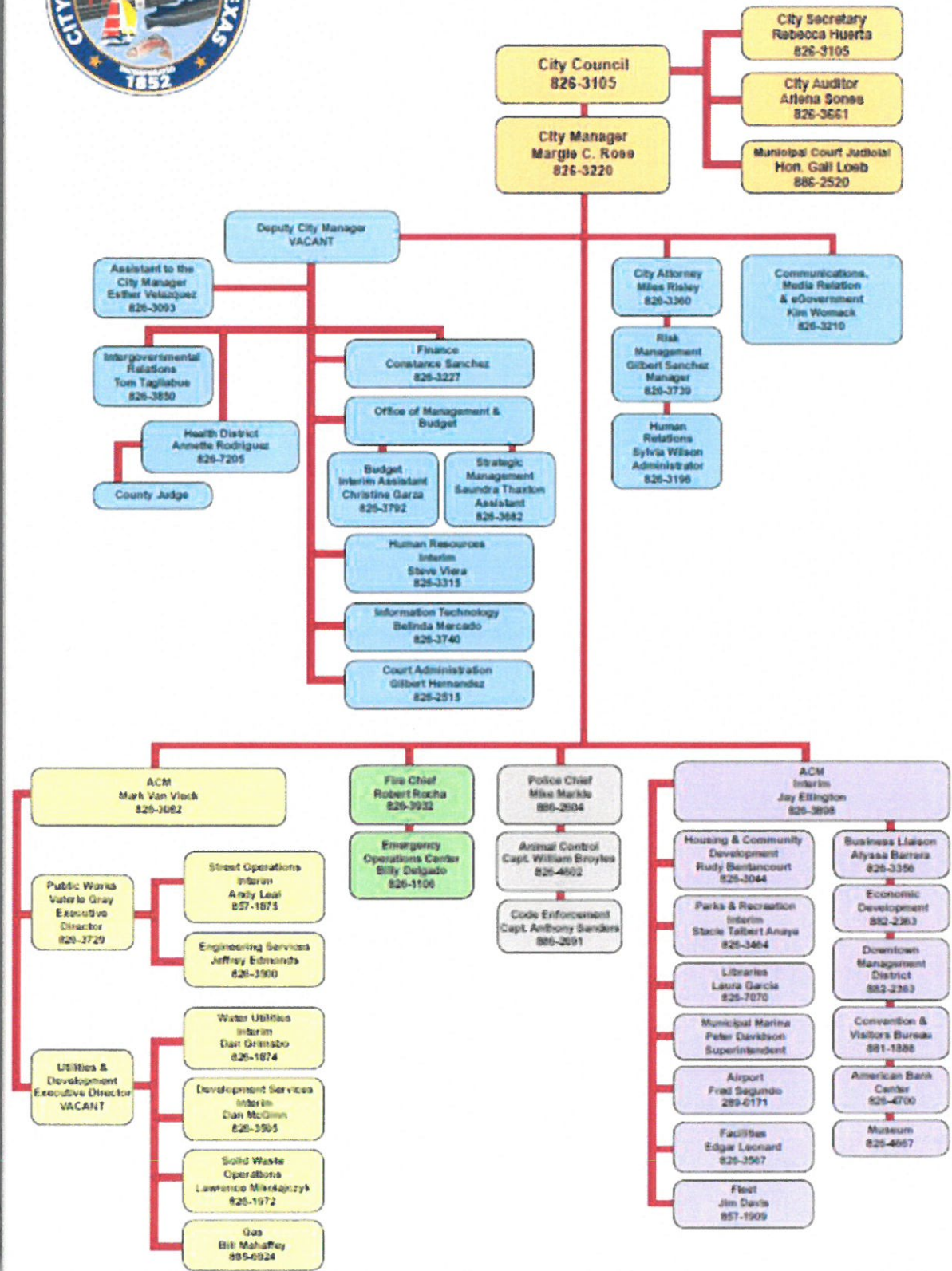
The Contractor will provide a projected schedule for the completion of the user fee study. The schedule will need to include City staff meeting time, time for providing data needed for the study, reviewing draft results and providing feedback/comments in a timely manner.

K. Support

Support for normal and reasonable inquiries arising following the study's finalization and for updating the project or additional activities as requested by City personnel is required for 30 days after the final report has been submitted.



City of Corpus Christi Organizational Chart



Attachment B – Bid/Pricing Schedule



CITY OF CORPUS CHRISTI PRICING FORM PURCHASING DIVISION

RFP NO. 980
COST ALLOCATION PLANS AND USER FEE STUDY

PAGE 1 OF 2

DATE: December 23, 2016

MGT of America Consulting, LLC

PROPOSER

AUTHORIZED SIGNATURE

1. Refer to "Instructions to Proposers" and Contract Terms and Conditions before completing proposal.
2. Quote your best price for each item.
3. In submitting this proposal, Proposer certifies that:
 - a. the prices in this proposal have been arrived at independently, without consultation, communication, or agreement with any other Proposer or competitor, for the purpose of restricting competition with regard to prices;
 - b. Proposer is an Equal Opportunity Employer; and the Disclosure of Interest information on file with City's purchasing office, pursuant to the Code of Ordinances, is current and true.
 - c. Proposer has incorporated any changes issue through Addenda to the RFP in this pricing.

ITEM	DESCRIPTION	TOTAL PRICE
1.0	Full Cost Allocation Plan - Year 1	\$11,000
1.1	Federal 2 CFR Part 200A Cost Allocation Plan - Year 1	\$ 2,500
2.0	Full Cost Allocation Plan - Year 2	\$11,000
2.1	Federal 2 CFR Part 200A Cost Allocation Plan - Year 2	\$ 2,500
3.0	Full Cost Allocation Plan - Year 3	\$11,250
3.1	Federal 2 CFR Part 200A Cost Allocation Plan - Year 3	\$ 2,600

ITEM	DESCRIPTION	TOTAL PRICE
4.0	Cost Allocation Plan – Option Year 4	\$11,250
4.1	Federal 2 CFR Part 200A Cost Allocation Plan – Option Year 4	\$ 2,600
5.0	Cost Allocation Plan – Option Year 5	\$11,500
5.1	Federal 2 CFR Part 200A Cost Allocation Plan – Option Year 5	\$ 2,700
6.0	User Fee Study	\$60,780
Total	Total of all work outlined above	\$129,680

Attachment C – Insurance/Bond Requirements

1.1. Insurance Requirements

I. CONTRACTOR'S LIABILITY INSURANCE

- A. Contractor must not commence work under this contract until all insurance required has been obtained and such insurance has been approved by the City. Contractor must not allow any subcontractor, to commence work until all similar insurance required of any subcontractor has been obtained.
- B. Contractor must furnish to the City's Risk Manager and Contract Administrator one (1) copy of Certificates of Insurance with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's Risk Manager. The City must be listed as an additional insured on the General liability and Auto Liability policies **by endorsement**, and a waiver of subrogation **endorsement** is required on GL, AL and WC if applicable. **Endorsements** must be provided with Certificate of Insurance. Project name and/or number must be listed in Description Box of Certificate of Insurance.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30-day advance written notice of cancellation, non-renewal, material change or termination required on all certificates and policies.	Bodily Injury and Property Damage Per occurrence - aggregate
COMMERCIAL GENERAL LIABILITY including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/Completed Operations 4. Contractual Liability 5. Independent Contractors 6. Personal Injury- Advertising Injury	\$1,000,000 Per Occurrence \$2,000,000 Aggregate
AUTO LIABILITY (including) 1. Owned 2. Hired and Non-Owned 3. Rented/Leased	\$1,000,000 Combined Single Limit

WORKERS'S COMPENSATION (All States Endorsement if Company is not domiciled in Texas)	Statutory and complies with Part II of this Exhibit.
Employers Liability IF APPLICABLE	\$500,000/\$500,000/\$500,000
PROFESSIONAL LIABILITY 1. Personal Injury 2. Errors & Omissions	\$1,000,000 Per Claim

C. In the event of accidents of any kind related to this contract, Contractor must furnish the Risk Manager with copies of all reports of any accidents within 10 days of the accident.

II. ADDITIONAL REQUIREMENTS

A. Applicable for paid employees, Contractor must obtain workers' compensation coverage through a licensed insurance company. The coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The workers' compensation coverage provided must be in statutory amounts according to the Texas Department of Insurance, Division of Workers' Compensation. An All States Endorsement shall be required if Contractor is not domiciled in the State of Texas.

B. Contractor shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Contractor's sole expense, insurance coverage written on an occurrence basis by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- VII.

C. Contractor shall be required to submit renewal certificates of insurance throughout the term of this contract and any extensions within 10 days of the policy expiration dates. All notices under this Exhibit shall be given to City at the following address:

City of Corpus Christi
Attn: Risk Manager
P.O. Box 9277
Corpus Christi, TX 78469-9277

- D. Contractor agrees that, with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**
- List the City and its officers, officials, employees, and volunteers, as additional insureds by endorsement with regard to operations, completed operations, and activities of or on behalf of the named insured performed under contract with the City, with the exception of the workers' compensation policy;
 - Provide for an endorsement that the "other insurance" clause shall not apply to the City of Corpus Christi where the City is an additional insured shown on the policy;
 - Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and
 - Provide thirty (30) calendar days advance written notice directly to City of any, cancellation, non-renewal, material change or termination in coverage and not less than ten (10) calendar days advance written notice for nonpayment of premium.
- E. Within five (5) calendar days of a cancellation, non-renewal, material change or termination of coverage, Contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Contractor's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.
- F. In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to stop work hereunder, and/or withhold any payment(s) which become due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor's performance of the work covered under this contract.
- H. It is agreed that Contractor's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of Corpus Christi for liability arising out of operations under this contract.

- I. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this contract.

III. Bonds – no bonds are required for this agreement.

2016 Insurance Requirements
Purchasing
Cost Allocation User Fee Study
11/18/2016 mv Risk Management

Attachment D – Warranty Requirements

No warranties are required under this Agreement.