

## Meeting Agendas/Info

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**01-288**

**SYNOPSIS -**

**AGENDA:**

JUNE 4, 2001

**SUBJECT:**

CONSULTING  
AGREEMENT FOR  
PREPARATION OF  
INDIRECT COST  
ALLOCATION PLAN

**TYPE:**

**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

**SUBMITTED BY:**

ALLEN MCKINLEY  
ACTING FINANCE  
DIRECTOR

The City charges various enterprise funds and federal grants an indirect cost allocation charge and/or overhead rate. In order to make these charges, an approved plan must be prepared that supports the charge. The Indirect Cost Allocation Plan prepared by DMG/MAXIMUS (Thomas B. Carawan, Vice President, Roseville, MN) meets the requirements of an approved plan.

The new agreement establishes a specified period for services of four years, with an annual fee of \$19,000, and represents an annualized increase of only three percent since 1989 (computed to the mid-point of the four-year contract). The new agreement incorporates the additional services currently being provided but not included in the original agreement.

**FISCAL IMPACT -**

The Indirect Cost Allocation Plan fee is included in the Finance Department Budget on page 10-19.

**RECOMMENDATION -**

**Approval.**

**BACKGROUND -**

On June 5, 1989, by Roll Call No. 89-2469, the City of Des Moines revised an original Professional Consulting Services Agreement for preparation of an annual Indirect Cost Allocation Plan with David M. Griffith (DMG/MAXIMUS). The Professional Consulting Services Contract had no termination date. The annual contract payment for services was set at \$12,500 and has not changed over the 12-year period. During this period, the City requested changes (expansion) of services under the contract with DMG/ MAXIMUS which they

agreed to at no additional cost.

DMG/ MAXIMUS is a nationally recognized firm in performing this service and has respective contracts with 94 of the 99 counties in Iowa. DMG/MAXIMUS is intimately familiar with the City's operation and accounting structure.

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