

**REPORT TO MAYOR AND COUNCIL**

**TO THE HONORABLE MAYOR AND COUNCIL:**

DATE: December 9, 2014

**SUBJECT: AMENDING THE PROFESSIONAL SERVICES AGREEMENT WITH NBS GOVERNMENT FINANCE GROUP FOR AN UPDATE TO THE CITY'S COST ALLOCATION PLAN AND MASTER FEE SCHEDULE FOR AN AMOUNT NOT-TO-EXCEED \$10,336 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT (GENERAL FUND)**

**Report in Brief**

On July 30, 2013, the City entered into an agreement with NBS Government Finance Group ("NBS") for professional services to update the citywide cost allocation plan and master fee schedule. This work is on-going and is scheduled to be completed by June 30, 2015.

Staff recommends Council approve an amendment of the professional services agreement with NBS so that the consultant can update cost data based on the current budget (FY 2014-15) and attend meetings with the Council and public to explain their findings and recommendations. The total requested amount for the contract amendment is \$10,336. The requested amendment will increase the total approved compensation to NBS for this work from \$49,055 to \$59,391.

Staff also recommends that the City Council authorize the City Manager to execute the amendment to the NBS Agreement.

**Background**

It is a best practice for cities to perform a comprehensive update of their cost allocation plan and fee schedules every 3-5 years. A cost allocation plan is a document that calculates citywide overhead and administrative expenses. The overhead and administration cost is then apportioned to specific services and used to calculate the total city cost for certain city services. In addition, the plan provides an administrative/overhead rate that is used for grant and governmental reimbursements. The City of Concord last conducted a major update of its cost allocation plan in 2008.

Annually, Concord's Finance Department performs a minor update to the master fee schedule based on changes in personnel costs and any significant changes to how services are provided. However, this annual update does not include a comprehensive review of the methodology that is used to set each fee. That work is typically performed when an update to the cost allocation plan is completed.

**AMENDING THE PROFESSIONAL SERVICES AGREEMENT WITH NBS GOVERNMENT  
FINANCE GROUP FOR AN UPDATE TO THE CITY'S COST ALLOCATION  
PLAN AND MASTER FEE SCHEDULE FOR AN AMOUNT NOT-TO-EXCEED  
\$10,336 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE  
AGREEMENT (GENERAL FUNDS)**

December 9, 2014

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In Fiscal Year 2012-13, the City of Concord released a Request-for-Proposals (RFP) for an independent consultant with expertise in municipal financing to update the cost allocation plan and conduct a review of the master fee schedule. The City received six (6) proposals and after an evaluation process, NBS (with the highest rated score) was selected to provide the requested scope of work.

On July 30, 2013, the City entered into a professional services agreement with NBS for the amount of \$49,055. The scope of work called for NBS to conduct a comprehensive review of the City's existing user fees, rates and charges as well as create two cost allocation plans: 1) a full-cost central service plan based on the City's FY 2013-14 Budget and 2) a separate plan for governmental reimbursements that is in compliance with the costing principals and standards set forth in Federal Office of Management and Budget Circular A-87 (OMB A-87).

A copy of the original contract (which includes the complete scope of work) can be found as Attachment 1 to this report.

### **Discussion**

NBS began work in the fall of 2013. At that time, the latest cost data available was the FY 2013-14 Budget. Staff and the consultant initially planned for the work to be completed by July 1, 2014, however, the project was delayed several months so that finance staff and other City departments could review and comment on the draft cost allocation plan, which must be completed before the fee schedule can be updated.

The consultant is currently scheduled to finish updating the cost allocation plan by January 2015 and fee schedule by June 30, 2015. However, in order for the plan to reflect current costs, staff would like for the consultant to update the cost data based on the current FY 2014-15 Budget. This task was not included in the original scope of work.

In addition, staff recommends that NBS attend and facilitate up to 6 additional public meetings (committee meetings, workshops, and regular Council meetings) related to the City's consideration of possible fee changes. Only one public meeting was included in the original contract. The cost per meeting is \$800, for a total cost of \$4,800 for 6 additional meetings. The specific meeting dates and times will be scheduled to coincide with the FY 2015-16 budget development and adoption process. Staff believes that amending the current contract to include additional public meetings, is necessary so that there is sufficient funding to support Council deliberations and community input on any proposed changes to user fees, permits and other charges for City services.

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**Fiscal Impact**

The FY 2014-15 budget for the Finance Department includes sufficient funds from the General Fund to cover the additional \$10,336 that is requested. The requested amendment will increase the total approved compensation to NBS for an update of the cost allocation plan and fee schedule from \$49,055 to \$59,391.

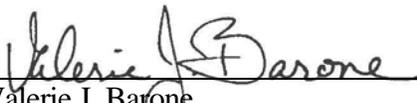
**Public Contact**

Posting of the Council Agenda.

**Recommendation for Action**

Staff recommends that the City Council approve an amendment to the Professional Services Agreement with NBS Government Finance Group for work related to the cost allocation plan and master fee review in the amount of \$10,336 and authorize the City Manager to execute the agreement.

Prepared by: Jovan Grogan  
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\_\_\_\_\_  
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City Manager  
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Reviewed by: Karan Reid  
Finance Director  
karan.reid@cityofconcord.org

- Attachment 1: Original NBS Contract (Contract #AA-2442)
- Attachment 2: Amendment to NBS Contract
- Attachment 3: Exhibit B, Compensation for Services

**AGREEMENT FOR PROFESSIONAL SERVICES**

1 THIS AGREEMENT ("Agreement") is entered into on July 30, 2013 between the City of  
2 Concord (the "CITY") and NBS, 870 Market Street, Suite 1223, San Francisco, CA 94102 (the  
3 "CONSULTANT").

4 THE PARTIES ENTER THIS AGREEMENT based upon the following facts, understandings  
5 and intentions:

6 The CITY desires to contract with NBS and NBS to contract with the CITY for provision by  
7 NBS to the CITY for professional services in connection with cost allocation plan and master fee  
8 review as further described herein, upon the terms and conditions hereinafter set forth.

9 NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the  
10 parties herein contained, the parties hereto agree as follows:

11 1. **Effective Date.** The effective date of this Agreement is July 30, 2013.

12 2. **Services.** CONSULTANT shall provide the basic services described in detail in  
13 Exhibit A, Scope of Services, attached hereto and made a part hereof. In accordance with the terms,  
14 conditions, and specifications pursuant to Request for Proposal (RFP) #2264, attached hereto by  
15 reference and incorporated herein and on file in the Purchasing Department.

16 3. **Amendment.** If authorized, CONSULTANT shall furnish additional services, which  
17 are in addition to the basic services. If additional services are requested by CITY, this Agreement may  
18 be amended, modified, or changed by the parties subject to mutual consent and in accordance with the  
19 Municipal Code by execution of an addendum by authorized representatives of both parties setting  
20 forth the additional scope of services to be performed, the performance time schedule, and the  
21 compensation for such services.

22 4. **Authorized Representatives.** Authorized representatives shall represent CITY and  
23 CONSULTANT in all matters pertaining to the services to be ordered by CITY or rendered by  
24 CONSULTANT under this Agreement except where approval for the CITY is specifically required by  
25 the City Council. All requirements of CITY pertaining to the services to be rendered under this  
26 Agreement by CONSULTANT shall be submitted through these representatives and CITY shall  
27 cooperate with CONSULTANT in all matters relating to this Agreement in such a manner as will  
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1 result in the performance of such work without delay.

2 CITY's authorized representative is authorized to execute amendments to the agreement on  
3 behalf of CITY, including amendments providing for additional compensation to CONSULTANT not  
4 to exceed \$50,000, including the base contract amount, throughout the remaining term of the  
5 agreement. The City Council must approve additional compensation to CONSULTANT exceeding  
6 \$50,000, including the base contract amount, throughout the remaining term of this agreement beyond  
7 that authorized in section 6.

8 The CITY authorized representative is Karan Reid, Director of Finance of the Finance  
9 Department. The CONSULTANT authorized representative is Nicole Kissam, Director Financial  
10 Consulting.

11 **5. Compensation.** CONSULTANT shall be compensated on a \$49,055.00 basis for basic  
12 services rendered under Section 2, as more particularly described in Exhibit A, Compensation; and  
13 CONSULTANT shall be compensated for additional services rendered under Section 3, as more  
14 particularly described in a fully approved and executed addendum to this Agreement.

15 CONSULTANT may submit monthly statements for basic and additional services rendered. It  
16 is intended that payment to CONSULTANT will be made by CITY within (30) days of receipt of  
17 invoice.

18 **6. Term.** The term of this Agreement, subject to termination as set forth in Section 13,  
19 shall be from the effective date through June 30, 2014. This is a one year contract with options to  
20 renew.

21 The CITY's Authorized Representative or City Manager may extend the term of the agreement  
22 for a period not to exceed twelve (12) months if necessary for the CONSULTANT to complete the  
23 Scope of Work or any additional Scope of Work previously authorized by the CITY. Such Extension  
24 of time shall be in writing by a duly executed addendum or amendment to this agreement.

25 **7. Standard of Performance.** CONSULTANT represents to CITY that the services shall  
26 be performed in an expeditious manner, and with the degree of skill and care that is required by  
27 current, good, and sound procedures and practices. CONSULTANT further agrees that the services  
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1 shall be in conformance with generally accepted professional standards prevailing at the time work is  
2 performed.

3 **8. Performance by Consultant** CONSULTANT shall not employ other consultants or  
4 contractors without the prior written approval of the CITY. CONSULTANT hereby designates the  
5 CONSULTANT'S representative as the person primarily responsible for the day-to-day performance  
6 of CONSULTANT'S work under this Agreement. CONSULTANT shall not change the  
7 CONSULTANT'S representative without the prior consent of the CITY. Unless otherwise expressly  
8 agreed by the CITY, CONSULTANT'S representative shall remain responsible for the quality and  
9 timeliness of performance of the services, notwithstanding any permitted or approved delegation  
10 hereunder.

11 **9. Ownership and Maintenance of Documents.** All documents furnished by  
12 CONSULTANT pursuant to this Agreement are instruments of CONSULTANT's services in respect  
13 to this project. They are not intended nor represented to be suitable for reuse by others on extensions  
14 of this project or on any other project. Any reuse without specific written verification and adoption by  
15 CONSULTANT for the specific purposes intended will be at user's sole risk and without liability or  
16 legal exposure and expenses to CONSULTANT, including attorney's fees arising out of such  
17 unauthorized reuse.

18 CONSULTANT's records, documents, calculations, and all other instruments of service  
19 pertaining to actual project shall be given to CITY at the completion of the project. The CITY reserves  
20 the right to specify the file format that electronic document deliverables are presented to the CITY. If  
21 agreement is terminated per Section 13, deliverables shall be provided based on Section 13  
22 requirements.

23 **10. Indemnification.** CONSULTANT agrees to defend, indemnify and hold harmless the  
24 CITY, its officers, agents, employees and volunteers from and against any and all claims, demands,  
25 actions, losses, damages, injuries, and liability (including all attorney's fees and other litigation  
26 expenses) arising out of the negligent acts or omissions of CONSULTANT in the performance of this  
27 Agreement.

1           **11. Insurance.** CONSULTANT shall, at its own expense, procure and maintain in full  
2 force at all times during the term of this Agreement the following insurance:

3           **A. Commercial General Liability Coverage.** CONSULTANT shall maintain  
4 commercial general liability insurance with limits of no less than one million dollars  
5 (\$1,000,000) combined single limit per occurrence or two million dollars (\$2,000,000)  
6 aggregate limit for bodily injury, personal injury, and property damage.

7           **B. Automobile Liability Coverage.** CONSULTANT shall maintain automobile liability  
8 insurance covering all vehicles used in the performance of this Agreement providing a One  
9 Million Dollar (\$1,000,000) combined single limit per occurrence for bodily injury, personal  
10 injury, and property damage.

11           **C. Professional Liability Coverage.** CONSULTANT shall maintain professional  
12 liability insurance with coverage for all negligent errors, acts or omissions committed by  
13 CONSULTANT, its agents and employees in the performance of this Agreement. The amount  
14 of this insurance shall be not less than five hundred thousand dollars (\$500,000) on a claims  
15 made annual aggregate basis or a combined single limit per occurrence basis.

16           **D. Compliance with State Workers' Compensation Requirements.** CONSULTANT  
17 covenants that it will insure itself against liability for Workers' Compensation pursuant to the  
18 provisions of California Labor Code §3700, et seq. CONSULTANT shall, at all times, upon  
19 demand of the City Council and properly authorized agents, furnish proof that Workers'  
20 Compensation Insurance is being maintained by it in force and effect in accordance with the  
21 California Labor Code.

22           **E. Other Insurance Provisions.** The policies are to contain, or be endorsed to contain  
23 the following provisions:

24                   (1) CITY, its officers, agents, employees, and volunteers are to be covered  
25 as additional insureds as respects: Liability arising out of activities performed by or on  
26 behalf of CONSULTANT and operations of CONSULTANT, premises owned,  
27 occupied, or used by CONSULTANT. The coverage shall contain no special  
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1 limitations on the scope or protection afforded to CITY, its officers, officials,  
2 employees, or volunteers.

3 (2) CONSULTANT'S insurance coverage shall be primary insurance with  
4 respect to CITY, its officers, officials, employees, and volunteers. Any insurance, risk  
5 pooling arrangement, or self-insurance maintained by CITY, its officers, officials,  
6 employees, or volunteers shall be in excess of CONSULTANT'S insurance and shall  
7 not contribute with it.

8 (3) Any failure to comply with the reporting provisions of the policy shall  
9 not affect the coverage provided to the CITY, its officers, officials, employees, or  
10 volunteers.

11 (4) The aforementioned policies shall be issued by an insurance carrier  
12 having a rating of Best A-7 or better which is satisfactory to the City Attorney and  
13 shall be delivered to CITY at the time of the execution of this Agreement or as  
14 provided below. In lieu of actual delivery of such policies, a Certificate issued by the  
15 insurance carrier showing such policy to be in force for the period covered by the  
16 Agreement may be delivered to CITY. Such policies and certificates shall be in a form  
17 approved by the City Attorney. Except for worker's compensation and professional  
18 liability insurance, the policies mentioned in this subsection shall name CITY as an  
19 additional insured and provide for thirty (30) days notice of cancellation to CITY. Said  
20 policies shall not be canceled earlier than, nor the amount of coverage reduced earlier  
21 than, thirty (30) days after the CITY receives notices from the insured of the intent of  
22 cancellation or reduction.

23 **12. Suspension of Work.** CITY may, at any time, by ten (10) days' written notice,  
24 suspend further performance by CONSULTANT. All suspensions shall extend the time schedule for  
25 performance in a mutually satisfactory manner, and CONSULTANT shall be paid for services  
26 performed and reimbursable expenses incurred prior to the suspension date. During the period of  
27 suspension, CONSULTANT shall not receive any payment for services, or expenses, except for  
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1 reasonable administration expenses, incurred by CONSULTANT by reason of such suspension.

2       **13. Termination.** CITY may terminate this Agreement for any reason upon ten (10) days  
3 written notice to the other party. CITY may terminate the Agreement upon five (5) days written notice  
4 if CONSULTANT breaches this Agreement. In the event of termination, CONSULTANT shall  
5 promptly deliver to the CITY any reports or other written, recorded, photographic, or visual materials  
6 and other deliverables prepared for the CITY prior to the effective date of such termination. After  
7 receipt of deliverables, CITY will pay CONSULTANT for the services performed as of the effective  
8 date of the termination.

9       **14. Compliance with Civil Rights.** During the performance of this contract,  
10 CONSULTANT agrees as follows:

11       **A. Equal Employment Opportunity.** In connection with the execution of this  
12 Agreement, CONSULTANT shall not discriminate against any employee or applicant for  
13 employment because of race, religion, color, sex, or national origin. Such actions shall include,  
14 but not be limited to, the following: employment, promotion, upgrading, demotion, or transfer;  
15 recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of  
16 compensation; and selection for training including apprenticeship.

17       **B. Nondiscrimination Civil Rights Act of 1964.** CONSULTANT will comply with all  
18 federal regulations relative to nondiscrimination in federally assisted programs.

19       **C. Solicitations for Subcontractors including Procurement of Materials and**  
20 **Equipment.** In all solicitation, either by competitive bidding or negotiations, made by  
21 CONSULTANT for work to be performed under a subcontract including procurement of  
22 materials or leases of equipment, each potential subcontractor, supplier or lessor shall be  
23 notified by CONSULTANT of CONSULTANT'S obligation under this Agreement and the  
24 regulations relative to nondiscrimination on the grounds of race, religion, color, sex, or  
25 national origin.

26       **15. Independent Contractor.** In assuming and performing the services, CONSULTANT  
27 is an independent contractor and shall not be eligible for any benefits, which the City may provide its  
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1 employees, except as expressly provided for in the Agreement. All persons, if any, hired by  
2 CONSULTANT shall be employees or subcontractors of CONSULTANT and shall not be construed  
3 as employees or agents of the City in any respect. CONSULTANT shall have responsibility for and  
4 control over the means of providing services under this Agreement.

5 **16. Compliance with Laws.** CONSULTANT shall comply with all applicable Federal,  
6 State of California, and local laws, rules, and regulations and shall obtain all applicable licenses and  
7 permits for the conduct of its business and the performance of the services.

8 **17. Choice of Laws.** This Agreement shall be construed and interpreted in accordance  
9 with the laws of the State of California, excluding any choice of law rules which may direct the  
10 application of the laws of another jurisdiction.

11 **18. Non-Waiver.** The waiver by either party of any breach of any term, covenant, or  
12 condition contained in the Agreement, or any default in their performance of any obligations under the  
13 Agreement shall not be deemed to be a waiver of any other breach or default of the same or any other  
14 term, covenant, condition, or obligation, nor shall any waiver of any incident of breach of default  
15 constitute a continuing waiver of same.

16 **19. Enforceability.** In the event that any of the provisions or portions of application of  
17 any of the provisions of the Agreement are held to be illegal or invalid by a court of competent  
18 jurisdiction, CITY and CONSULTANT shall negotiate an equitable adjustment in the provisions of  
19 the Agreement with a view toward effecting the purpose of the Agreement. The illegality or invalidity  
20 of any of the provisions or portions of application of any of the provisions of the Agreement shall not  
21 affect the legality or enforceability of the remaining provisions or portions of application of any of the  
22 provisions of the Agreement.

23 **20. Integration.** The Agreement contains the entire agreement and understanding between  
24 the parties as to the subject matter of this Agreement. It merges and supersedes all prior or  
25 contemporaneous agreements, commitments, representation, writings, and discussions between  
26 CONSULTANT and CITY, whether oral or written.

27 **21. Successors and Assigns.** CITY and CONSULTANT respectively, bind themselves,  
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1 their successors, assigns, and legal representatives. CONSULTANT shall not assign or transfer any  
2 interest in the Agreement without the CITY's prior written consent, which consent shall be in the  
3 CITY's sole discretion. Any attempted assignment or transfer in breach of this provision shall be void.

4 **22. Financial Records.** Records of CONSULTANT's direct labor costs, payroll costs,  
5 and reimbursable expenses pertaining to this project covered by this Agreement will be kept on a  
6 generally recognized accounting basis and made available to CITY if and when required.

7 **23. Notices.** All notices required hereunder shall be in writing and mailed postage prepaid  
8 by Certified or Registered mail, return receipt requested, or by personal delivery to the CITY's address  
9 as shown below, or such other places as CITY or CONSULTANT may, from time to time,  
10 respectively, designate in a written notice given to the other. Notice shall be deemed received three (3)  
11 days after the date of the mailing thereof or upon personal delivery.

12 To CITY

**Karan Reid, Director of Finance**  
**Finance Department**  
**City of Concord**  
**1950 Parkside Drive**  
**Concord, CA 94519-2578**  
**Phone: (925) 671-3192**  
**Fax: (925) 676-2290**  
**Email: karan.reid@cityofconcord.org**

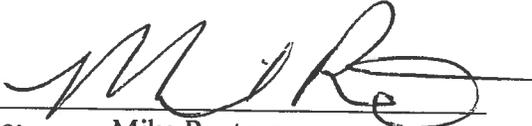
17 To CONSULTANT

**Nicole Kissam, Director Financial Consulting**  
**870 Market Street, Suite 1223**  
**San Francisco, CA 94102**  
**Phone: (800)434-8349**  
**Fax: (415)391-8439**  
**Email: nkissam@nbsgov.com**

22 **IN WITNESS WHEREOF**, the parties have executed this Agreement in one (1) or more  
23 copies as of the date and year first written above.  
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1                   **CONSULTANT**

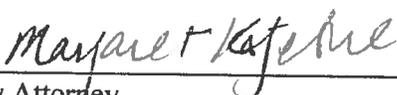
**CITY OF CONCORD, a Municipal Corporation**

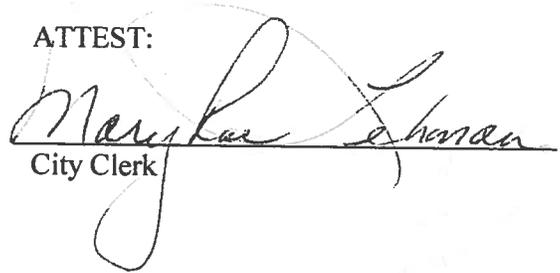
2  
3 By:   
4 Name: Mike Rentner  
5 Title: President/CEO  
6 Address: 870 Market Street, Suite 1223  
San Francisco, CA 94102  
7 Telephone: (800)434-8349  
8 Email: mrentner@nbsgov.com

By:   
Name: Valerie L. Barone  
Title: City Manager  
Address: 1950 Parkside Drive  
Concord, CA 94519  
Telephone: (925) 671-3150

8 APPROVED AS TO FORM:

ATTEST:

9  
10   
11 City Attorney

  
City Clerk

12 Date: \_\_\_\_\_, 2013

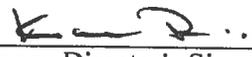
14 FINANCE DIRECTOR'S CERTIFICATION:

15 Concord, California

16 Date: Oct 23, 2013

18 I HEREBY CERTIFY THAT ADEQUATE FUNDS EXIST OR WILL BE RECEIVED  
19 DURING THE CURRENT FISCAL YEAR 2013/2014 TO PAY THE ANTICIPATED  
EXPENSES TO BE INCURRED PURSUANT TO THIS CONTRACT.

20 THE SUM OF \$ 49,055.00. Account Code \_\_\_\_\_. 1003200 | 201 - 63800-400 <sup>SP</sup> 10/23/13

21   
Finance Director's Signature

1 **EXHIBIT A (Page 1 of 2)**

2 **SCOPE OF SERVICES**

3 **Cost Allocation Plan/Master Fee Review**

4 *(as extracted from Request for Proposal (RFP) #2264)*

5 The City of Concord is requesting services to create a cost allocation plan in compliance with the  
6 cost principals and standards set forth in Federal Office of Management and Budget Circular A-87  
7 (OMB A-87). This project involves the development of two plans: a full cost central service cost  
8 allocation plan based on the City's 2013-14 Fiscal Year Budget and a central service cost allocation  
9 plan in accordance with OMB A-87. The project also includes services to conduct a comprehensive  
10 review of the City's existing user fees, rates and charges.

11 **Background and General Information**

12 The City General Fund operating budget for FY 2012-13 totals \$74.5 million. This budget funds  
13 the City's police, community and economic development services, parks and recreation, public  
14 works and general administrative services. The City of Concord also maintains sewer, solid waste,  
15 and golf enterprise funds. The Fiscal Year 2013-14 Budget is currently being developed and is not  
16 expected to vary significantly from the current year budget.

17 **Scope of Work**

18 The contract includes services to develop a full cost central service cost allocation plan based on  
19 the City's 2013-14 Fiscal Year Budget and a central service cost allocation plan in accordance with  
20 OMB A-87. The project will also include a comprehensive review of the City's existing user fees,  
21 rates and charges with recommendations for adjustments.

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

- 24 1. Work and meet with selected City of Concord staff to define the purpose, uses, and goals for a  
25 full cost central service allocation plan, including OMB A-87, ensuring that the development of the  
26 plan will be both accurate and appropriate for the City's current needs. The City desires the study  
27 to be performed at the program level.
- 28 2. Meet with staff and conduct interviews to gain an understanding of the City's processes and  
operations. Conduct a comprehensive review of the City's existing fees, rates and charges. These  
fees include, but are not limited to public services, police, planning, parks & recreation,  
engineering, code enforcement and building services.
3. Provide a schedule that includes resource (both City employees and Vendor employees)  
requirements, a step-by-step work plan of all activities involved in the conduct of the work, and  
timelines for those steps, identifying major steps and milestones.
4. Identify the total cost of providing each City service at a reasonable activity level and develop a  
cost allocation plan for calculating the full cost of providing each City service 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, including, but not limited to, Proposition 218. Review federal  
requirements and meet with appropriate City staff to ensure that the proposed cost allocation plan  
will comply with federally funded program regulations regarding City reimbursement of  
administrative and other costs when these activities are Federally funded. Internal Service Fund  
rates, which include accounting, accounts payable, purchasing, city clerk, information technology,  
human resources, fleet and facility maintenance should also be reviewed.

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**EXHIBIT A (Page 2 of 2)**

**SCOPE OF SERVICES**

Cost Allocation Plan/Master Fee Review

*(as extracted from Request for Proposal (RFP) #2264)*

5. Compare service costs with existing cost recovery levels. This should include any service areas where the City is currently charging for services as well as areas where the City should consider change, in light of the City's current practices, or the practices of similar or neighboring public entities.

6. Recommend appropriate fees and charges based upon the consultant's analysis together with the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic. Identify potential additional sources of revenue for City services (other than general taxes) for which the City might seek cost recovery.

7. Prepare a report which identifies each service, its full cost, the current and recommended cost recovery levels. The report should identify the direct cost, the indirect cost, and the overhead cost for each service; and provide a model for adjusting these fees and rates for the City's current and future needs. The report should also include billing rates for City of Concord staff positions wherever applicable to the costing of services.

8. Prepare a report that identifies the present fees, recommended fees, percentage change, cost recovery percentage, revenue impact and fee comparison with other local area entities that are comparable to the City of Concord. Include a survey comparison of rates and fees with similar entities for information purposes only.

9. Report on other matters that come to your attention in the course of your evaluation that in your professional opinion the City should consider.

10. Present your findings to the City's management group and make necessary adjustments as requested. Participate in the preparation and presentation to the City Council at a public meeting. Collect and document comments and concerns. Work with City Staff to explain the operational methodology of the User Fee Study, with the end result being a fees structure that best fits the City of Concord. Presentation and recommendation of policy considerations, including both private and public benefit components, in setting the cost recovery levels for the master fees.

11. Provide on-site training to enable staff to review and update both cost allocation and fees assessment on an annual basis.

12. Prepare final fee study and cost allocation report and provide electronic copies in PDF format and five bound and one unbound copy of each to the City. In addition, **provide an electronic model for staff to update cost allocation and fee assessment on a periodic basis.**

13. Please provide an Executive Summary Report in easy-to-understand terminology for dissemination to the City Council and the public.

**AMENDMENT TO NBS CONTRACT**  
(Contract # AA-2442)

This Amendment to Contract (“Amendment”) is made between the City of Concord (“City”) and NBS Government Finance Group, doing business as “NBS,” (“Contractor”) in connection with the cost allocation plan and master fee review, entered into between the parties on July 30, 2013.

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Contractor agree to amend the Contract with the following:

1. Except as otherwise stated in this First Amendment, the terms and provisions of this Amendment will be effective as of the date this First Amendment is executed by the City (“Effective Date”).
2. The term of the Agreement is currently scheduled to expire on June 30, 2015, As of the Effective Date, the term of the Agreement is extended through December 31, 2015.
3. In consideration for Contractor’s additional services, the City shall pay Contractor in an additional amount not to exceed ten-thousand three-hundred thirty-six dollars (\$10,336). As a result of these additional services the not to exceed amount has increased from forty-nine thousand fifty-five dollars (\$49,055) to fifty-nine thousand three-hundred ninety-one dollars (\$59,391) over the term of the Agreement and any amendments.
4. Exhibit A, Scope of Services, to the original Agreement has been amended to add the following:

“14. NBS will update the expenditures used to prepare the indirect and direct costs in the CAP and FEE models to Fiscal Year 2014-2015 budget figures.”
5. A new Exhibit B, Compensation for Service, is attached to this Amendment.

2. All other terms, conditions and obligations of the original Contract dated July 30, 2013 remain in full force and effect.

Dated: \_\_\_\_\_, 2014

Dated: \_\_\_\_\_, 2014

CONTRACTOR

CITY OF CONCORD, a Municipal Corporation

By: \_\_\_\_\_

By: \_\_\_\_\_  
Valerie J. Barone  
City Manager

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Clerk

FINANCE DIRECTOR'S CERTIFICATION:  
Concord, California

Date: \_\_\_\_\_, 2014

I hereby certify that adequate funds exist or will be received during the current fiscal year 2013/14 to pay the anticipated expenses to be incurred pursuant to this contract. The estimated sum of \$10,336.

\_\_\_\_\_  
Finance Director

Account Code: 10032001Z01-63800-400

**EXHIBIT B**  
**COMPENSATION FOR SERVICES**

**Cost Allocation Plan for the City of Concord**

PROJECT COST DETAIL Task Plan	Consultant Labor (Hours)			Grand Totals		Percent of Task	Update Expenses Consultant Costs (\$)
	Project Manager	Senior Consultant	Analyst	Consultant Labor (Hours)	Consultant Costs (\$)		
<i>Hourly Rate</i>	\$205	\$160	\$120				
1 Preliminary Data Collection	1.0	1.0	-	2.0	365		
2 Project Commencement / Organizational Review	-	12.0	2.0	14.0	2,160		
3 Data Collection	-	8.0	8.0	16.0	2,240	20% Task	\$ 448
4 Cost Allocation Model Development	0.5	8.0	16.0	24.5	3,303	33% Task	\$ 1,090
5 Derivation of Outcomes - Full Cost	1.0	6.0	6.0	13.0	1,885	33% Task	\$ 622
6 Derivation of Outcomes - OMB A-87	-	12.0	2.0	14.0	2,160		
7 Documentation - Full Cost	0.5	8.0	4.0	12.5	1,863		
8 Presentation of Outcomes	<i>(optional, per meeting)</i>			-	-		
9 Software and Training	-	8.0	-	8.0	1,280		
<b>GRAND TOTAL NOT TO EXCEED</b>	<b>3.0</b>	<b>63.0</b>	<b>38.0</b>	<b>104.0</b>	<b>\$ 15,255</b>		<b>\$ 2,160</b>

**Master Fee Review**

PROJECT COST DETAIL Task Plan	Consultant Labor (Hours)			Grand Totals		Percent of Task	Update Expenses Consultant Costs (\$)
	Project Manager	Senior Consultant	Analyst	Consultant Labor (Hours)	Consultant Costs (\$)		
<i>Hourly Rate</i>	\$205	\$160	\$120				
1 Project Commencement	2.0	2.0	-	4.0	730		
2 Fee Design and Organizational Analysis	1.0	24.0	8.0	33.0	5,005		
3 Time and Service Analysis	-	24.0	12.0	36.0	5,280		
4 Time Valuation	1.0	8.0	8.0	17.0	2,445	75% Task	\$ 1,834
5 Cost of Service Analysis	1.0	12.0	8.0	21.0	3,085	50% Task	\$ 1,543
6 Draft Review and Revision	1.0	12.0	8.0	21.0	3,085		
7 Comparative Survey	-	6.0	32.0	38.0	4,800		
8 Documentation	1.0	12.0	4.0	17.0	2,605		
9 Master Fee Schedule / Presentation of Results	1.0	20.0	12.0	33.0	4,845		
10 Additional Legislative Process Support	<i>(optional, per meeting)</i>			-	-		
11 Training in Use of Fee Models	-	12.0	-	12.0	1,920		
<b>GRAND TOTAL NOT TO EXCEED</b>	<b>8.0</b>	<b>132.0</b>	<b>92.0</b>	<b>232.0</b>	<b>\$ 33,800</b>		<b>\$ 3,376</b>

**Expenses**

Customary out-of-pocket expenses are included in the fee above at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

## Additional Services

The following table shows our current hourly rates. Additional services authorized by the Client but not included in the scope of services will be billed at this rate or the then applicable hourly rate.

Title	Hourly Rate
Director	\$ 205
Senior Consultant/Engineer	160
Consultant	140
Analyst	120
Clerical/Support	95