



# AGENDA REPORT

Finance Department

<b>DATE:</b>	February 4, 2025
<b>TO:</b>	Mayor Martinez and Members of the City Council
<b>FROM:</b>	Andrea Miller, Director of Finance Antoinette Terrell, Executive Director of Housing Authority Mubeen Qader, Deputy Director of Finance Rita Martinez, Finance Manager II
<b>Subject:</b>	Contract with Matrix Consulting Group to develop a Cost Allocation Plan.
<b>FINANCIAL IMPACT:</b>	The total contract amount shall not exceed \$32,500, for a three-year contract with an option to extend two additional years for \$12,500 on Year 4 and \$10,000 on Year 5. Fees will be split between the City of Richmond General Fund and Richmond Housing Authority as follows: Fiscal Year (FY) 24-25 total \$12,500: 42141191-400836, \$6,250 and 01173415-400201, \$6,250; FY25-26 total \$10,000: 42141191-400836, \$5,000 and 01173415-400201, \$5,000; FY26-27 total \$10,000: 42141191-400836, \$5,000 and 01173415-400201, \$5,000; FY27-28 total \$12,500: 42141191-400836, \$6,250 and 01173415-400201, \$6,250; FY28-29 total \$10,000: 42141191-400836, \$5,000 and 01173415-400201, \$5,000).
<b>PREVIOUS COUNCIL ACTION:</b>	None

<b>STATEMENT OF THE ISSUE:</b>	City staff members are requesting that the members of the City Council approve a contract to develop a Cost Allocation Plan with the Matrix Consulting Group that is in compliant with Title 2, Code of Federal Regulations, Part 200. This plan must adhere to the cost principles set forth for state, local, and tribal governments by the U.S. Department of Housing and Urban Development (HUD).
<b>RECOMMENDED ACTION:</b>	APPROVE a contract in the amount of \$32,500 with Matrix Consulting Group to develop a Cost Allocation Plan to direct staff from the Finance Department and Richmond Housing Authority to prepare the Indirect Cost Allocation Plan that adheres to Title 2, Code of Federal Regulations, Part 200, for a term beginning February 1, 2025, through February 1, 2028, with an option to extend two additional years – Finance Department (Mubeen Qader 510-412-2077/Rita Martinez 510-621-1546).

**DISCUSSION:**

On November 15, 2024, the City of Richmond (COR) and Richmond Housing Authority (RHA) issued a Request for Proposals (RFP) to develop an Indirect Cost Allocation Plan (ICAP) in compliance with Title 2, Code of Federal Regulations, Part 200 (Attachment 1). This plan must adhere to the cost principles set forth for state, local, and tribal governments by the U.S. Department of Housing and Urban Development (HUD). The COR and RHA’s goal are to establish a well-documented, defensible, and compliant ICAP that enables the COR to recover allowable indirect administrative costs. The RFP was posted on the City’s BidsOnline System, and 358 vendors were notified (Attachment 2). Of the firms that were notified, four (4) firms responded:

- MGT Impact Solutions, LLC
- Matrix Consulting Group, LTD.
- Maximus US Services
- NBS Government Finance Group

The responses were reviewed by a panel of staff from the City of Richmond and RHA. The recommended firm was selected based on their expertise, competitive pricing, and ability to meet both the City’s and RHA’s needs (Attachment 3).

The decision to award the contract to Matrix Consulting Group, LTD. was based on the proposal and the costs fitting the scope of the work.

The ICAP identifies the functions of each central service department and then determines a methodology to allocate or spread the central service costs in a manner

that best represents the nature of those functions. The mathematical representations of central service functions used to allocate indirect costs are commonly called distribution basis. A distribution basis is a set of data displayed as the level of measure of each department's participation in a specific activity or City function. This basis is then used to distribute costs that reasonably relate to the activity or City function that the basis represents. For the RHA, these general costs are incurred by the City, and the ICAP will determine the allowable portion of indirect costs recoverable from the RHA.

Ultimately, City staff is seeking approval of a contract with Matrix Consulting Group for an amount not to exceed \$32,500, over a three-year period, with the option to extend for two (2) additional years (Attachment 4). The first additional year is \$12,500 and the second extension year is \$10,000. The Matrix Consulting Group will perform specific tasks as explained in the RFP and provided details of those tasks as outlined in the scope of work within the proposed contract.

**DOCUMENTS ATTACHED:**

- Attachment 1 – Request for Proposal for Cost Allocation
- Attachment 2 – BidsOnline Summary
- Attachment 3 – Scoring/Rating Sheet RFP Responses
- Attachment 4 – Proposed Contract Matrix Consulting