



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Proposal for State Mandated Cost Claiming Services

MEETING DATE: August 17, 1994

PREPARED BY: Assistant City Manager

RECOMMENDED ACTION: That the City Council authorize the City Manager or his designee to contract with the firm of Birgel and Wellhouse and Associates for state mandated cost claiming services.

BACKGROUND INFORMATION: For the past several years the City of Lodi has contracted with David M. Griffith and Associates for tabulating and filing our claims for state mandated cost reimbursements.

The City has received the following amounts from the State for mandated costs :

1993/94	\$51,188
1992/93	\$45,641
1991/92	\$39,504

We have no one on staff that has made this filing as the costs for filing are relatively inexpensive, the payback is significant and the compilation of data and filing requirements must be in the form and manner required by the State. We have always used a service firm for this filing as they have the expertise and therefore greatly reduces our burden.

Also, the city receives reimbursement from the state for the costs of filing therefore there is no cost to the city for this service.

We have been pleased with the work of David M. Griffith and Associates and to the best of our knowledge they were the only firm specializing in these filings. This year we received an unsolicited proposal from a new firm Birgel-Wellhouse and Associates to make these filing for us.

We have two proposals for this work for 1994-95:

David M Griffith	\$2,100
Birgel-Wellhouse	\$2,000

APPROVED: _____

THOMAS A. PETERSON
City Manager



recycled paper

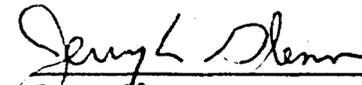
The consultant will prepare and file with the State Controllers office on behalf of the City of Lodi the following state mandated cost claims for fiscal year 1993-94 (actual) and 1994-95 estimated costs:

Open Meeting Act
Business License Tax Reporting Requirements
Mandate Reimbursement Process
Absentee Ballots
Firefighter Cancer Presumption
Additional Claims that arise during the year

Council is respectfully requested to authorize the City Manager to enter into an agreement to file our state mandated claims with the State of California.

FUNDING: 1994/95 Operating Budget

Respectfully submitted,



Jerry Glenn
Assistant City Manager

JG:pn

CCSB90/TXTA.01V

July 7, 1994

JUL 11 1994

Assistant
City Manager's Office

Mr. Jerry Glenn
Assistant City Manager
City of Lodi
Call Box 3006
Lodi, CA 95241-1910

RE: Proposal For State Mandated Cost Claiming Services

Dear Mr. Glenn :

I am pleased to announce that Terry Birgel and I have left our positions as Southern and Northern Cities State Mandated Cost Coordinators with David M. Griffith & Associates to form our own corporation, specializing in the state mandate reimbursement process.

We can now serve the City of Lodi in a higher capacity, focusing all of our efforts on the state mandates process and the preparation of the City's SB 90 claims. With ten years of combined experience assisting over 100 local agencies, Birgel, Wellhouse & Associates, Inc. offers the best claiming expertise available.

It has been a pleasure working with you and the City of Lodi over the years. Mr. Birgel and I are elated to be combining our talents, and can provide the City with the knowledge, expertise and reliability you have come to expect from us in the past.

Birgel, Wellhouse & Associates, Inc. offers its services to the City of Lodi for the preparation of all 1993-94 actual and 1994-95 estimated state mandate reimbursement claims.

Advantages of Birgel, Wellhouse & Associates, Inc.

• ***Knowledge and Understanding of the City***

Having worked with the City of Lodi over the years we have a thorough understanding of the City's operations and costs, and can continue to fully maximize the City's state mandated cost reimbursements.

• ***Service Oriented Approach***

Birgel, Wellhouse & Associates, Inc. has instituted a service oriented approach as the cornerstone of its relationship with clients. We propose not only to file your claims, but to assist the City in identifying potentially reimbursable state mandates. Once identified, we will fully assist the City in the preparation and filing of test claims, thereby strengthening the SB 90 process and increasing the City's future reimbursement. We believe this is an important long-term benefit to the City which should not be overlooked.

Northern California

9175 Kiefer Boulevard, Suite 121
Sacramento, California 95826
(916) 368-9244
FAX (916) 368-5723

Southern California

1613 Chelsea Road, Suite 298
San Marino, California 91108
(818) 821-9747
FAX (818) 821-9748

In addition, we are always available to answer any and all questions regarding state mandate issues. We know that year-round service can be just as important to the City as the preparation of claims.

We propose this service oriented approach as part of our claiming services, at no additional cost to the City. Our fee is based solely upon the filing of the City's state mandated reimbursement claims.

- ***Increased Reimbursement Through Indirect Costs***

Our experience in preparing departmental indirect cost rate proposals ensures that claims filed by us include departmental overhead, as well as direct costs incurred as a result of compliance with state mandated programs. By developing these rates, we are often able to substantially increase your reimbursements.

- ***Reimbursement of Claim Preparation Fee***

As you know, costs for the preparation of past claims have been fully reimbursed by the State through the Mandate Reimbursement Process claim. This reimbursement has included city staff time, as well as consulting fees.

- ***Assistance if Audited***

Birgel, Wellhouse & Associates, Inc. will assist the City in defending claims which result in an audit disallowance. Having worked with the City of Lodi in the past, we are in a unique position to offer our assistance to the City in defending claims previously filed.

Costs of Services

Birgel, Wellhouse & Associates, Inc. will prepare and file the City's 1993-94 actual and 1994-95 estimated reimbursement claims for a fixed fee of \$ 2,000. Our fee includes all time and expenses necessary to prepare and file the City's claims. This fixed fee will be due upon the submission of claims to the State Controller's Office on November 30, 1994.

Claims to be Filed

Funding is provided in the Governor's 1994-95 budget for all claims funded last fall. Due to the diligence and on-going efforts of local agencies throughout the State, we may see funding restored for additional mandates by the time the State Budget is signed. Should this occur, Birgel, Wellhouse & Associates, Inc. will prepare and file all additional claims at no increase to our proposed fixed fee for services.

Enclosed, please find two copies of our proposed Agreement for the preparation of the City's state mandated reimbursement claims. To retain our services, please sign and return one copy of the Agreement to me in our Sacramento office.

Having enjoyed a wonderful working relationship with you in the past; we look forward to serving the City of Lodi as a client for many years to come.

Thank you for your consideration of our proposal. We look forward to hearing from you in the near future regarding our proposed services. Should you have any questions, please contact me in our Sacramento office at (916) 368-9244.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Wellhouse', with a long horizontal flourish extending to the right.

David E. Wellhouse
President

DEW:rw
enclosure

**AGREEMENT BETWEEN THE CITY OF LODI AND BIRGEL, WELLHOUSE
& ASSOCIATES, INC. FOR PREPARATION AND FILING OF CLAIMS FOR
STATE MANDATED COST REIMBURSEMENT**

This agreement by and between the City of Lodi, a municipality of the State of California, hereinafter referred to as "CITY", and Birgel, Wellhouse & Associates, Inc., a California corporation, hereinafter referred to as "CONSULTANT".

Whereas CITY desires to engage the services of a consultant to prepare and file claims for State Mandated Cost Reimbursement, and CONSULTANT has been selected to perform said services, now, therefore, it is agreed by CITY and CONSULTANT as follows:

1. Claims To Be Filed. CONSULTANT shall prepare and file with the State Controller's Office on behalf of CITY the following state mandated cost claims for fiscal year 1993-94 (actual) and 1994-95 (estimated) costs.

- The Open Meetings Act - Chapter 641, Statutes of 1986
- Business License Tax Reporting Requirements. - Chapter 1490, Statutes of 1984
- Mandate Reimbursement Process. - Chapter 486, Statutes of 1975 and Chapter 1489, Statutes of 1984.
- Absentee Ballots - Chapter 77, Statutes of 1978.
- Firefighter Cancer Presumption - Chapter 1568, Statutes of 1982.
- Additional Claims. CONSULTANT may file other applicable claims, if funded and available for reimbursement.

The Claims to be filed under this Section 1 are those that are to be included in the State Controller's Claiming Instructions for 1993-94 (actual) and 1994-95 (estimated) costs. The deadline for filing these claims will be November 30, 1994.

CITY acknowledges that CONSULTANT does not warrant that claims will be filed for all mandates listed above.

The claims and services described in Section 1 shall hereinafter be collectively referred to as the "PROJECT".

CONSULTANT hereby designates David Wellhouse, or other designated representative, to be sole contact and agent in all consultations with CITY during the performance of services as stated in PROJECT.

2. **Time For Performance** . CONSULTANT shall file all claims in accordance with the State Controller's claim filing deadline contained in the applicable State Controller Claiming Instructions.

3. **Compensation** . CITY agrees to pay CONSULTANT a fixed fee of \$ 2,000 for services provided under PROJECT.

4. **Method of Payment** . CITY agrees to pay said fixed fee of \$ 2,000 upon receipt of CONSULTANT'S invoice for services provided under PROJECT.

5. **City Assistance**. CITY shall assign a staff coordinator to work directly with CONSULTANT in the performance of this agreement. CITY shall provide CONSULTANT with requested information in a timely manner, pursuant to PROJECT. CITY represents and warrants that all financial documents and other information provided are accurate and correct. CONSULTANT shall not be liable for claims which are not filed or incorrectly filed due to inaccurate or untimely data.

6. **Disposition of Documents**. CONSULTANT shall furnish to CITY copies of all claims filed with the State within 30 days after filing. CONSULTANT shall , upon written request, make copies of workpapers available to CITY. CITY acknowledges that all such workpapers are the property of CONSULTANT and may not be disclosed to any third party, provided however that such workpapers may be disclosed to appropriate governmental authorities for audit purposes. CONSULTANT shall be entitled to retain copies of all data prepared.

7. **Not Obligated To Third Parties**. CITY shall not be obligated or liable hereunder to any party other than CONSULTANT.

8. **Insurance**. CONSULTANT shall carry, maintain and keep in full force and effect, a policy of comprehensive general liability insurance.

9. **Independent Contractor**. CONSULTANT is, and shall be, acting at all times in the performance of this agreement as an independent contractor. CONSULTANT shall secure at its expense, and be responsible for, any and all payment of taxes, social security, state disability insurance compensation, unemployment compensation, and other payroll deductions for CONSULTANT and its officers, agents and employees.

10. **Consultant Assistance If Audited**. Upon notice of audit, CONSULTANT shall make available to CITY and state auditors claim file information, and provide assistance to CITY in defending claims submitted.

11. **Consultant Liability If Audited.** All work required hereunder shall be performed in a good and workmanlike manner. Any disallowance of claims by the State Controller's Office or other state agencies is the responsibility of the CITY.

12. **Indirect Costs.** CONSULTANT shall make every effort to prepare departmental Indirect Cost Rate Proposals for claims submitted, provided CITY financial information and departmental costs support such rates. CONSULTANT may utilize the rate allowed by the State Controller if financial information and departmental costs do not support a higher rate.

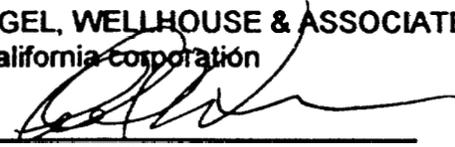
13. **Termination of Agreement.** CITY may terminate CONSULTANT'S services hereunder with or without cause, and whether or not services under PROJECT are fully complete. CITY shall do so by giving written notice to CONSULTANT, specifying the effective date thereof, at least five (5) days before the effective date of such termination.

14. **Entirety.** The foregoing set forth the entire Agreement between the parties.

In witness whereof, the parties hereto have executed this Agreement as of _____ day of _____, 1994.

CONSULTANT:

BIRGEL, WELLHOUSE & ASSOCIATES, INC.
a California corporation

By: 
David E. Wellhouse
President

Date: July 7, 1994

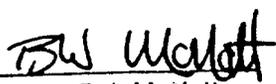
CITY:

CITY OF LODI
a municipality of the State of California

By: _____

Date: _____

Name: _____

Approved as to form 
Bob McVitt
City Attorney

Title: _____

Date: 8/10/94