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Metropolitan Transportation Authority

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**FINANCE AND BUDGET COMMITTEE
SEPTEMBER 17, 2008**

**SUBJECT: PS09511002 COST ALLOCATION PLAN SERVICES
MGT OF AMERICA, INC.**

ACTION: AWARD CONTRACT

RECOMMENDATION

Authorize the Chief Executive Officer to award a seven year, firm, fixed-price contract, Contract Number PS09511002, to MGT of America, Inc. to provide assistance in the preparation of the cost allocation plan (CAP) of our agency in an amount not to exceed \$219,585, inclusive of three one year options, beginning with the CAP for Fiscal Year ending June 30, 2010.

RATIONALE

We are required to submit an annual CAP to the Federal Transit Administration (FTA) and obtain its approval to be eligible for reimbursement of our indirect costs relating to our grant funded projects. FTA requires the plan to be in compliance with the US Office of Management and Budget (OMB) Circular A-87. Under our CAP for fiscal year 2007, we have received reimbursements of approximately \$114.4 million.

BACKGROUND

The CAP allows us to recoup our overhead costs that are in support of our grant funded capital and operating projects. In the past, FTA and our other external funding partners have approved our submitted plans allowing us to receive reimbursements of these costs deemed eligible for funding purposes. We have successfully passed all prior years' audits of federally awarded programs under OMB Circular A-133. Our CAP uses the double step down methodology that requires the services of a contractor with specialized proprietary software for this purpose.

FINANCIAL IMPACT

The funding of \$41,000 for this service is included in the FY09 budget in cost center 5110, Accounting, under project numbers 100030, 100040, 100050, 100060, 100070, and 100080. In FY08, \$37,000 was expended on this service. This overhead amount is ultimately funded by local, state and federal funding sources. Since this is a multi-year contract, the Controller will be accountable for budgeting the cost in future years, including any options exercised.

ALTERNATIVES CONSIDERED

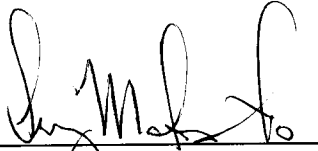
- A. Staff could prepare the CAP without outside assistance and develop and maintain in house CAP software that is compliant with federal regulations. This alternative is not recommended since it would require an investment of resources that is not available at this time.

- B. We could elect not to prepare the CAP and bill our grants for only direct costs. This option is not recommended since we would not be able to recover our overhead costs since they would not be eligible without an approved CAP.

ATTACHMENT(S)

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

Prepared by: Josie V. Nicasio, Controller



Terry Matsumoto
Chief Financial Services Officer and Treasurer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

COST ALLOCATION PLAN (CAP) SERVICES

1.	Contract Number: PS095110002		
2.	Recommended Vendor: MGT of America, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$219,585.00	Recommended Price: \$219,585.00	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm, Fixed Price		
5.	Procurement Dates:		
	A. Issued: 04/28/08		
	B. Advertised: 5/1/08		
	C. Pre-proposal Conference: 05/15/08		
	D. Proposals Due: 05/29/08		
	E. Pre-Qualification Completed: 06/16/08		
	F. Conflict of Interest Form Submitted to Ethics: 06/17/08		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 12.86% VALP	Date Small Business Evaluation Completed: 6/17/08	
	B. Small Business Commitment: 12.86% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 100	Bids/Proposals Picked up: 23	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u>
	MGT of America, Inc.	\$219,585	N/A
	Maximus	\$264,488	N/A
	B. Evaluation Methodology: Explicit Factors. Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 9/23/08		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date:		
10.	Contract Administrator: Linda Wasley	Telephone Number: 922-4186	
11.	Project Manager: Danny Santos	Telephone Number: 922-4295	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

COST ALLOCATION PLAN (CAP) SERVICES

A. Background on Contractor

MGT of America, with offices in Sacramento, California has provided Cost Allocation Plan Services for over 34 years to various government agencies. MGT of America has provided Cost Allocation Plan Services to the San Francisco Municipal Transportation Authority as well as to Riverside County, San Mateo County and the City of La Mesa, California.

B. Procurement Background

This is a negotiated procurement for cost allocation plan services using the explicit factors evaluation methodology.

The Request for Proposal required vendors to propose firm, fixed annual rates for cost allocation plan services. The fixed rates proposed were evaluated and compared to the rates in the prior contract.

The Metro Diversity and Economic Opportunity Group recommended a VALP goal of 13%.

C. Evaluation of Proposals

Two proposals were received and evaluated according to the procurement policies and procedures, using the weighted guidelines evaluation criteria approved for this Request for Proposal (RFP). The evaluation criteria recognized the importance of the technical approach (experience, management plan) by weighting these collective criteria significantly more than the proposed cost.

MGT of America gained the overall highest weighted score factoring in their proposal price, which was lower than the competition.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon adequate competition and historical pricing.

BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS
COST ALLOCATION PLAN (CAP) SERVICES

PRIME CONTRACTOR – MGT of America, Inc.

Small Business Commitment

Other Subcontractors

Dhillon Management Services

N/A

Total Commitment 12.86%