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COUNTY OF ERIE
STEFAN I. MYCHAJLIW
COMPTROLLER

March 17, 2014

Erie County Legislature
92 Franklin Street
Buffalo, New York 14202

Re: Cost Allocation Contract

Dear Honorable Members:

Enclosed is a proposed resolution authorizing the County Executive to enter into a contract with Venesky & Company ("Venesky") for the preparation of the annual Cost Allocation Plans for Erie County and a related accompanying memorandum.

The current contract with MAXIMUS, Inc. expired upon completion of the 2013 Full-Cost Plan. The contract that we are recommending would commence when Venesky begins work on the Federal cost plan for 2012 this year.

My Office issued an RFP in connection with this effort and received proposals from four firms: Venesky, MGT of America, Inc., MAXIMUS, Inc. and Sequoia Consulting Group. A committee composed of Comptroller's Office staff evaluated the proposals and has unanimously selected Venesky for a four-year contract (with a two-year optional extension) beginning with preparation of the Federal cost plan for the year 2012.

Thank you for your consideration of this matter. If your Honorable Body requires any further information, kindly contact my Office and we will be happy to accommodate your request.

Very truly yours,

Stefan I. Mychajliw
Erie County Comptroller

SIM/nr
Enclosures

VAADMIN\TYPING - General\Cost Plan Reso, etc.doc

ACCOMPANYING MEMORANDUM

SUMMARY OF RECOMMENDED ACTION: That the Erie County Legislature authorize the County Executive to enter into a four-year contract (with a two-year optional extension) with the firm of Venesky & Company for the purpose of preparing both the Federal and the Full-Cost versions of the annual cost allocation plans for Erie County.

FISCAL IMPLICATION OF PROPOSAL: The annual cost of preparing the Federal and Full-Cost plans is \$14,960. Appropriations have been provided in the 2014 adopted budget for the first year of the contract. No additional funds are being requested at this time.

REASONS FOR RECOMMENDATION: The firm of Venesky & Company is a leader in providing cost allocation services to counties in New York State. Three other proposals were received: MGT of America, Inc., MAXIMUS, Inc., and Sequoia Consulting Group. Venesky was judged the lowest responsible bidder.

BACKGROUND OF PROPOSAL: The federal government requires that all counties prepare an annual cost allocation plan. The plan is used to obtain reimbursements of overhead and support costs from state and federal agencies.

CONSEQUENCES OF NEGATIVE ACTION: Erie County will not be in compliance with the federal mandate that an annual cost allocation plan be prepared. Significant amounts of state and federal revenue will be lost.

STEPS FOLLOWING APPROVAL: The Comptroller's Office, in coordination with the County Attorney, will prepare a contract with Venesky & Company for cost allocation services for approval by the County Executive.

PROPOSED RESOLUTION

WHEREAS, the federal government requires that all counties prepare an annual cost allocation plan; and

WHEREAS, for the past 25 years Erie County has contracted with an outside provider to prepare the cost allocation plan; and

WHEREAS, the current contract expired after the 2013 Full-Cost Plan was prepared; and

WHEREAS, the Comptroller's Office has issued an RFP so that these services will continue to be provided for the next four years; (with a two-year optional extension) and

WHEREAS, the four proposals received have been evaluated by the committee consisting of Comptroller's Office staff; and

WHEREAS, the committee has unanimously selected Venesky & Company for a four-year contract (with a two-year optional extension) as the lowest responsible bidder.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is authorized to enter into a contract with Venesky & Company for a four-year period (with a two-year optional extension) beginning with preparation of the Federal cost plan for the year 2012, at an annual cost of \$14,960, and be it further

RESOLVED, that certified copies of this resolution are to be forwarded to the County Executive, County Comptroller, County Attorney, and Director of Budget and Management.