

## **South Bay Cities Council of Governments**

**May 7, 2007**

**TO: Steering Committee**

**RE: Cost Proposal from Jacki Bacharach and Associates**

**The following is an excerpt from the proposal that was submitted.**

### **II. Cost of Services**

JB&A offers to provide a full range of services to the SBCCOG including supplying offices for our staff other than those working out of the South Bay Energy Savings Center. After discussions with the SBCCOG legal counsel, we have been advised that we should set a price for our regular services and a retainer to cover anticipated grants that might be secured throughout the year. The retainer would be in lieu of adding an overhead rate to the personnel working on the energy program, which is done now. At the end of each year, the retainer amount would be reviewed with the grant funding and justification of the amount would be made either through an increase or decrease the following year. This advice has been given in order to assure that there is no conflict of interest when JB&A negotiates grants for the SBCCOG. This approach would require that when a new grant is awarded, any contract amendment required for staffing would be without any further profit or overhead for JB&A. This would be addressed in the retainer.

With this understanding in mind, JB&A is proposing that we receive \$20,850 per month for regular operations. This is an increase of 61/2 % from the current services and reflects the expanded work program. Funding for staffing the Energy Office and programs would also be provided at actual cost of the staff and fully funded by the grants for that program. Additionally, for the retainer which would be used for current and future grant negotiations, administration and overhead, JB&A is proposing \$3,500 per month. Both the operational amount and the retainer would be negotiated annually.

In the last 3 years of the current contract our team has gone from working approximately 4500 hours per year to over 11,600 hours per year. The number of hours of service has risen with the increased grant funding for the energy office as well as projects and activities that have been added to the responsibilities. To respond to this growing need, additional contractors have been added to the team. The allocation of contractors demonstrates the ability of JB&A to make sure that each task is performed in the most cost effective way using highly competent staff at hourly rates that are reasonable to the task.

For the fee requested, JB&A also includes the cost of maintaining the main SBCCOG office which allows the SBCCOG to avoid such costs as office space, computers, faxes,

copiers, phones, supplies, etc. Mileage outside of the grant work is also included. At the same time, SBCCOG now has a place to hold meetings at the South Bay Energy Savings Center, which is funded entirely through grants and at no cost to the members.

JB&A will continue to provide the number of hours spent by each person on each task every month on the JB&A invoice that is presented to the Steering Committee.