

January 22, 2020

Bob Missel
Dodge County Board Chairperson
435 N Park
Fremont, NE 68025

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DODGE COUNTY, NEBRASKA
FREMONT, NEBRASKA

Agenda Item # 16
Date 2-12-2020

Dear Bob Missel:

Upon a request by David Lynn, President, Sequoia Consulting Group, I have formed my own company, WJE Consulting LLC, to continue providing cost allocation services to the Nebraska County Clients. Should you desire to contact David on the matter you may call (317) 418-3620 or email, DavidLynn@sequoiacg.com.

Enclosed is a proposal to have WJE Consulting LLC prepare the Dodge County indirect cost allocation plans for your FY Ending in 2019, 2020 and 2021, which will result in cost reimbursement in FY 2021, FY 2022 and FY 2023.

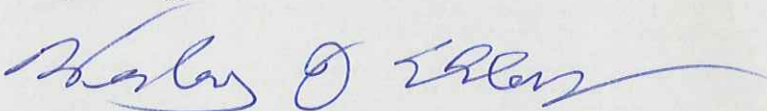
My indirect cost allocation plans are prepared with the highest degree of professionalism. The transition from Sequoia will be seamless and not noticeable to Dodge County until the indirect cost allocation plan arrives with WJE Consulting LLC on the document.

Payment of 30% of the fee is due when the on site work is completed. Payment of 30% of the fee is due when the completed cost allocation plan is active, which is for the quarter ending September 30 of each year by the County. Thereafter, recoveries will be shared 60% by the County and 40% by WJE Consulting LLC until the fee is paid.

Please return one completed agreement to the address below to continue receiving cost allocation services. Also, a cancellation notice of the agreement with Sequoia Consulting Group needs sending to David Lynn, P.O. Box 576, Henderson, Nebraska, 68371.

I look forward to working with Dodge County for many years to provide professional indirect cost allocation plans. Should you have questions, please call me at (402) 469-0078.

Respectfully,



Wesley J. Ehlers
Owner

WJE Consulting LLC
2648 10th Street # 1015
Gering, Nebraska 69341
Telephone: (402) 469-0078
Email: wjeconsultn@yahoo.com

January 22, 2020

Bob Missel
Dodge County Board Chairperson
435 N Park
Fremont, NE 68025

Dear Bob Missel:

Dodge County provides support to a number of federally funded programs including Child Support program administration. Your county is currently being reimbursed for the direct costs, salaries, benefits, office supplies, equipment maintenance, postage, etc. The county is also eligible to be reimbursed for the indirect costs of supporting these programs if the county prepares a Central Services Cost Allocation Plan to appropriately identify these costs. This plan when prepared in accordance with 2 CFR Part 200 Subpart E and Appendix V, Section E (formerly OMB A-87) the Cost Principles for State, Local and Indian Tribal Governments and ASMB C-10 used as guidance for determination of cost allocation and basis selection will enable the county to recover indirect costs initially funded by the County's General Fund in support of these federal programs. Examples of recoverable costs include: insurance, utilities, building maintenance, financial support services provided by the Clerk and Treasurer, departmental administration and other costs that vary from county to county. Per agreement with the State of Nebraska, the Federal share of these properly identified costs will be reimbursed on a quarterly basis.

WJE Consulting LLC proposes to provide Dodge County with cost allocation services that include the development and review for cost allocation methodologies, costing templates and/or models (using Microsoft Excel or costing software), manuals supporting the analysis, and recommend the best practices, etc. The Cost Allocation Services may include but is not limited to the following:

- Prepare Central Service Cost Allocation (CSCA) plans.
- Compute departmental indirect cost allocation rate for County Attorney.
- Compute departmental indirect cost allocation rate for Clerk of the District Court.
- Other cost allocation services as determined for various Dodge County activities.

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Page 2: January 22, 2020, Dodge County Proposal to Provide Central Services Cost Allocation Plans

There are three key elements necessary for preparation of an approved Cost Allocation Methodology:

The costs identified must be allowable;

The process used to allocate costs must be compliant with 2 CFR Part 200 Subpart E and Appendix V, Section E (formerly OMB A-87) the Cost Principles for State, Local and Indian Tribal Governments and ASMB C-10 (the Implementation Guide for Part 200); and

The system used to calculate the costs must follow a step-down process that accurately computes the cost amounts by benefactor (department, fund, agency, etc.) and provides documentation suitable for review and subsequent audit purposes.

Simply completing these minimum requirements will only guarantee that the core requirements of preparing a cost allocation methodology are met. WJE Consulting LLC benefits from many years of its consulting staff's experience in preparing Cost Allocation plans. I am confident that my experience in cost plan preparation will ensure the most accurate and defensible cost allocation methodology for Dodge County.

WJE Consulting LLC assures Dodge County that methodologies, templates and/or costing models, and recommended best practices, etc. will be developed in compliance with:

Generally accepted accounting principles (GAAP),

Generally accepted costing principles including 2 CFR Part 200 (OMB Circular A-87),

Nebraska Revised Statutes and other

Federal and State guidelines, related to cost allocation methodologies.

I have prepared indirect cost allocation plans in Nebraska for 31 years this gives me the insight to maximize federal reimbursement both direct and indirect to Nebraska Counties.

The plan to complete the engagement of preparing and submitting the central services cost allocation plan and indirect cost allocation rates for Dodge County consists of six (6) steps:

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Step I – Data Collection and Analysis: As soon as possible, we will initiate data collection by setting up interviews with staff to determine the optimal organization and structure of each cost plan. We will discuss with appropriate personnel to determine if any changes have been made to County structure (additions, deletions or service combinations) and whether statistics to allocate that area are still appropriate and obtainable by the County without undue burden. I will review the County’s Organizational Chart and financial statements to determine that each support the capture of allowable costs to central service activities included in the plan.

Specific data requested will include:

- The last prepared Central Services Indirect Cost Allocation Plan.
- The last prepared Indirect Cost Allocation Rates.
- A report showing financial information for all grants; open and closed.
- A current organization chart of the County.
- Expenditures for the County showing full account-structure coding.
- Necessary statistics used for allocation of Central Service Departments and Functions.
- Additional requests will be made after interviews.

Once interviews have been completed and the data request has been finalized, WJE Consulting LLC will meet with County Staff to discuss changes, the data requests, and any other pertinent information that is necessary for the completion of the Central Services Indirect Cost Allocation Plan.

Step II – Plan Preparation: I will use a proprietary cost allocation system and the work product from Step I to develop a Central Services Indirect Cost Allocation Plan. WJE Consulting LLC will evaluate and analyze the Plan and compare the results to prior submissions. I will review any material changes with County Staff so everyone has an understanding of the impact made by any change. If alternative allocation methods are proposed that fall within federal and state guidelines, we will run the allocation with these new method(s), analyze the differences, and assist with the decision to use the method that is to the County’s best interest.

Step III – Cost Rate Preparation: Develop an Indirect Cost Allocation Rate calculation for the County Attorney, Clerk or the District Court and any Other County Departments as required for submission.

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Step IV – Plan and Rates Submission: Once the Central Services Cost Allocation Plan and Indirect Cost Rates have been received and accepted by the County, I will submit the Plan and Rates for review to the Nebraska Department of Health and Human Services Child Support Enforcement Division.

Step V – Plan and Rates Negotiation: Pursuant to federal regulations, the cognizant agency has up to six months from the time of submission to respond. When they do respond, I will conduct negotiations on the County's behalf to obtain a final approved plan and the appropriate rate agreements.

Step VI – Continuing Support: The Central Services Indirect Cost Allocation Plan is compiled using a two year cycle. After the Plans and Rates have been approved, we will be available to provide continuing advice and assistance in its application. We will monitor the progress of claims through the State to ensure the County receives recoveries due it. We will store the work papers in accordance with the County's record retention policy. In the event of an audit, I will provide whatever assistance is required to support the work

Enclosed are two (2) signed proposed agreements for your review. The contract term would cover three years, FY 2019, FY 2020 and FY 2021, which will result in cost reimbursement in FY 2021, FY 2022 and FY 2023. Our fee schedule for Nebraska counties will be capped based on population. The fee Dodge County will pay is capped at Five Thousand One Hundred and Forty (\$5,140) per year for services rendered under this agreement.

To have WJE Consulting LLC prepare the FY 2019, FY 2020 and FY 2021 Dodge County Central Services Cost Allocation Plans return one signed completed agreement to the address below.

Should you have questions in this regard, please call me at (402) 469-0078.

Respectfully,



Wesley J. Ehlers
Owner

Enclosure

WJE Consulting LLC

2648 10th Street #1015
Gering, Nebraska 69341
Telephone: (402) 469-0078
wjeconsultn@yahoo.com

**AGREEMENT TO PROVIDE
PROFESSIONAL CONSULTING SERVICES
TO DODGE COUNTY, NEBRASKA**

THIS AGREEMENT, entered into this _____ day of _____, 20__ , and effective immediately by and between **WJE Consulting LLC** (hereinafter called the "Consultant") and the **Dodge County**, State of Nebraska (hereinafter called the "County").

WITNESSETH THAT

WHEREAS, the County has programs which it operates with Federal funding, and

WHEREAS, the County supports these programs with central services paid from County appropriated funds, and

WHEREAS, the United States government and the State of Nebraska may pay a fair share of these costs if supported by an approved cost allocation plan, and

WHEREAS, the Consultant is staffed with personnel knowledgeable and experienced in the requirements of developing and negotiating such governmental cost allocation plans, and

WHEREAS, the County desires to engage the Consultant to assist in developing a plan which conforms to Federal requirements, and will be approved by their representative,

NOW THEREFORE, the parties hereto mutually agree as follows:

1. **Employment of Consultant** - The County agrees to engage the Consultant and the Consultant hereby agrees to perform the following services.

2. **Scope of Services** - The Consultant shall do, perform, and carry out in a good and professional manner the following services:

A. Development of a central services cost allocation plan which identifies the various costs incurred by the County to support and administer Federal and State programs. This plan will contain a determination of the allowable costs of providing each supporting service, such as insurance, utilities, building maintenance, financial disbursement processing, and all other identifiable support services. This plan and indirect cost rates as computed would be all inclusive for claiming indirect costs for all County grants including IV-D Claiming.

The Consultant offers a three (3) year agreement to prepare the plan based upon year-end financial data for FY 2019, FY 2020 and FY 2021, which will result in cost reimbursement in FY 2021, FY 2022 and FY 2023.

B. Negotiation of the completed cost allocation plan and rates as submitted to the State of Nebraska on behalf of the County with the representatives of the federal cognizant agency or its state designee if required. If the cost allocation plan requires negotiation, a negotiation agreement must be issued by the cognizant agency before any compensation is due the Consultant.

C. Assistance in preparing the claims to the State for recovery of funds due the County from the Federal and State of Nebraska governments. Consultant will also monitor the progress of claims through the State to ensure the County receives recoveries due it.

3. **Time of Performance** - The services to be performed hereunder by the Consultant shall be undertaken and completed in such sequence as to assure their expeditious completion and carry out the purposes of the agreement.

4. **Compensation** - The County agrees to pay the Consultant a sum not to exceed Five Thousand One Hundred and Forty (\$5,140) annually for all cost allocation plan services required herein. Consultant agrees to complete the project and all services provided herein for said sum.

5. **Method of Payment** - Payment will be made by the County to the Consultant from recovered funds relating to indirect costs from the Federal and State of Nebraska governments, in the agreed upon amount in paragraph 4. Payment of 30% of the amount in paragraph 4 is due Consultant when the on site work is completed by Consultant. Payment of 30% of the amount in paragraph 4 is due Consultant when the completed cost allocation plan is being used, which is for the quarter ending September 30 of each year by the County. Thereafter, recoveries will be shared 60% by the County and 40% by the Consultant until the amount in paragraph 4 is paid in full to the Consultant. Should the County recover from the plan, an amount less than the amount needed to satisfy the Consultant's fees, then no further payment is due the Consultant. It is understood that the funds received by the County after the end of this contract term which funds are received as a result of the work effort of the Consultant during the contract term, and reported to the County Treasurer shall be included in the fee computation for the period this contract work is performed and forwarded to Consultant.

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

7. **Services and Materials to be Furnished by the County** - The County shall furnish the Consultant with all available necessary information, data, and materials pertinent to the execution of this agreement. The County shall cooperate with the Consultant in carrying out the work herein, and shall provide adequate staff for liaison with the Consultant and other agencies of County government.

8. **Termination of Agreement for Cause** - If the County shall for cause notify the Consultant in writing to terminate the Consultant's services under this agreement, this agreement shall be deemed terminated and the County's obligation to compensate the Consultant shall be null and void. If the Consultant shall for any cause notify the County that it cannot complete its obligation under this contract and that it shall, thereafter, cease the performance of all its services, this agreement shall be deemed terminated, and the County's obligation to compensate the Consultant shall be null and void. As specified in this paragraph, each party hereby waives, relinquishes, releases, and discharges the other party from all claims liabilities, and obligations of every kind or nature arising from the exercise of the right to terminate this agreement here-in-above granted.

9. **Information and Reports** - The Consultant shall, at such time and in such form as the County may require, furnish such periodic reports concerning the status of the project, such statements, certificates, approvals, and copies of proposed and executed plans and claims and other information relative to the project as may be requested by the County. The Consultant shall furnish the County, upon request with copies of all documents and other materials prepared or developed in relation with or as part of the project. Working papers prepared in conjunction with the cost allocation plan may be turned over to the County for safekeeping.

10. **Records and Inspections** - The Consultant shall maintain full and accurate records with respect to all matters covered under this agreement. The County shall have free access at all proper times to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings and activities.

11. **Accomplishment of Project** - The Consultant shall commence, carry on, and complete the project with all practicable dispatch, in a sound economical and efficient manner, in accordance with the provisions thereof and all applicable laws. In accomplishing the project, the Consultant shall take such steps as are appropriate to insure that the work involved is properly coordinated with related work being carried on in the County.

12. **Provisions Concerning Certain Waivers** - Subject to applicable law, any right or remedy with the County under this contract may be waived in writing by the County by a formal waiver, if, in the judgment of the County, this contract, as so modified, will still conform to the terms and requirements of pertinent laws.

13. **Matters to be Disregarded** - The titles of the several sections, subsections, and paragraphs set forth in this contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this contract.

14. **Completeness of Contract** - This contract and any additional or supplementary document or documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this contract or any part thereof shall have any validity or bind any of the parties hereto.

15. **County Not Obligated to Third Parties**. The County shall not be obligated or liable hereunder to any party other than the Consultant.

16. **When Rights and Remedies Not Waived** - In no event shall the making by the County of any payment to the Consultant constitute or be construed as a waiver by the County of any breach of covenant, or any default which may then exist, on the part of the Consultant, and the making of such payment by the County while any such breach or default shall exist, shall in no wise impair or prejudice any right or remedy available to the County in respect to such breach or default.

17. **Personnel** - The Consultant represents that he has or will secure at his own expense, all personnel required in performing the services under this agreement. Such personnel shall not be employees of or have any contractual relationship with the County. All of the services required hereunder will be performed by the Consultant or under his supervision, and all personnel engaged in the work shall be fully qualified to perform such services.

18. **Consultant Liability If Audited** - The Consultant will assume that all financial and statistical information provided to the Consultant by the County, its employees or representatives is accurate and complete. Any subsequent disallowance of funds is the sole responsibility of the County. The Consultant will, however, provide assistance to the County should an audit be undertaken of County indirect costs.

19. **Notices** - Any notice, bills, invoices, or reports required by this agreement shall be sufficient if sent by the parties hereto in the United States mail, postage paid, to the addresses noted below:

COUNTY
Dodge County
Office of the Clerk
435 N Park
Fremont, NE 68025

CONSULTANT
WJE Consulting LLC
2648 10th Street #1015
Gering, Nebraska 69341

IN WITNESS WHEREOF, the County and the Consultant have executed this agreement as of the date first written above.

Dodge County, Nebraska

By: _____
(County Official)

Attest: _____

WJE Consulting LLC

By: 
Wesley J. Ehlers
Owner