

TOWNSHIP OF LOWER MERION
Finance Committee
Issue Briefing

Topic: Cost Allocation Plan and User Fee Study Contract

Prepared By: Eric Traub, Chief Financial Officer

Date: July 18, 2019

I. Action To Be Considered By The Board:

Consider for recommendation to the Board of Commissioners award of a contract for a Cost Allocation Plan and User Fee Study services to Matrix Consulting Group (Matrix).

II. Why This Issue Requires Board Consideration:

It has been Township policy to seek Board approval for new professional services contracts.

III. Current Policy Or Practice (If Applicable):

The Township last completed a similar study in 2006.

IV. Other Relevant Background Information:

The RFP was advertised and sent out to eight national/regional public accounting firms and the Township received four proposals. Cost proposals ranged from \$46,000 to \$79,990. A three-member Selection Committee comprised of the Chief Financial Officer, Assistant Director of Finance and Accounting Supervisor were responsible for evaluating this RFP and making a recommendation. The Chief Financial Officer, Assistant Director of Finance and Accounting Supervisor reviewed and scored the technical proposals independently then jointly discussed their evaluations. The Township Manager and Assistant Township Manager were also consulted throughout the review process.

The Township used best value procurement for this RFP which assigns weights to the technical and cost components and arrives at a final combined score for each proposal. The Selection Committee assigned 75 points to the technical criteria and 25 points to the cost component in consideration of the desire to ensure a technically capable firm to provide these important professional services. The review of proposals process, outlined in the RFP, included three principal technical criteria: firm experience; technical quality; and, proposed staff. All four firms were deemed technically proficient and had a cost score added to their technical scores to arrive at total score. Matrix received the maximum 25 points for having the lowest cost proposal and the three other firms were granted proportional scores based on the cost difference between their cost proposal and Matrix's cost. The following table details the technical and cost scores, cost proposals and the overall grand total score.

FIRM	AVG. TOTAL TECHNICAL SCORE	TOTAL COST	TOTAL COST SCORE	TOTAL SCORE
	<u>75 pts</u>		<u>25 pts</u>	<u>100 pts</u>
Matrix	61.7	\$ 46,000	25.0	86.7
Maximus	69.0	\$ 65,000	14.7	83.7
MGT Consulting Group	62.0	\$ 69,500	12.2	74.2
Raftelis	50.3	\$ 79,990	6.5	56.9

Based upon their experience serving similar governmental entities, firm resources and overall cost, it is the Selection Committee's recommendation to pursue a contract with Matrix to complete the Cost Allocation Plan and User Fee Study. The total cost of \$46,000 is attractive and well below budget. The Township's Engagement Team will to be led by Courtney Ramos, Vice President with Matrix who has managed numerous cost allocation plans and user fee studies for clients nationwide.

V. Impact On Township Finances:

The costs associated with this contract are budgeted within the Finance Department's General Fund operating budget. The proposed cost of \$46,000 is \$34,000 or 40.7% less than the \$80,000 that was budgeted.

VI. Staff Recommendation:

Staff recommends the professional services contract with Matrix be approved at the August 5, 2019, Board of Commissioners meeting.