

SPONSOR: *P. Brown/Wiggins*

ORDINANCE NO. 22-08

AN ORDINANCE AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT BETWEEN THE CITY OF JACKSON, OHIO, AND MAXIMUS, INC., FOR CONSULTING SERVICES FOR THE PREPARATION OF A 2007 AND 2008 COST ALLOCATION PLANS, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Jackson is desirous of receiving information concerning its cost allocations for the years 2007 and 2008; and

WHEREAS, Maximus, Inc. is a firm qualifies to provide assistance to the City in establishing a legal and binding cost allocation plan; and

WHEREAS, the City and Maximus, Inc. desire to enter into a contractual relationship whereby Maximus, Inc. can provide assistance to the City in developing a 2007 and 2008 Cost Allocation Plans.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JACKSON, STATE OF OHIO, as follows:

Section One. The Mayor and/or City Council President is authorized to enter into an Agreement between the City of Jackson, Ohio, and Maximus, Inc., to provide consulting services for the preparation of a 2007 and 2008 Cost Allocation Plans for the City of Jackson, Ohio. A copy of the Agreement is attached hereto as Exhibit "A". The cost of this contract shall be in an amount of Nine Thousand and No/100 Dollars (\$9,000.00) for each plan year, plus any additional consulting services at a rate of One Hundred Fifty and No/110 Dollars (\$150.00) per hour, and shall be paid from line item 110-7750-53007 - General Fund: General Government Dept: Professional Services.

Section Two. This Ordinance is hereby declared to be an emergency Ordinance necessary for the immediate preservation of the public peace, health, or safety of the City of Jackson, in that it is necessary to enter into this agreement as soon as possible in order to promptly develop the City's Cost Allocation Plans. Therefore, this Ordinance shall go into effect upon passage and approval by the Mayor, as provided in Ohio Revised Code Section 731.30.

Section Three. In the event this Ordinance receives a majority vote for passage but fails to receive the required number of votes to pass as an emergency, then this Ordinance shall be deemed to have passed but with no emergency clause and shall take effect at the earliest time permitted by law.

Section Four.

It is hereby found and determined that all formal actions of this Council relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that the deliberations of this Council that resulted in such formal actions, were in a meeting open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Date: 2-11-08


PRESIDENT OF COUNCIL


CLERK OF COUNCIL

Approved:

Date: 2-12-08



MAYOR

Exhibit "A"

December 3, 2007

Ms. Wendy Sexton, Deputy Auditor
City of Jackson, Ohio
145 Broadway Street
Memorial Building
Jackson, Ohio 45640

RE: 2007 & 2008 Cost Allocation Plan

Dear Ms. Sexton:

MAXIMUS is pleased to present this proposal to provide independent consulting services for the City of Jackson, Ohio (City). The services which MAXIMUS will provide are as follows:

- a) Develop a 2007 Central Services Cost Allocation Plan (2007 Plan) based upon 2007 data. This plan will be FULL cost allocation plan. If indirect costs will be applied to a federal grant then an OMB A-87 cost allocation plan must also be developed.
- b) Summarize all indirect cost centers including a description of services provided, those costs identified as unallowable and the rationale on which the allowable costs were allocated. This analysis will include methodology for allocating direct and indirect costs for benefits provided to or received by divisions from other departments, and the proper basis for allocating these costs.
- c) Present all supporting documentation for proper cost allocations, which support the 2007 Central Services Cost Allocation Plan.
- d) Prepare the 2008 Central Services Cost Plan (2008 Plan) in the same manner as the 2007 Plan.

MAXIMUS offers a unique combination of skills, computer support, and broad-based experience. Because of these strengths, consulting services of MAXIMUS will be of significant value to the City.

The following paragraphs highlight the strengths of our proposal:

APPROACH - As a specialist in costing and pricing governmental services, MAXIMUS has effectively served several state agencies, cities, and counties on a variety of engagements,

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including the development of cost allocation plans and indirect cost rate proposals. We recognize the challenges associated with managing as well as accounting for technical operations. Our approach, which has emerged from numerous similar projects, will fully address the traditional requirements of indirect cost recovery programs and compliance with Federal cost principles. Based on our experience with governmental entities, we are confident that in conjunction with your staff, we can achieve both "compliance" and "creativity".

Our approach will stress application of industry-standard cost accounting disciplines in combination with fresh views on technology management. We will be able to quickly assess current practices and identify minimum-level enhancements. Beyond that, we will allocate specific attention to incorporating costing approaches that are especially tailored to the needs of the City.

In computing actual cost assignments, our approach will allow us to take advantage of software products and documentation techniques that we have developed specifically for indirect cost recovery programs. Additionally, we will provide full support, at all levels, for the cost accounting/rate review and approval process. Senior members of our project team will be available to meet and review the proposed cost assignment structure with you and your senior staff members, as well as representatives of external groups as appropriate.

EXPERIENCE - We believe that our firm's experience in similar engagements will provide you with the creativity and insight required to make this effort a success. In addition to our leadership position in governmental cost accounting services, MAXIMUS has successfully served numerous state agencies both in Ohio and nationwide during the last thirty years.

MAXIMUS OHIO EXPERIENCE

MAXIMUS has assisted public sector clients in Ohio for over twenty years. Annually, we provide our services to over one hundred clients, including:

- 1) all eighty-eight counties;
- 2) several cities including Columbus, Cincinnati, Dayton, Grove City, Euclid, Lakewood and Springfield;
- 3) colleges and universities including The Ohio State University and the Medical College of Ohio.

We also assist sixteen of the State of Ohio's agencies with their cost recovery efforts to assure Ohio's successful retention of several million dollars per year in Federal funds.

MAXIMUS also assists the State of Ohio with its statewide cost allocation plan (SWCAP) cost recovery efforts to assure Ohio's successful retention of several million dollars per year in Federal funds.

PROFESSIONAL STAFF - Included in our proposed staffing are individuals who have been integrally involved in our work with other state agencies. Our Columbus-based staff has a well developed understanding of the state's accounting, payroll, budget, fixed asset, and job accounting and reporting systems. This understanding has been gained from our ten years of consulting with twelve state agencies. We believe our past services have been of consistently high quality and value.

FEE ARRANGMENT

The City's central services cost allocation plan will be completed within ninety (90) days of a signed contract. Based upon a start date of April 1, 2008, the City's central services cost allocation plan will be completed by June 30, 2008. This schedule depends, of course, on the timely receipt of financial and statistical information from the City.

Our fee arrangement for the City is structured to meet City needs and to offer our services under several options. MAXIMUS will assume full responsibility for all aspects of the engagement. We will not require the City to assign staff to the project, or provide computer services or other resources to prepare the plan.

The City's staff will be responsible for providing financial and statistical data. Our professional staff will structure the plan, review data gathering procedures, define the allocation bases, technical review and computer processing, and provide consultation as needed by the City.

The fee for our services is as follows:

- 1) Development of the 2007 and 2008 Central Services Cost Allocation Plan at a fee of **\$9,000** for each plan year.

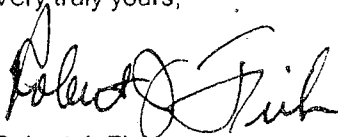
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- 2) Additional consulting services as requested at a fee of \$150.00 per hour following submission of cost allocation plan.

We look forward to working with the **City of Jackson** on this important and challenging project. Questions regarding this proposal or about contract issues should be directed to:

Ms. Katherine C. Hemleben, CPA
700 Ackerman Road, Suite 150
Columbus, Ohio 43202
Phone: (614) 447-0288

Very truly yours,



Robert J. Fink
State Director/Manager
MAXIMUS