



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Controller



Date: July 31, 2014
Board Meeting Date: September 9, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Bob Adler, Controller

Subject: Amendment to the Agreement with MGT of America, Inc.

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with MGT of America, Inc., to exercise County's option to extend the contract by one year for services to prepare County's SB-90 state-mandated cost reimbursement claims extending the term through September 14, 2015, and increase the amount by \$39,500 to an amount not to exceed \$113,500.

BACKGROUND:

Whenever the California State Legislature passes a law, or the Governor or a state agency issues an executive order or regulation that constitutes a new program or higher level of service, California law requires the state to reimburse local agencies and school districts for increased costs. This requirement was first established in 1972 with the passage of Senate Bill (SB) 90. With the approval of Proposition 4 in 1979, California voters further obligated the state to the requirement by adding article XIII B, section 6 to the California Constitution. The amendment requires a subvention of funds to reimburse local agencies and school districts for costs associated with mandates.

San Mateo County is required to perform various services pursuant to State mandated. The California law requires the State to reimburse the County for the cost of providing these mandated services. In order to receive reimbursement from the State, the actual costs should be claimed according to the State issued rules. These rules are complex and the claiming instructions and source documentation requirements are continuously updated. San Mateo County Controller works with MGT of America, Inc. and

departments to gather required information, prepare, review, approve and submit these claims.

DISCUSSION:

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

The County entered into an agreement with MGT of America on September 24, 2012 for the provision of SB-90 services. The two-year agreement included an option to extend the provision of services for a third year and increasing the total contract to an amount not to exceed \$113,500.

This amendment exercises the County's option to extend the current agreement for a third year. The agreement term will be amended by replacing Exhibit A and adding the term "FY 2014-15" in relevant sections covering the scope of services.

County Counsel has reviewed and approved the Resolution and the amendment as to form. Risk Management has reviewed and approved the Resolution and the amendment as to form.

The Controller's office also requests the Board give authority to the Controller or his/her designee to execute subsequent amendments to the Prime Agreement which do not exceed an aggregate of \$25,000.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Collaborative Community by enabling 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.

PERFORMANCE MEASURE(S):

Measure	FY 2014-15 Projected
File all SB-90 cost recovery claims for state mandated services that the County is eligible to submit to the state	100%

FISCAL IMPACT:

The term of this amendment is from September 14, 2014 to September 14, 2015. Annual payment under this amendment is \$39,500 for the third year, for a total contract obligation not to exceed \$113,500. Funds have been included in the Controller's Office Adopted Budget for FY 2014-15.