




**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

Controller's Office

**DATE:** August 26, 2009  
**BOARD MEETING DATE:** September 15, 2009  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors  
**FROM:** Kanchan Charan, Deputy Controller   
**SUBJECT:** Request for Approval of Agreement with MGT of America, Inc. for the Preparation of the County's SB-90 Cost Reimbursement Claims and Related Work in Fiscal Years 2009-2012

**RECOMMENDATION:**

Adopt a resolution:

- (1) Authorizing the President of the Board to approve and execute the agreement with MGT of America, Inc. ("MGT") for the preparation of the County's SB-90 Cost Reimbursement Claims and related work for FY 2009-10, 2010-11 and 2011-12 for the total sum of \$113,400 for the term of August 25, 2009, through August 24, 2012; \$113,400 Net County Cost.
- (2) Authorizing the Controller or his designee to execute subsequent amendments and minor modifications in an amount not to exceed \$25,000.

**BACKGROUND:**

San Mateo County is required to perform various services pursuant to State mandates. The California Constitution requires the State to reimburse the County for the cost of providing these mandated services. Reimbursement for state mandated programs is not automatic; the actual costs of the mandated services are only reimbursed when costs are claimed according to the State's rules. These rules are complex and the claiming instructions and source documentation requirements are continuously updated. To maximize our reimbursements, we obtain assistance from consultants who specialize in the field of SB-90 cost reimbursement claims.



**DISCUSSION:**

The California Constitution requires the State to reimburse the County for the cost of providing State mandated services. To maximize our reimbursements, we obtain assistance from consultants who specialize in SB-90 cost reimbursement claims.

On June 17, 2009, the Controller's Office issued a request for proposals for SB-90 services over a two-year period. A selection committee selected MGT's proposal out three received for the Board's consideration.

Our previous contract for SB-90 services was for two years and provided for an annual fee of \$42,000. In return for an increase in the term of the contract from two to three years, MGT agreed to a 10% reduction in annual fee from the initial proposal of \$43,500 to \$ 37,000. The term of this contract would be from August 25, 2009 to August 24, 2012.

Despite the increase in suspended mandates in FY 2009-10, we anticipate that the workload will remain constant throughout the contract term.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by permitting the County to maximize the amount of reimbursement funds that the County receives from State mandated services. These funds are allocated to the General Fund, which are then redistributed to support County departments.

The County Manager's Office, County Counsel and Risk Management have reviewed and approved the Resolution and Agreement as to form.

**Performance Measure:**

<b>Measure</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Projected</b>
<b>Percent of survey respondents rating Controller services good or better</b>	<b>95%</b>	<b>95%</b>

**FISCAL IMPACT:**

The term of this agreement is from August 25, 2009 to August 24, 2012. Annual payment under this contract is \$37,800 per year, for a total obligation of \$113,400 over the three-year contract. This contract would be funded by the General Fund for a Net County Cost of \$113,400; however, payments to MGT will only be made if and when the County receives SB-90 proceeds from the State for the fiscal years in which claims are prepared. MGT would be reimbursed for the first \$37,800 of SB-90 proceeds received by the County for FYs 2008-09, 2009-10 and 2010-11. Funds have been included in the Controller's Recommended Budget for FY 2009-10.

Due to the State's deferral of SB-90 payments, the State currently owes the County approximately \$23 million in back claims.