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CITY OF SHELTON, WASHINGTON

Department of Financial Services

Request for Proposals

Indirect Cost Allocation Study

March 2003

The City of Shelton (City), Washington is accepting proposals from qualified consulting firms to complete a study of overhead and administrative costs for all City programs, in order to develop an allocation model. The model will utilize comprehensive overhead rates in an equitable allocation method and accurately account for all true costs of a program or service.

The deadline for completion of the Work is July 31, 2003.

The following subjects are discussed in this Request for Proposals to assist proposal preparation.

- I. Background
- II. Scope of Services
- III. Required Insurance
- IV. Proposal Format and Content
- V. Evaluation Criteria and Selection Process
- VI. Submittal

I. Background:

The City of Shelton is a code city with a commission form of government. The most recent population count is 8,495. Shelton is located on the Puget Sound and is often called the gateway to the Olympic Peninsula.

The total City of Shelton budget for the 2003 fiscal year is \$21,097,005. The general fund provides police, fire, parks and recreation, planning, building, library, accounting and administrative services. In separate funds, the city provides street maintenance, water supply and distribution, sewage collection and treatment, storm drainage management, and refuse collection services.

The current indirect cost allocation plan used by the City was developed in the nineties and has not been updated in the last five years.

II. Scope of Work:

The project consists of furnishing all labor, materials, equipment, tools, supervision and travel necessary to complete the following reports and tasks:

Work with selected City staff to define the purpose, uses and goals of an indirect cost allocation plan.

Ensure that the development of the plan will provide an accurate and appropriate method to meet the City's needs for equitable allocation of indirect and administrative overhead costs.

Ensure that the plan will comply with the Federal regulations (OMB Circular A87), so that the City can use this plan to establish a federally approved indirect cost rate.

Work with the Financial Services Department to develop service provisions, cost categories and allocation criteria for all current or future programs.

Develop an Indirect Cost Allocation Model for calculating full costs of providing each City program or service. Model requirements include:

- Identification of City-wide overhead costs as well as departmental overhead costs.
- The ability to add or remove direct or indirect costs as needs and programs change.
- The ability to update the model and indirect cost allocation plan as the organization of the City changes.

Present the Draft Indirect Cost Allocation Plan to the City Commission. Collect and document comments from the Commission, staff and public, and incorporate those comments into the Final Indirect Cost Allocation Plan.

Prepare the Final Indirect Cost Allocation Plan and provide the City three bound copies and one unbound copy. The consultant will also provide the Indirect Cost Allocation Plan on disk so that the City may use the model for future updates to the plan for cost allocation.

III. Required Insurance:

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00

01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under the Consultant's Commercial General
3. Liability insurance policy with respect to the work performed for the City.
4. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
5. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respect to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. Verification of Coverage

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

IV. Proposal Format and Content:

In submitting a proposal, each proposer acknowledges that the City shall not be liable to any person for any costs incurred therewith or in connection with costs incurred by any proposer in anticipation of Commission action approving or disapproving any proposed agreement. The City may accept or reject any proposal or proposed agreement without limitation. Nothing in the Request for Proposal or in subsequent negotiations creates any vested rights in any person.

Proposals which do not address the items listed in this section will be considered incomplete and will be deemed non-responsive by the City.

- A. Cover Letter summarizing the Proposal
- B. A Work Program – Your plan to satisfy the requirements listed in the “Scope of Work” section. Describe the schedule you intend to follow in order to complete the project and a Work Plan, broken out by discrete tasks, that outlines:
 - a) Activity/Task description
 - b) Who will complete the task
 - c) Deliverables
- C. Project Team - A list of names, titles, and qualifications, of the staff that will be working on this project.
- D. Prior Work - A copy of work from a previous project completed by your firm similar to the project described above shall be included with the proposal.
- E. References - Provide names and telephone numbers of two references who will attest to your firm’s ability to complete this project on time and within budget.

V. Evaluation Criteria and Selection Process

The basis of award will be to the respondent receiving the most points based on the following criteria:

- 1) Qualifications of the consultant and firm including experience completing similar projects. (MAXIMUM 25 POINTS AVAILABLE)
- 2) Work Program (MAXIMUM 50 POINTS AVAILABLE)
- 3) Capability of completing the work on time. (MAXIMUM 10 POINTS AVAILABLE)
- 4) Demonstrated Familiarity with and Understanding of the Work. (MAXIMUM 15 POINTS AVAILABLE)

Minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, sex, religion, or national origin in consideration for an award.

The City of Shelton hereby notifies that it is an Equal Opportunity Employer, and will affirmatively ensure in any agreement, that it will not discriminate against any person, firm partnership, or organization as it pertains to race, color, religion, sex, age, national origin, marital status, sexual orientation, medical condition, physical handicap or disability. Any person, firm, partnership, or organization contracting with or doing business with the City shall be in conformity with the City's policy on non-discrimination.

VI. Submittal

Three (3) copies of the proposals are due to the City of Shelton, Washington Financial Services Office prior to 5:00 p.m. on Monday, April 21, 2003. Proposals may be hand-delivered, mailed, or delivered by courier. Confidentiality of proposals received in an unsealed manner, cannot be assured.

Submittal Address: City of Shelton
525 West Cota Street
Shelton, Washington 98584
Attention: Stacey Sitko
(360) 432-5119 phone

All proposals must be clearly marked on the outside of the envelope: **“Shelton Indirect Cost Allocation Study.”**

The City wishes to negotiate a fixed price contract with a “not to exceed” dollar total based on a clearly defined scope of work.

Inquiries regarding the RFP can be directed to Stacey Sitko, Director of Financial Services, at (360) 432-5119 or at the address listed above.

Before receiving an award, the successful proposer will be required to provide the City of Shelton copies of their current State of Washington and City of Shelton business licenses and Certificates of Insurance.

Evaluation of the proposals will be performed by a committee of individuals selected by the Director of Financial Services. The proposals will be scored and ranked based on the selection committee's evaluation. Interviews with the highest ranking proposers will be held if deemed necessary by the City. The firm with the highest ranking will be invited to contract negotiations. If an agreement cannot be reached, the second highest ranked proposer may be contacted for negotiations. The City reserves the right to award the contract to the highest ranked firm without further discussions. The City reserves the right to reject all proposals received.

Publish: March 19, & March 21, 2003 – Seattle Daily Journal of Commerce
March 20, 2003 – Shelton-Mason County Journal

PROPOSAL

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Identification of Business Organization:

The proposer, by checking the applicable box, represents that it operates as:

- a corporation incorporated under the laws of the State of Washington
- an individual doing business as _____
- a partnership (identify all partners on a separate page, attached)
- a joint venture (identify all joint ventures on a separate page, attached)
- other (please specify) _____

Proposer or Company Name

City of Shelton Business License #

Address of Proposer

Tax ID #

Telephone Number

Signature

Facsimile Number

Signature Name and Title (print)