

**Agreement to Provide
Mandated Cost Claiming Services**

THIS AGREEMENT, entered into this 18th day of December, 2001 and effective immediately by and between MAXIMUS, Inc. (hereinafter "Consultant") and the City of Redlands (hereinafter "City"),

WHEREAS, Article XIII B of the California State Constitution provides that cities may recover costs associated with carrying out programs mandated by the State of California,

WHEREAS, the City desires to obtain maximum reimbursement for costs incurred in carrying out State mandated programs, and has determined that engaging the Consultant to assist in the mandated cost claim preparation process is the most economical and cost effective means for preparing the City's state mandated cost claims; and

WHEREAS, the Consultant is staffed with personnel knowledgeable and experienced in determining the costs of governmental programs and in the submission of cost claims to the State of California, and

WHEREAS, the City desires to engage the Consultant to assist in developing, submitting, and negotiating cost claims pertaining to state mandated programs.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. Scope of Services

The Consultant shall prepare claims for reimbursable state mandated costs as provided herein.

A. Annual State Mandated Cost Reimbursement Claims

The Consultant shall prepare and file applicable actual annual state mandated cost reimbursement claims for the 2000-2001 fiscal year and estimated claims for the 2001-2002 fiscal year. The fiscal year 2000-2001 actual claims to be filed are claims that are included in the State Controller's Claiming Instructions that provide for timely filed claims to be submitted by January 15, 2002.

B. All Other Claims for Which Claiming Instructions Are Issued in FY 2001-2002

With the exception of the claims in Scope of Services 1.A. above, the Consultant shall prepare, submit and file on the City's behalf, all other eligible actual and estimated state mandated cost reimbursement claims for which State Controller Claiming Instructions are issued in the 2001-2002 fiscal year.

2. **Consultant Claim Filing Requirements**

The Consultant shall file these claims to the extent that appropriate documentation is available and verifiable and that claim amounts exceed \$200 per claim.

3. **Costs and Method of Compensation**

Scope of Services 1.A. & B. - Annual State Mandated Cost Reimbursement Claims & All Other New Claims for Which Claiming Instructions are Issued in FY 2001-2002

For the services provided pursuant to Scope of Services 1.A. & B., the City agrees to pay the Consultant upon submission of the claims to the State Controller, a fixed fee of seven thousand six hundred dollars (\$ 7,600). The fee would be due in three installments: Fifty percent (50%) or \$3,800 of the fixed fee shall be due on January 2, 2002, and Twenty-five percent (25%) or \$1,900 will be due on March 1, 2002 and June 1, 2002..

Three-Year Option – Fixed Fee

The City may elect to secure a three-year fixed fee contract pursuant to Scope of Services 1.A. and 1.B. at a secured rate as follows:

2001-2002	\$7,600
2002-2003	\$8,000
2003-2004	\$8,400

Please check and initial here your choice for a three-year contract:

☐ Yes for three-year option
_____ (initials)

☐ No for three-year option
_____ (initials)

4. **Services and Materials to be Furnished by the City**

The Consultant shall provide guidance to the City in determining the data required for claims submission. The Consultant shall assume all data so provided to be correct. The City further agrees to provide all specifically requested data, documentation and information to the Consultant in a timely manner. Consultant shall make its best effort to file claims in a timely manner pursuant to Scope of Services. Consultant shall not be liable for claims that cannot be filed as a result of inadequate data or data provided in an untimely manner.

For purposes of this Agreement, data that is requested by the Consultant must be provided within three weeks of the request, or three weeks prior to the filing deadline, whichever would come first, to be deemed to have been received in a timely manner. It is the responsibility of the City to provide the Consultant with payment information upon receipt of disbursements from the State for any and all claims filed pursuant to this agreement.

5. Third Parties

The City and the Consultant are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any right or benefit, whether directly or indirectly or otherwise, to third persons.

6. Consultant Liability if Audited

The Consultant will assume all financial and statistical information provided to the Consultant by City employees or representatives is accurate and complete. Any subsequent disallowance of funds paid to the City under the claims for whatever reason is the sole responsibility of the City.

7. Indirect Costs

The cost claims to be submitted by the Consultant may consist of both direct and indirect costs. The Consultant may either utilize the ten percent (10%) indirect cost rate allowed by the State Controller or calculate a higher rate if City records support such a calculation. The Consultant by this Agreement is not required to prepare a central service cost allocation plan or departmental indirect cost rate proposals for the City.

8. Consultant Assistance if Audited

If audited, the Consultant shall make workpapers and other records available to the State auditors. If requested by the City, the Consultant shall provide assistance to the City in defending claims at the desk audit level if an audit results in a disallowance of at least twenty percent (20%) or seven hundred fifty dollars (\$750), whichever is greater. Reductions of less than twenty percent (20%) or seven hundred fifty dollars (\$750) shall not be contested by the Consultant. Nothing in this section or any part of this Agreement shall be construed to include Incorrect Reduction Claims preparation.

9. Insurance

Consultant shall acquire and maintain appropriate general liability insurance, workers' compensation insurance, automobile insurance, and professional liability insurance.

10. **Changes**

The City may, from time to time, require changes in the scope of services of the Consultant to be performed hereunder. Such changes, which are mutually agreed upon by and between the City and the Consultant, shall be incorporated in written amendment to this agreement.

11. **Termination of Agreement**

If, through any cause, the Consultant shall fail to fulfill in a timely and proper manner its obligation under this agreement, the City shall thereupon have the right to terminate this agreement by giving written notice to the Consultant of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination.

12. **City Contact Person**

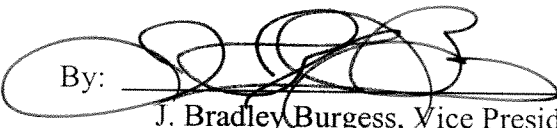
The City designates the following individual as contact person for this contract:

Name: Bonnie Johnson Telephone: 909-798-7541

Title: Finance Director Fax: 909-335-4735

Address: P. O. Box 3005, Redlands, California 92373

OFFER IS MADE BY CONSULTANT

By: 
J. Bradley Burgess, Vice President
MAXIMUS, Inc.

Date: November 29, 2001

OFFER IS ACCEPTED BY CITY

By: 
City Official - Mayor

Date: December 18, 2001

Attest:


Lorrie Poyzer, City Clerk