



REQUEST FOR PROPOSALS (RFP)

**OVERHEAD & ADMINISTRATIVE COST
STUDY & A REVIEW OF THE CITY'S
COST ALLOCATION PLAN**

**City of Fort Bragg, California
Finance Department**

**416 N. Franklin Street
Fort Bragg, CA 95437
(707) 961-2825**

Proposals due September 6, 2023 3:00 p.m. (PST)

I. REQUEST SUMMARY

The City of Fort Bragg is seeking proposals from qualified firms to review the City's current Cost Allocation Plan and develop an approved Indirect/Overhead rate. The City is seeking to engage the services of a qualified professional firm experienced in cost recovery to prepare both reports. The study is anticipated to commence on August 14, 2023, with final reports completed by September 6, 2023.

II. INTRODUCTION

A. Background

The City of Fort Bragg is a general law city incorporated in 1889 with a Council-Manager form of government. Fort Bragg is located approximately 165 miles north of San Francisco and 185 miles west of Sacramento on the scenic coast of Mendocino County. The City occupies 2.7 square miles. Census 2020 places the City's population at 6,973. Although it is quite small, Fort Bragg is the largest City on the coast between San Francisco and Eureka. The largest employment categories in the City include services, wholesale and retail trade, local government, public education, health care, tourism, and fishing. The mild climate and picturesque coastline make Fort Bragg a popular tourist and recreational area.

The City has approximately 60 full-time equivalent (FTE) employees who deliver quality municipal services to its approximately 7,000 citizens. The City provides a full range of municipal services, including police, public works, planning, and economic development.

The City utilizes an annual budget. The Fiscal Year 2023-24 adopted budget was \$46,021,735, including General Fund appropriations of \$11.5 million to support the main operations of the City.

B. Objective

Review of Cost Allocation Plan

This project aims to ensure that the City of Fort Bragg has a basis for applying comprehensive overhead rates and accurately accounts for the true cost of providing various services by each department. Furthermore, best practices and accounting standards make it necessary for the City to maintain a well-documented cost allocation plan that will help it appropriately allocate general and administrative costs in the budget.

Indirect Cost Rate Plan

The City wishes to develop an indirect cost rate for certain allocable expenses. Indirect costs are not readily identifiable with a direct operating program but are incurred for a joint purpose that benefits more than one cost objective. Indirect costs include accounting, management staff costs, utilities, street maintenance, and police protection. The identified indirect rates can be used in to recover overhead rates from federal and state grants, user fees, and reimbursements from other governmental agencies.

C. General RFP Submittal Information

The City's designated staff will evaluate proposals received. During the review process, the

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City reserves the right, where it may serve the City's best interest, to request additional information or clarification from those that submit proposals, or allow corrections of errors or omissions. Any and all changes in the RFP will be made by written addendum.

The City reserves the right to retain all proposals submitted. Submission of a proposal indicates the firm's acceptance of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the contractor selected.

The preparation of the RFP will be at the total expense of the Proposer. There is no expressed or implied obligation for the City to reimburse responding proposers for any expense incurred in the preparation of proposals in response to this request. All proposals submitted to the City shall become property of the City and will not be returned.

The City reserves the right to reject any or all proposals, in whole or part, to waive any informality in any proposal, and to accept the proposal, which, in its discretion, is in the best interest of the City.

To be considered, proposers must send **one original and three (3) hard copies of their proposal** in a sealed envelope with the name of the company submitting the proposal and the title of "Cost Allocation Study and Indirect Cost Rate" to:

**City of Fort Bragg
Attn: Cristal Munoz, Acting City Clerk
416 North Franklin Street
Fort Bragg, CA 95437**

D. RFP Questions

Questions regarding this RFP should be emailed to Isaac Whippy iwhippy@fortbragg.com by August 31, 2023. All firms sending questions will receive responses to all questions and any other agenda that may be released via e-mail by September 2, 2023.

E. Schedule

The City reserves the right to make changes to the below schedule but plans to adhere to the implementation of this bid process as follows:

RFP released:	August 15, 2023
Deadline for receiving questions:	August 25, 2023
Proposals due:	September 6, 2023 3:00 p.m. (PST)
Interviews (if necessary):	No later than September 8, 2023
Vendor selected:	September 25, 2023

III. SCOPE OF SERVICES

Project tasks shall include, but are not necessarily limited to, the following. If the firm feels that additional tasks are warranted, they must be clearly identified in the firm's proposal.

Review the current Cost Allocation Plan & Develop an Indirect Cost Rate/Overhead Rate.

Review the City's current full Cost Allocation Plan, which may include the following elements. If the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal.

- A. Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's Cost Allocation Plan to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedule and answer any questions pertaining to the successful development of the study.
- B. Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations.
- C. Identify the total cost of providing each City service at the appropriate activity level and in a manner that is consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, rates, and charges by public entities.
- D. Determine the appropriate General and Administrative overhead allocations to City activities and applicable overhead rates for use in calculating the City's Billable Hourly rates. The requirements of the model should allow for:
 - a) Additions, revisions, or removal of direct and overhead costs so that the overhead cost allocation plan can be easily adapted to a range of activities, both simple and complex.
 - b) The ability of the City to continuously update the model and overhead cost allocation plan from year to year as the organization changes.
 - c) The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (i.e. ad-hoc analysis).
- E. Develop an Indirect cost rate plan for certain consistent, allocable expenses and plan to submit to a Cognizant agency. Once approved, the same rate could be used for pooled costs for each grant or reimbursable activity.
- F. Report on other matters that come to your attention in the course of your evaluation that in your professional opinion the City should consider.
- G. Present the plan to the City's management group and make necessary adjustments as requested.
- H. If called upon to do so, prepare and deliver presentations to the Council to facilitate their

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understanding of the plan and its implications to the City.

- I. Provide the City with an electronic copy of the final comprehensive review, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in cost.
- J. Prepare a final report and provide five bound copies, one unbound copy, and a single Microsoft Word and PDF file of the Overhead Cost Recovery Plan that can be made available to City staff. Models, tables and graphs should be provided in Microsoft Excel as deemed appropriate. Any Cost Allocation Model revisions developed shall also be made available to the City in Microsoft Word and PDF formats, providing the ability to add, delete and/or update information as needed.
- K. Provide a computer based model for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs.
- L. Consult with City staff should the need arise to defend the cost allocation plan as a result of audits or other challenges.
- M. Update the plan annually and maintain accurate records of all correspondence, work papers, and other relative evidence during the contract period of five years.

The consultant may recommend other tasks that it deems appropriate to achieve the objectives set forth in this RFP.

The successful respondent shall be required to retain all working papers and related supporting documents, including records of professional time spent, for a period of five years after delivery of the required reports, unless notified in writing by the City of the need to extend the retention period. The consultant further agrees to allow City staff to review such documents upon written request at any time during the retention period.

IV. PROPOSAL OUTLINE TO BE SUBMITTED

The proposal shall be organized and submitted with the following elements:

- *Cover page*
- *Table of Contents*
- *Executive Summary*

Provide a brief summary describing the proposer's ability to perform the work requested, a history of the proposer's background and experience providing services, the qualifications of the proposer's personnel to be assigned to this project, any subcontractor, sub consultants, and/or suppliers and a brief history of their background and experience, and any other information called for by this request for proposal which the proposer deems relevant, including restating any exceptions to this request for proposal. This summary should be brief and concise to apprise the reader of the basic services offered, experience and qualifications of the proposer, staff, subcontractors, and/or suppliers.

- *Questionnaire/Response to Scope of Services*

Proposer shall provide responses and information to fully satisfy each item in the Questionnaire. Each question item should be presented before the proposer's response.

- *Attachments*

V. QUESTIONNAIRE

A. Company and General Information

- Company name and address.
- Letter of transmittal signed by an individual authorized to bind the respondent, stating that the respondent has read and will comply with all terms and conditions of the RFP.
- General information about the primary contact who would be able to answer questions about the proposal. Include name, title, telephone number and email address of the individual.

B. Qualifications and Experience of the Firm

- Describe your firm's history and organizational structure. Include the size of the firm, location of offices, years in business, organizational chart, name(s) of owner(s) and principal parties, and number and position titles of staff.
- What is the primary business of the parent company and/or affiliates?
- Which office(s) of your organization will have primary responsibility for managing the cost allocation plan and indirect cost rate study?
- What is your firm's experience conducting Overhead Cost Allocation Plans and Indirect Cost rate? Identify the studies performed by your firm in the last five years.
- Which office(s) of your organization will have primary responsibility for managing the Cost Allocation Plan and indirect cost rate study?
- Comment on other areas that may make your firm different from your competitors.

C. Qualifications and Experience of Proposed Project Team

- Describe the qualifications of staff proposed for the assignment, position(s) in the firm, and types and amount of equivalent experience. Be sure to include any municipal agencies they have worked with in the past three years and their level of involvement.
- Identify and provide the resume(s) of the personnel who will be assigned to this project.

D. Questions/Response to Scope of Services

- Describe the methods by which your firm will fulfill the Overhead Cost Recovery Study and Indirect cost Study requested in the Scope of Services (Section III). In responding to the Scope of Services, please be thorough in describing your firm's methodology for completing addressing all services

identified in the Scope of this request.

- Provide a statement of the service(s) that differentiate your firm from other respondents.

E. Fees (Please provide four copies in a separate envelope marked "Fees.")

- Provide your fees for the proposed service. Fee quotes should be detailed by service.
- The fee should include preparation of the Cost Allocation Plan and Indirect Cost Rate Study.
- Outline billing and payment expectations, including timing and method of payment.
- Describe any remaining fees not already detailed above.

F. Form of Contract

- The City's standard form of contract shall be used (copy attached).

G. References

- Provide a list of the municipal agencies for which the respondent has conducted a Cost Allocation Study and Indirect cost/Overhead Rate Study within the past three years.
- Provide the following information for three projects that are similar in size and scope to the project requested by this proposal:
 - a. Name, address, and telephone number of the agency
 - b. Time period for the project
 - c. Brief description of the scope of the review
 - d. Recommended procedures
 - e. Reference contact name and telephone number

H. Implementation Schedule

Include an implementation schedule with a final report delivery date by September 8, 2023 and note key project milestones and timelines for deliverables. Identify any assumptions used in developing the schedule.

I. Certificate(s) of Insurance

The City will require the successful consultant to provide Certificates of Insurance evidencing required coverage types and the minimum limits as listed in the City's standard contract.

VI. EVALUATION OF PROPOSALS

The project's core implementation team, comprised of City staff, will be responsible for the bid evaluations. This team, in accordance with the criteria listed below, will evaluate all proposals received as specified. The City team members, in applying the major criteria to the proposals, may consider additional criteria beyond those listed. During the evaluation period, the team may elect to interview some or all the proposing firms.

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The final selection will be the firm, which, in the City's opinion, is the most responsive and responsible, meets the City's requirements in providing this service, and is in the City's best interest. The City maintains the sole and exclusive right to evaluate the merits of the proposals received.

Consultants will be objectively evaluated based on their responses to the project scope outlined in the RFP. The written proposal should clearly demonstrate how the firm could best satisfy the requirements of City.

Proposals will be evaluated based on the following criteria:

- Thoroughness and understanding of the tasks to be completed.
- Background and experience in organizational analysis evaluation.
- Staff expertise and overall experience of personnel assigned to the work.
- Time required to accomplish the requested services.
- Responsiveness to requirements of the project.
- Recent public sector experience, preferably in a municipal setting, conducting similar studies.
- Costs.

Although price for the services will be an important part of the consideration for award of the project, the City will consider the consultant's qualifications, expertise and level of professional service and advice in the award of the project. Proposals will be reviewed and evaluated by the City of Fort Bragg and a recommendation for award of contract will be presented to the Fort Bragg City Council.

OTHER CONSIDERATIONS

The City of Fort Bragg reserves the right to reject any and all proposals. This Request for Proposals does not commit the City to award contract, pay any costs incurred in the preparation of proposals, or to procure or contract for supplies or services.

The City of Fort Bragg reserves the right to negotiate with any qualified source or to cancel, in part of or in its entirety, this Request for Proposals, if it is in the City's best interest to do so. The City may require the selected consultant to participate in negotiations and submit such price, technical or other revisions of the proposal that may result from negotiations.