

AUTHORITY: Act 431 of 1994  
 COMPLETION: Required  
 PENALTY: Contract change will not be executed unless forms filed

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 626 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 071B2200084**  
 to  
**CONTRACT NO. 28**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Maximus Consulting Services, Inc. 935 North Washington Avenue Lansing, MI 48906	William Maxwell	Billmaxwell@maximus.com
	PHONE 517-484-4240	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY) 7956

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB-OFM	Shawna Hessling	517-335-8917	hesslings@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	517-284-7031	edgett@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Central Cost Analysis and SWCAP Preparation - DTMB			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2012	December 31, 2014	2- one year	December 31, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,258,500.00	\$0.00	\$2,258,500.00		

DESCRIPTION: Effective September 30, 2015, this Contract is AMENDED to incorporate the following work statement to the contract:

1. Talent and Economic Development (TED) - Cost Allocation Plan and Indirect Cost Rate Proposal based on Michigan Strategic Fund FY2015 actual costs and TED RMS maintenance services for FY2016 - \$24,000.
2. Attorney General Cost Allocation Plan and Indirect Cost Rate Proposal based on FY2015 actual costs - \$15,000.
3. DTMB Building Occupancy Cost Allocation Plan based on actual costs for FY2015 - \$24,000.
4. MDOT Cost Allocation Plan and Indirect Cost Rate Proposal based on FY2015 Actual Costs - \$36,000.

Total Value of Proposals: \$99,000.00  
Remaining Contract Amount Available: \$401,120.00

All other terms, conditions, specifications and pricing remain unchanged.

Change Notice Number: 071B2200084  
Contract Number: 28

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**FOR THE CONTRACTOR:**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Authorized Agent Signature

\_\_\_\_\_  
Authorized Agent (Print or Type)

\_\_\_\_\_  
Date

**FOR THE STATE:**

*T. Falik*  
\_\_\_\_\_  
Signature

*TOM FALIK, SERVICES DIRECTOR*  
\_\_\_\_\_  
Name & Title

*DTMB - PROCUREMENT*  
\_\_\_\_\_  
Agency

*8-26-15*  
\_\_\_\_\_  
Date

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**PROPOSAL TO THE  
MICHIGAN DEPARTMENT OF TALENT AND  
ECONOMIC DEVELOPMENT  
FOR FISCAL 2016  
COST ALLOCATION SERVICES**

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**AUGUST 2015**

**MAXIMUS**  
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**PROPOSAL TO THE DEPARTMENT OF  
TALENT & ECONOMIC DEVELOPMENT  
FOR PREPARATION OF A STRATEGIC FUND ACTUAL FY 15  
DEPARTMENTAL COST ALLOCATION PLAN  
AND FY 15 TED RMS MAINTENANCE**

MAXIMUS Consulting Services, Inc. is pleased to present this proposal to the Michigan Department of Talent and Economic Development (TED) for cost allocation services to be performed during 2016. This proposal includes preparation and negotiation of a final Departmental Cost Allocation Plan and Indirect Cost Rate Proposal for the Michigan Strategic Fund (MSF) based on actual costs for the year ending September 30, 2015, as well as maintenance of the random moment sampling (RMS) system currently being utilized by some of the administrative programs of TED. The following information outlines the services we would provide and the associated costs.

**BUSINESS ORGANIZATION**

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary corporation of MAXIMUS, Inc. (MAXIMUS) is a public sector consulting firm incorporated in the State of Virginia and licensed to do business in Michigan. This project would be performed by our Financial Services Division which specializes in assisting state and local governments in matters related to grants management and cost accounting. The Division has several offices within the continental United States. This project would be performed out of our Lansing, Michigan office at the following address:

M.A.C. Building  
935 North Washington Avenue  
Lansing, MI 48906  
(517) 484-4240

### BACKGROUND

The Michigan Department of Talent and Economic Development was created by executive order 2014-12. TED includes the Michigan Economic Development Corporation, the Michigan State Housing Development Corporation, the Michigan Strategic Fund, and the Talent Investment Agency. TED receives substantial funding for the operation of various programs it administers from the Federal government. TED spends considerable resources to administer these programs. These costs include administration, accounting services, personnel services, etc. plus the costs incurred by the State of Michigan and identified in the State's annual Statewide Cost Allocation Plan (SWCAP). The Federal government will reimburse the State a portion or all of the costs spent in supporting Federal programs if the State can document the expenses to the Federal government. In order to accomplish the actual recovery of indirect costs attributed to any particular program within TED, a Departmental Cost Allocation Plan (DCAP) must be prepared in accordance with OMB Circular A-87, Cost Principles for State and Local Governments. Furthermore, if any of the administrative costs are to be charged directly, the distribution of costs must be supported by acceptable time accounting records, again in accordance with A-87.

### STATEMENT OF PROBLEM

The Michigan Strategic Fund prepared and submitted to the U.S. Department of Labor a cost allocation plan and indirect cost rate proposal based on actual expenditures for the year ending September 30, 2013. Based upon this proposal, Labor issued a federal negotiation agreement approving provisional indirect rates for use during fiscal 2015. As the rates were approved provisionally, federal guidelines require that they be "finalized" or reconciled to actual cost to determine any over or under charges to Federal programs. Accordingly, the Strategic Fund needs to submit a cost allocation plan and indirect cost rate proposal based on actual costs for fiscal year 2015. The FY 15 cost allocation plan will be used to finalize the FY 15 provisional rates. New rates will not be proposed since TED is in the process of negotiating a separate rate beginning with FY 16.

In addition, TED intends to continue the random moment sampling (RMS) system used by MSF to document the direct charging to Federal programs of some of the administrative offices of the Department. In order to directly charge costs to Federal programs, standards regarding time distribution as outlined in Attachment B, Section 11.h of A-87 must be met. RMS is specifically mentioned as a viable substitute system for the support of time distribution. RMS is an on-going system, which through periodic sampling over an extended period of time can accurately determine the work effort of a group of workers. In order to continue charging Federal programs in 2016, TED will need to continue to generate and tabulate sampling data on a quarterly basis throughout the year.

#### DESCRIPTION OF SERVICES

MAXIMUS proposes to provide the following services for the Michigan Department of Talent and Economic Development:

*1. Preparation of the Michigan Strategic Fund DCAP based on actual costs for the year ending September 30, 2015.* Organizational charts and financial information will be needed for this task. R\*STARS reports will be required that will provide financial information at the appropriate level. Depending on the accounting structure, either program or organization reports will most likely be required. MAXIMUS consultants will review the program and org structure and work with the Accounting Section to determine which reports will need to be scheduled.

The plan will be prepared in a manner consistent with the last plan. Indirect costs will be identified and segregated into discrete cost pools. Selective allocations of each pool will be made by applying the allocation base most appropriate to each circumstance. The overall objective is to allocate indirect costs consistent with the manner in which services are actually provided to programs and bureaus that benefit from the services.

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*2. Preparation of the Departmental Indirect Cost Rate Proposal based on actual costs for the year ended September 30, 2015.* As discussed earlier, FY 15 indirect cost rates are currently approved on a provisional basis. The proposal will calculate final rates for FY 15.

*3. Negotiation of the DCAP and Indirect Cost Rate Proposal with the Department's Federal cognizant agency.* Once completed, the plan will be submitted to the appropriate Federal agency for approval. The cognizant federal agency for MSF is the U.S. Department of Labor.

*4. RMS maintenance and administration for FY 2016.* MAXIMUS will provide the following services necessary to maintain the RMS system to be utilized by TED. Services will be provided for the each of the 4 quarters of the year, ending September 30, 2016.

- Quarterly updating of personnel rosters for the sampling universe.
- Generation of quarterly samples.
- Tabulation of quarterly RMS results.
- Detailed listing of sample responses.
- Calculation of cumulative year-to-date program results at the end of each quarter.
- Minor changes to the RMS software allocation matrices and observation form necessary to operate and maintain the system as originally designed, i.e. changes in personnel, renaming of programs or activities.

However, it should be noted that the annual maintenance does not include a redesign of the system to reflect any organizational or procedural changes requiring major modifications to the allocation bases, programs or activities. Major changes to the original design of the system will be billed at our standard hourly rate.

#### EXPERIENCE AND QUALIFICATIONS

MAXIMUS is the nation's leading firm in providing cost allocation services to state and local governments. MAXIMUS currently serves nearly two thousand government cost allocation

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clients annually and can bring to this engagement a uniquely qualified staff of professionals with extensive experience in preparing cost allocation plans and other cost accounting services for state and local governments.

Furthermore, MAXIMUS has extensive experience in working with agencies of the State of Michigan. Since 1987, MAXIMUS has prepared the Statewide Cost Allocation Plan (SWCAP) through the Department of Management and Budget, Office of Financial Management. In addition, MAXIMUS has prepared numerous departmental cost allocation plans and indirect cost rate proposals, installed several random moment sampling systems, and worked on many other cost accounting projects for agencies of the State of Michigan.

#### **STAFFING**

MAXIMUS will assemble an experienced team of consultants to assist TED with this engagement. All staff will have experience in preparing cost allocation plans, indirect cost rate proposal and installing and maintaining random moment sampling systems. The project director will be Mr. William Maxwell, the director of our MAXIMUS Lansing office.

#### **COMPENSATION**

Our current contract with the State of Michigan for preparation of the Statewide Cost Allocation Plan provides for an hourly rate for additional cost allocation projects. We believe this project can be performed under the terms of this contract. To do so, please contact Lora Mikula, our contract administrator with the Office of Financial Management. Based upon our current negotiated rates we are prepared to quote the following fees:

- **Actual FY 15 DCAP** (Including indirect cost rate proposal and Federal negotiations) - We estimate the actual DCAP, rate proposal and negotiations will require approximately 100 hours to complete. Based on an hourly billing rate of \$120, including all administrative overhead costs, our proposed fee is a fixed amount of \$12,000.



- **2016 RMS Maintenance** - Based upon our experience during the past year, we anticipated 25 hours of consultant time per quarter to maintain the RMS system. Based on an hourly billing rate of \$120, including all administrative overhead, our proposed fee is a fixed amount of \$3,000 per quarter (\$12,000 annual).
- **TOTAL FOR YEAR - \$24,000 - including all expenses**

**PAYMENT SCHEDULE**

Payment of our fees would be according to the following schedule:

- **DCAP** - \$12,000 due upon completion and submission to the appropriate Federal cognizant agency.
- **RMS Maintenance** - \$12,000 total, billed quarterly at \$3,000.

**DELIVERABLES**

The Department would be provided with one (1) bound and one (1) clipped copy of each of the following:

**Actual DCAP  
Indirect Cost Rate Proposal**

In addition, on a quarterly basis, the Department will be provided with the following RMS reports:

**Quarterly chronologic sampling list  
Monthly no-response reports  
Quarterly listing of actual RMS responses  
Cumulative year-to-date program results each quarter**

**TIMING**

MAXIMUS is prepared to begin preparation of the DCAP when the fiscal year is closed out and financial reports are available. As such, we project a start date during February of 2016. It is anticipated that approximately three months will be required to complete a draft of the plan,

with another four weeks for review of the plan with TED administration, and preparing the plan for Federal submission. The projected submission date would be approximately June 30, 2016. However, every effort will be made to submit the plan at the earliest possible date.

Upon completion and federal submission of the plan and indirect cost rate proposal MAXIMUS will begin negotiations for approval. Based upon our experience, negotiation and approval of the documents can take anywhere from several weeks to several months. MAXIMUS will make every attempt to expedite the process, but must advise the Department that the process can in some instances take up to a year. In any case, we are committed to securing the fairest possible negotiation agreement within the procedures set forth in Circular A-87.

As the RMS sampling will need to begin October 1, 2015, MAXIMUS will need to begin updating the sample universe and making any required changes to the system by the end of September. The RMS maintenance activities will be provided on an on-going basis throughout the year. Final reports for the last quarter of the year will be delivered around October 15, 2016.

MAXIMUS Consulting Services, Inc. is pleased to have the opportunity to present this proposal. We look forward to assisting the Michigan Department of Talent Economic Development on this very important engagement.

*No contractual commitments shall be established as the result of this proposal until the parties have executed in writing a mutually agreeable Agreement containing negotiated terms and conditions, or in this instance, the SWCAP contract has been amended to include this project.*

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**MAXIMUS Consulting Services, Inc.**

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**PROPOSAL TO THE  
MICHIGAN ATTORNEY GENERAL  
FOR AN FY 15 COST ALLOCATION PLAN  
AND INDIRECT COST RATE PROPOSAL**

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**AUGUST 2015**

CERTAIN PARTS OF THIS PROPOSAL MAY CONTAIN PROPRIETARY INFORMATION.  
PLEASE CONTACT MAXIMUS BEFORE RELEASING ANY PAGES MARKED PROPRIETARY.

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**Proposal to  
The Michigan Attorney General  
For Preparation of an FY 15 Actual  
Cost Allocation Plan & Indirect Cost Rate Proposal**

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary of MAXIMUS, Inc. (MAXIMUS) is pleased to present this proposal to the Michigan Attorney General (AG) for the preparation and negotiation of the FY 15 Actual Departmental Cost Allocation Plan and Indirect Cost Rate Proposal. The following information outlines the services we would provide and the associated costs.

**BUSINESS ORGANIZATION**

MAXIMUS Consulting Services, Inc. is a public sector consulting firm incorporated in Virginia and licensed to do business in Michigan. This project would be performed by our Financial Services Division which specializes in assisting state and local governments in matters related to grants management and cost accounting. The Division has several offices in the continental United States, including one in Lansing, Michigan. This project would be performed out of our Lansing, Michigan office at the following address:

M.A.C. Building  
935 North Washington Avenue  
Lansing, MI 48906  
(517) 484-4240

**BACKGROUND**

The Michigan Attorney General receives substantial funding for the operation of various programs it administers from the Federal Government. The Attorney General spends considerable resources to administer these programs. These costs include administration, accounting services, personnel services, etc. plus the costs incurred by the State of Michigan and identified in the State's annual Statewide Cost Allocation Plan (SWCAP). The Federal government will reimburse the State a portion or all of the costs spent in supporting Federal programs if the State can document the expenses to the Federal Government.

In order to accomplish the actual recovery of the costs attributed to any particular program within the Department, a Departmental Cost Allocation Plan (DCAP) and Indirect Cost Rate Proposal must be prepared in accordance with OMB Circular A-87, Cost Principles for State and Local Governments.

The Attorney General submitted a Cost Allocation Plan and an Indirect Cost Rate Proposal based on actual expenditures for the year ended on September 30, 2013. Based on this submission, the Department of Health and Human Services (HHS) approved provisional indirect cost rates for the Attorney General for FY 15.

Provisional indirect cost rates must be "finalized", or reconciled to actual costs, at the end of each year. As such, the Attorney General needs to prepare a cost allocation plan and indirect cost rate proposal based on actual costs for FY 15 and submit the plan to HHS for review and approval.

#### DESCRIPTION OF SERVICES

MAXIMUS proposes to provide the following services for the Michigan Attorney General:

1. Preparation of the DCAP based on actual costs for the year ended September 30, 2015. The DCAP would be prepared utilizing *MAXCARS*, software developed by MAXIMUS for the specific purpose of preparing cost allocation plans. As much as possible, the plan will be prepared consistent with the Department's most recent submission in that the same pools of indirect costs will be allocated. However, the cost pools will be amended as necessary to reflect 2015 actual circumstances.
2. Preparation of the Departmental Indirect Cost Rate Proposal based on actual costs for the year ended September 30, 2015. Actual FY 15 costs will be used as the basis for establishing a new fixed or provisional rate for use in FY 17. The type of rate that will be proposed will be determined through discussions with Michigan Attorney General representatives during the course of the engagement.

3. Negotiation of the DCAP and Indirect Cost Rate Proposal with the Department's Federal Cognizant Agency, the U.S. Department of Health and Human Services, Division of Cost Allocation (DCA), in Dallas, Texas.

#### PLAN DEVELOPMENT

MAXIMUS proposes to develop for the Michigan Attorney General a departmental cost allocation plan by carefully applying the same proven work methods we use annually for over one thousand other cost plan clients across the nation.

Essentially, we critically review the prior year plans of the Department to assure that all allowable costs are included in the plan and that the plan conforms to the provisions of OMB Circular A-87. We will review all relevant prior audits and federal negotiation agreements to determine any changes agreed to and to correct any deficiencies that may have been identified.

After our review of prior information, we will collect appropriate current information for the development of the plan. Data to be collected includes appropriate organizational charts with adequate detail to identify divisions, bureaus and programs; appropriate financial records including detail appropriation and expenditure reports; and any required allocation statistics. MAXIMUS consultants will work with designated representatives of Financial Services and other department programs to gather all necessary data.

After all the information is collected and any interviews conducted, our fieldwork will be completed. MAXIMUS consultants will then finalize the plan at our office. This minimizes any disruption to the normal operations of the Department. Upon completion of the plan we will develop an indirect cost rate proposal for the Michigan Attorney General.

When the plan and departmental rate proposal are complete, we will present draft documents to the appropriate Department officials for review and approval. The plan will be modified as necessary to incorporate any agreed to changes. After acceptance of the plan by the Department, we will finalize the plan and submit the documents to the U.S. Department of Health and Human Services for review and approval. MAXIMUS will negotiate the plan with HHS personnel on behalf of the Department. We have

negotiated numerous plans with HHS and therefore they are quite familiar with our plans and the quality of our work.

### **EXPERIENCE AND QUALIFICATIONS**

MAXIMUS is the nation's leading firm in providing cost allocation services to state and local governments. MAXIMUS currently serves nearly two thousand government cost allocation clients annually and can bring to this engagement a uniquely qualified staff of professionals with extensive experience in preparing cost allocation plans and other cost accounting services for state and local governments.

Furthermore, MAXIMUS has extensive experience in working with agencies of the State of Michigan. Since 1987, MAXIMUS has prepared the Statewide Cost Allocation Plan (SWCAP) through the Department of Technology, Management and Budget, Office of Financial Management. In addition, MAXIMUS has prepared numerous departmental cost allocation plans and indirect cost rate proposals, installed random moment sampling systems, and worked on many other cost accounting projects for the State of Michigan.

### **STAFFING**

MAXIMUS will assemble an experienced team of consultants to assist the Attorney General in this engagement. The project team has prepared numerous cost allocation plans and indirect cost rate proposals for state agencies. Moreover, the team has extensive experience in negotiating cost allocation plans with cognizant Federal agencies on behalf of clients.

Mr. William Maxwell is the Director of our Lansing, Michigan office and is responsible for managing our clients with agencies of the State of Michigan. Mr. Maxwell would be the project manager and be responsible for project design, quality and oversight of the day-to-day development of the plan.

### **COMPENSATION**

Based upon our experience in preparing the last submission, we anticipate that the project will require a total of 125 consultant hours to complete. At our standard hourly

rate of \$120, we are prepared to quote a fixed fee of \$15,000 including all expenses incurred by us. Payment would be due upon delivery of the final bound report.

#### **DELIVERABLES**

The Department would be provided with one (1) bound and one (1) clipped copy of the following:

#### **FY 2015 Actual Cost Allocation Plan & Indirect Cost Rate Proposal**

#### **TIMING**

Work cannot begin until the current fiscal year is closed and final financial reports are available. Therefore we do not anticipate a start date until sometime after January 1, 2016. After all necessary financial information is obtained, approximately three to four months will be necessary for completion of the draft. Preparation of the final report and their submission to the HHS will be at the discretion of the Department. Once submitted, negotiation and approval of the documents can take anywhere from several weeks to several months. We will make every attempt to expedite the process, but we must advise the Attorney General that the process can in some instances take up to a year. In any case, we are committed to securing the fairest possible negotiation agreement within the procedures set forth in Circular A-87.

MAXIMUS is pleased to have the opportunity to present this proposal. We look forward to assisting the Michigan Attorney General on this very important engagement.

*No contractual commitments shall be established as the result of this proposal until the parties have executed in writing a mutually agreeable Agreement containing negotiated terms and conditions, or in this instance, the SWCAP contract has been amended to include this project.*

**MAXIMUS Consulting Services, Inc.**

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**PROPOSAL TO THE  
MICHIGAN DEPARTMENT OF  
TECHNOLOGY, MANAGEMENT & BUDGET  
FOR A BUILDING OCCUPANCY  
COST ALLOCATION PLAN  
FY 15 ACTUAL**

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**JULY 2015**

*CERTAIN PARTS OF THIS PROPOSAL MAY CONTAIN PROPRIETARY INFORMATION.  
PLEASE CONTACT MAXIMUS BEFORE RELEASING ANY PAGES MARKED PROPRIETARY*

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**PROPOSAL TO THE MICHIGAN DEPARTMENT OF  
TECHNOLOGY, MANAGEMENT AND BUDGET  
FOR A BUILDING OCCUPANCY  
COST ALLOCATION PLAN  
BASED ON ACTUAL COSTS FOR THE YEAR ENDED  
SEPTEMBER 30, 2015**

MAXIMUS Consulting Services, Inc. is pleased to present this proposal to the Department of Technology, Management and Budget for a Building Occupancy Cost Allocation Plan based on actual costs for the year ended September 30, 2015.

**BUSINESS ORGANIZATION**

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary corporation of MAXIMUS, Inc. (MAXIMUS) is a public sector consulting firm incorporated in Virginia and licensed to do business in Michigan. This project would be performed by our Financial Services Division which specializes in assisting state and local governments in matters related to grants management and cost accounting. The Division has several offices across the continental United States. This project would be performed out of our Lansing, Michigan office at the following address:

M.A.C. Building  
935 North Washington Avenue  
Lansing, MI 48906  
517-484-4240

**BACKGROUND**

The Facilities Management Division of the Department of Technology, Management and Budget is responsible for the management of several buildings and parking facilities at various locations around the State. The division receives no general fund appropriation to fund these

activities, but operates on revenues generated from building occupancy charges and parking rentals. Since building rental fees are charged to federal programs, the US Department of Health and Human Services has listed building occupancy as a Section II, billed cost, on negotiation agreements for the Statewide Cost Allocation Plan (SWCAP). As such, the Department must document to the Federal government the cost of providing services each year. In order to do so, the State must prepare a building occupancy cost allocation plan based on actual expenditures for each fiscal year.

#### DESCRIPTION OF SERVICES

To meet the needs of the Department, MAXIMUS proposes to provide the following services:

Prepare the Building Occupancy Cost Allocation Plan (CAP) based on actual expenditures for the year ended September 30, 2015. MAXIMUS has prepared this plan for the past several years and will develop the FY 15 plan in a consistent manner with prior year plans. Preparation of the plan will include the following tasks:

- Building inventories will be reviewed and updated, including any changes to the square footage of any facility.
- Financial reports will be reviewed, and allocation bases for each index will be updated.
- Fixed asset reports will be reviewed and use charges will be developed for each facility.
- Work order projects will be reviewed and amortization schedules updated.
- The cost plan will be processed on the MAXIMUS proprietary system, *MaxCars*.
- A summary of cost vs. revenue for each building will be prepared, along with the federally required A-87 balance sheet.
- The cost plan and A-87 balance sheet will be submitted to the Department of Health and Human Services in Dallas Texas and negotiated by MAXIMUS on behalf of the State.

#### DELIVERABLES

MAXIMUS will deliver two bound and one reproducible copy of the following document:

- Building Occupancy Cost Allocation Plan based on actual expenditures for year ended September 30, 2015 (including the A-87 Balance Sheet).

### EXPERIENCE AND QUALIFICATIONS

MAXIMUS is the nation's leading firm in providing cost allocation services to state and local governments. MAXIMUS currently serves nearly two thousand government cost allocation clients annually and can bring to this engagement a uniquely qualified staff of professionals with extensive experience in preparing cost allocation plans and other cost accounting services for state and local governments.

Furthermore, MAXIMUS has extensive experience in working with agencies of the State of Michigan. Since 1987, MAXIMUS has prepared the Statewide Cost Allocation Plan (SWCAP) through the Department of Technology, Management and Budget, Office of Financial Management. In addition, MAXIMUS has prepared numerous departmental cost allocation plans and indirect cost rate proposals, installed several random moment sampling systems, and worked on many other cost accounting projects for agencies of the State of Michigan.

### STAFFING

MAXIMUS will assemble an experienced team of consultants to assist the Department of Technology, Management and Budget in this engagement. All staff will have experience in preparing cost allocation plans for agencies of the State of Michigan. The project director will be Mr. William Maxwell, the manager of our MAXIMUS Lansing office. Other staff will be assigned to the project as needed by Mr. Maxwell.

### TIMING AND FEES

MAXIMUS is prepared to begin work on the FY 15 actual building rental rate CAP as soon as the State can provide final financial information. It is anticipated that approximately three to four months will be necessary to complete the draft of the actual building occupancy costs. The actual building occupancy plan and A-87 balance sheet should be completed by June 30, 2016, the projected date for federal submission of the SWCAP. Federal negotiations of the plan will begin after submission. MAXIMUS will make every effort to expedite the process; however final approval of the plan can often take several months to a year.

Our contract with DTMB for preparation of the Statewide Cost Allocation Plan provides for other cost allocation projects to be completed under the provisions of that contract. We believe that this can be performed under the terms of this contract. Based upon 200 projected consultant hours at a rate of \$120 per hour, we are prepared to quote a fixed fee of \$24,000, including all expenses incurred by us. Our fees are based upon the following projected hours:

Project	Projected Hours	Hourly Rate	Amount
Building Rates FY 15 Actual	200	\$120	\$ 24,000

- Payment would be due upon the submission of the plan to the Department of Health and Human Services in Dallas.

MAXIMUS appreciates the opportunity to submit this proposal. We look forward to assisting the Department of Technology, Management and Budget on this very important engagement. If you have any questions or require any additional information, do not hesitate to contact us at our Lansing office.

*No contractual commitments shall be established as the result of this proposal until the parties have executed in writing a mutually agreeable Agreement containing negotiated terms and conditions, or in this instance, the SWCAP contract has been amended to include this project.*

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MAXIMUS Consulting Services, Inc.

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**PROPOSAL TO THE  
MICHIGAN DEPARTMENT OF TRANSPORTATION  
FOR A CENTRAL SERVICES COST ALLOCATION PLAN AND  
FEDERAL INDIRECT COST RATE PROPOSAL  
FISCAL 2015 ACTUAL**

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**JULY 2015**

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**Proposal to  
The Michigan Department of Transportation  
For Preparation of an FY 15 Actual  
Cost Allocation Plan & Indirect Cost Rate Proposal**

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary of MAXIMUS, Inc. (MAXIMUS) is pleased to present this proposal to the Michigan Department of Transportation (MDOT) for the preparation and negotiation of the FY 15 Actual Departmental Cost Allocation Plan and Indirect Cost Rate Proposal. The following information outlines the services we would provide and the associated costs.

**BUSINESS ORGANIZATION**

MAXIMUS Consulting Services, Inc. is a public sector consulting firm incorporated in Virginia and licensed to do business in Michigan. This project would be performed by our Financial Services Division which specializes in assisting state and local governments in matters related to grants management and cost accounting. All work will be performed by staff located in our Lansing, Michigan office at the following address:

M.A.C. Building  
935 North Washington Avenue  
Lansing, MI 48906  
(517) 484-4240

**BACKGROUND**

The Michigan Department of Transportation receives substantial funding for the operation of various programs it administers from the Federal Government. The Department of Transportation spends considerable resources to administer these programs. These costs include administration, accounting services, personnel services, etc. plus the costs incurred by the State of Michigan and identified in the State's annual Statewide Cost Allocation Plan (SWCAP). The Federal government will reimburse the State a portion or all of the costs spent in supporting Federal programs if the State can document the expenses to the Federal Government.

In order to accomplish the actual recovery of the costs attributed to any particular program within the Department, a Departmental Cost Allocation Plan (DCAP) and Indirect Cost

Rate Proposal must be prepared in accordance with OMB Circular A-87, Cost Principles for State and Local Governments.

The Department of Transportation submitted a Cost Allocation Plan and an Indirect Cost Rate Proposal based on actual expenditures for the year ended on September 30, 2013. Based on this submission, the Federal Highways Administration (FHWA) approved a fixed indirect cost rate for the Department of Transportation for FY 15.

Fixed indirect cost rates require that at the close of the fiscal year rates are reconciled to actual costs, and that adjustments be made to a subsequent year's rate to account for any difference or carry-forward. As such, the Department of Transportation needs to prepare a cost allocation plan and indirect cost rate proposal based on actual costs for FY 15 and submit the plan to FHWA for review and approval.

#### DESCRIPTION OF SERVICES

MAXIMUS proposes to provide the following services for the Michigan Department of Transportation:

1. Preparation of the DCAP based on actual costs for the year ended September 30, 2015. The DCAP would be prepared utilizing *MAXCARS*, software developed by MAXIMUS for the specific purpose of preparing cost allocation plans. As much as possible, the plan will be prepared consistent with the Department's most recent submission in that the same pools of indirect costs will be allocated. However, the cost pools will be amended as necessary to reflect 2015 actual circumstances.
2. Preparation of the Departmental Indirect Cost Rate Proposal based on actual costs for the year ended September 30, 2015. Actual FY 15 costs will be used as the basis for establishing a new fixed rate for use in FY 17.
3. Negotiation of the DCAP and Indirect Cost Rate Proposal with the Department's Federal Cognizant Agency, FHWA of the U.S. Department of Transportation.

### PLAN DEVELOPMENT

MAXIMUS proposes to develop for the Michigan Department of Transportation a departmental cost allocation plan by carefully applying the same proven work methods we use annually for over one thousand other cost plan clients across the nation.

Essentially, we critically review the prior year plans of the Department to assure that all allowable costs are included in the plan and that the plan conforms to the provisions of OMB Circular A-87. We will review all relevant prior audits and federal negotiation agreements to determine any changes agreed to and to correct any deficiencies that may have been identified.

After our review of prior information, we will collect appropriate current information for the development of the plan. Data to be collected includes appropriate organizational charts with adequate detail to identify divisions, bureaus and programs; appropriate financial records including detail appropriation and expenditure reports; and any required allocation statistics. MAXIMUS consultants will work with designated representatives of Financial Services to gather all necessary data.

After all the information is collected and any interviews conducted, our fieldwork will be completed. MAXIMUS consultants will then finalize the plan at our office. This minimizes any disruption to the normal operations of the Department. Upon completion of the plan we will develop an indirect cost rate proposal for the Michigan Department of Transportation.

When the plan and departmental rate proposal are complete, we will present draft documents to the appropriate Department officials for review and approval. The plan will be modified as necessary to incorporate any agreed to changes. After acceptance of the plan by the Department, we will finalize the plan and submit the documents to FHWA for review and approval.

### EXPERIENCE AND QUALIFICATIONS

MAXIMUS is the nation's leading firm in providing cost allocation services to state and local governments. MAXIMUS currently serves nearly two thousand government cost allocation clients annually and can bring to this engagement a uniquely qualified staff of professionals with extensive experience in preparing cost allocation plans and other cost accounting services for state and local governments.

Furthermore, MAXIMUS has extensive experience in working with agencies of the State of Michigan. Since 1987, MAXIMUS has prepared the Statewide Cost Allocation Plan (SWCAP) through the Department of Technology, Management and Budget, Office of Financial Management. In addition, MAXIMUS has prepared numerous departmental cost allocation plans and indirect cost rate proposals, installed random moment sampling systems, and worked on many other cost accounting projects for the State of Michigan.

#### STAFFING

MAXIMUS will assemble an experienced team of consultants to assist the Department of Transportation in this engagement. The project team has prepared numerous cost allocation plans and indirect cost rate proposals for state agencies. Moreover, the team has extensive experience in negotiating cost allocation plans with cognizant Federal agencies on behalf of clients. The key members of the project team are as follows:

William Maxwell - Mr. Maxwell is the Director of our Lansing, Michigan office and is responsible for managing our clients with agencies of the State of Michigan. Mr. Maxwell would be the project manager and be responsible for project design, quality and oversight of the day-to-day development of the plan.

Nick Bohac - Mr. Bohac is a senior consultant assigned to our Lansing office. Mr. Bohac would assist Mr. Maxwell as needed with development of the plan and proposal.

Each of these individuals has extensive experience in preparing cost allocation plans and indirect cost rate proposals. Other consultants will be assigned if needed.

#### COMPENSATION

Based upon our experience in preparing the last submission, we anticipate that the project will require a total of 300 consultant hours to complete. At our standard hourly rate of \$120, we are prepared to quote a fixed fee of \$36,000 including all expenses incurred by us. Payment would be due upon delivery of the final bound report.

**DELIVERABLES**

The Department would be provided with two (2) bound and one (1) clipped copy of the following:

**FY 2015 Actual Cost Allocation Plan & Indirect Cost Rate Proposal**

**TIMING**

Work cannot begin until the current fiscal year is closed and final financial reports are available. Therefore we do not anticipate a start date until sometime after December 1, 2015. After all necessary financial information is obtained, approximately three to four months will be necessary for completion of the draft. Preparation of the final report and its submission to FHWA will be at the discretion of the Department. Once submitted, negotiation and approval of the documents can take anywhere from several weeks to several months. We will make every attempt to expedite the process, but we must advise the Department of Transportation that the process can in some instances take up to a year. In any case, we are committed to securing the fairest possible negotiation agreement within the procedures set forth in Circular A-87.

MAXIMUS is pleased to have the opportunity to present this proposal. We look forward to assisting the Michigan Department of Transportation on this very important engagement.

*No contractual commitments shall be established as the result of this proposal until the parties have executed in writing a mutually agreeable Agreement containing negotiated terms and conditions, or in this instance, the SWCAP contract has been amended to include this project.*

**MAXIMUS Consulting Services, Inc.**

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 27**  
 to  
**CONTRACT NO. 071B2200084**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Maximus Consulting Services, Inc. 935 North Washington Avenue Lansing, MI 48906	William Maxwell	Billmaxwell@maximus.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	517-484-4240	7956

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB-OFM	Shawna Hessling	517-335-8917	hesslings@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	517-284-7031	edgettc@michigan.gov

**CONTRACT SUMMARY**

**DESCRIPTION:** Central Cost Analysis and SWCAP Preparation – DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2012	December 31, 2014	2- one year	December 31, 2016

PAYMENT TERMS	DELIVERY TIMEFRAME
Net 45	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$2,258,500.00	\$0.00	\$2,258,500.00

**DESCRIPTION:** Effective July 24, 2015, this Contract is AMENDED to incorporate the following work statement to the Contract: Department of Talent and Economic Development (TED): Cost Allocation Plan based on budgeted expenditures for FY2016. (\$9,600)

Also, for the preparation of the FY15 Actual / FY17 Budget SWCAP (\$29,500) is allocated as specifically identified in the contract.

Total Value of Proposals: \$39,100.00

Remaining Contract Amount Available: \$500,120.00

All other terms, conditions, specifications and pricing remain unchanged.

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**PROPOSAL TO THE MICHIGAN  
DEPARTMENT OF TALENT AND  
ECONOMIC DEVELOPMENT**

**FOR A COST ALLOCATION PLAN AND  
INDIRECT COST RATE PROPOSAL**

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**JULY 2015**

**MAXIMUS**  
*HELPING GOVERNMENT SERVE THE PEOPLE™*

935 N. WASHINGTON AVE. • LANSING, MI 48906 • 517.484.4240 • FAX 517.484.3011

**Proposal to the  
Michigan Department of Talent and Economic Development  
For Preparation of a  
Cost Allocation Plan and Indirect Cost Rate Proposal  
Fiscal 2016 Budget**

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary of MAXIMUS, Inc. (MAXIMUS) is pleased to present this proposal to the Department of Talent and Economic Development (TED) for preparation of a cost allocation plan and indirect cost rate proposal based on budgeted costs for the year ending September 30, 2016. The following information outlines the services we would provide and the associated costs.

**BUSINESS ORGANIZATION**

MAXIMUS Consulting Services, Inc. is a public sector consulting firm incorporated in the Commonwealth of Virginia and licensed to do business in Michigan. This project would be performed by our Financial Services Division that specializes in assisting state and local governments in matters related to grants management and cost accounting. This project would be performed out of our Lansing, Michigan office at the following address:

M.A.C. Building  
935 North Washington Avenue  
Lansing, MI 48906  
517-484-4240

**BACKGROUND**

The Department of Talent and Economic Development was established as a new state agency under Executive Order 2014-12. TED consists of the Michigan Economic

Development Corporation, Michigan State Housing Development Authority, the Michigan Strategic Fund and the Talent Investment Agency. TED spends considerable resources to administer these programs. These costs include administration, accounting services, personnel services, etc. plus the costs incurred by the State of Michigan and identified in the State's annual Statewide Cost Allocation Plan (SWCAP). The Federal government will reimburse the State a portion or all of the costs spent in supporting Federal programs if the State can document the expenses to the Federal Government.

In order to accomplish the actual recovery of the costs attributed to any particular program, a Departmental Cost Allocation Plan (DCAP) must be prepared in accordance with OMB Circular A-87, Cost Principles for State and Local Governments.

#### STATEMENT OF PROBLEM

The Department of Talent and Economic Development is a new state agency and has never submitted an Indirect Cost Rate Proposal. Historically, TED programs have been subject to the indirect cost rates negotiated by the Department of Licensing and Regulatory Affairs (LARA) and the Michigan Strategic Fund. However, now that TED is a separate state agency, these rates are no longer applicable. In order to recover indirect costs associated with federal grants, TED will need to submit its own Indirect Cost Rate Proposal. Since TED has no historical costs to use as the basis for the rate proposal, it will be necessary to develop the rate based on budgeted or projected expenditures.

#### DESCRIPTION OF SERVICES

MAXIMUS proposes to provide the following services for the Michigan Department of Talent and Economic Development:

1. Preparation of a TED departmental indirect cost allocation plan (DCAP) based on projected costs for the year ended September 30, 2016. The DCAP will be used to

allocate expenditures into direct and indirect cost pools to be used in developing an indirect cost rate.

2. Preparation of a Departmental Indirect Cost Rate Proposal based on projected costs for the year ended September 30, 2016. The proposal will be used to establish an indirect cost rate. The effective years for the rate will be discussed with TED administration during the engagement. In addition, we will need to discuss the cost basis upon which the rates will be developed; direct salaries, total personnel, or total direct expenditures.
3. Negotiation of the Indirect Cost Rate Proposal with the Department's Federal Cognizant Agency. We believe since the preponderance of federal funding currently comes from the Department of Labor, that Labor will be cognizant for TED.

#### PLAN DEVELOPMENT

MAXIMUS proposes to develop for TED a departmental cost allocation plan by carefully applying the same proven work methods we use annually for over one thousand other cost plan clients across the nation.

We will collect appropriate current information for the development of the plan. Data to be collected includes appropriate organizational charts with adequate detail to identify divisions, bureaus and programs. Also required are appropriate financial records including detailed appropriation and expenditure reports.

After all the information is collected and any interviews conducted, our fieldwork will be completed. MAXIMUS consultants will then finalize the plan at our office. This minimizes any disruption to the normal operations of the Department.

When the plan and departmental rate proposal are complete, we will present all the documents to the appropriate Department officials. After acceptance of the plan by

the Department, we will submit the documents to the US Department of Labor for review and approval. MAXIMUS will negotiate the plan on behalf of the Department.

## EXPERIENCE AND QUALIFICATIONS

MAXIMUS is the nation's leading firm in providing cost allocation services to state and local governments. MAXIMUS currently serves nearly two thousand government cost allocation clients annually and can bring to this engagement a uniquely qualified staff of professionals with extensive experience in preparing cost allocation plans and other cost accounting services for state and local governments.

Furthermore, MAXIMUS has extensive experience in working with agencies of the State of Michigan. Since 1987, MAXIMUS has prepared the Statewide Cost Allocation Plan (SWCAP) through the Department of Technology, Management and Budget, Office of Financial Management. In addition, MAXIMUS has prepared numerous departmental cost allocation plans and indirect cost rate proposals, installed several random moment sampling systems, and worked on many other cost accounting projects for agencies of the State of Michigan.

## STAFFING

MAXIMUS will assemble an experienced team of consultants to assist the Department of Talent and Economic Development in this engagement. All staff will have experience in preparing cost allocation plans and indirect cost rate proposals. The project manager will be Mr. William Maxwell, the director in charge of our Lansing office. Other staff will be assigned to the project as needed by Mr. Maxwell.

## COMPENSATION

We expect that this project will require 80 hours of consultant time to complete. Based upon our standard hourly billing rate of \$120 we are prepared to quote a fixed fee of \$9,600, including all expenses incurred by MAXIMUS. Payment would be due upon the submission of the cost allocation plan and indirect cost rate proposal to the appropriate federal agency.

## DELIVERABLES

The Department will be provided with one (1) bound and one (1) clipped copy of the following:

- Cost Allocation Plan and Indirect Cost Rate Proposal - based on projected expenditures for the year ended September 30, 2016 and proposing rates for use in fiscal 2016, and possibly also fiscal 2017.

#### TIMING

MAXIMUS is prepared to begin preparation of the cost plan and indirect cost rate proposal within 10 working days of approval by the Department. After necessary financial information is obtained, approximately three to four weeks will be necessary for preparation of the draft documents. Upon review and approval of the draft report, MAXIMUS will finalize the plan and prepare the submission to the Department of Labor. Based upon our experience, negotiation and approval of the documents can take anywhere from several weeks to several months. MAXIMUS will make every attempt to expedite the process, but we must advise the Department that the process can in some instances take up to a year. In any case, we are committed to securing the fairest possible negotiation agreement within the procedures set forth in Circular A-87.

#### PAYMENT SCHEDULE

Payment will be due upon submission of the plan and supporting documentation to the appropriate cognizant federal agency.

MAXIMUS is pleased to have the opportunity to present this proposal. We look forward to assisting the Michigan Department of Talent and Economic Development on this very important engagement.

*No contractual commitments shall be established as the result of this proposal until the parties have executed in writing a mutually agreeable Agreement containing negotiated terms and conditions, or in this instance, the SWCAP contract has been amended to include this project.*

MAXIMUS Consulting Services, Inc.

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 26 (Revised)**

to

**CONTRACT NO. 071B2200084**

between

**THE STATE OF MICHIGAN**

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Maximus Consulting Services, Inc. 935 North Washington Avenue Lansing, MI 48906	William Maxwell	billmaxwell@maximus.com
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	(517) 484-4240	7956

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB-OFM	Shawna Hessling	(517) 335-8917	hesslings@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	(517) 284-7031	edgettcc@michigan.gov

**CONTRACT SUMMARY**

**DESCRIPTION:**

Central Cost Analysis and SWCAP Preparation - DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2012	December 31, 2014	2, 1 Yr.	December 31, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
NET 45	N/A	N/A	

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12 Months	December 31, 2016

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
\$1,808,500.00	\$450,000.00	\$2,258,500.00

**DESCRIPTION:**

Effective October 1, 2015 this Contract is exercising the final option year and is increased by \$450,000.00. The revised Contract expiration date is December 31, 2016. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on June 16, 2015.

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 26**  
 to  
**CONTRACT NO. 071B2200084**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Maximus Consulting Services, Inc. 935 North Washington Avenue Lansing, MI 48906	William Maxwell	billmaxwell@maximus.com
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	(517) 484-4240	7956

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB-OFM	Shawna Hessling	(517) 335-8917	hesslings@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	(517) 284-7031	edgettcc@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> Central Cost Analysis and SWCAP Preparation - DTMB			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2012	December 31, 2014	2, 1 Yr.	December 31, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
NET 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12 Months	December 31, 2016
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$1,808,500.00		\$450,000.00	\$2,258,500.00	

**DESCRIPTION:**

Effective January 1, 2016, this Contract is exercising the final option year and is increased by \$450,000.00. The revised Contract expiration date is December 31, 2016. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on June 16, 2015.



STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 25**  
 to  
**CONTRACT NO. 071B2200084**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Maximus Consulting Services, Inc. 935 North Washington Avenue Lansing, MI 48906	William Maxwell	billmaxwell@maximus.com
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	(517) 484-4240	7956

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB-OFM	Shawna Hessling	(517) 335-8917	hesslings@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	(517) 284-7031	edgettcc@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> Central Cost Analysis and SWCAP Preparation - DTMB			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2012	December 31, 2014	2, 1 Yr.	December 31, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
NET 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		N/A
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$1,808,500.00		\$0.00	\$1,808,500.00	

**DESCRIPTION:**  
 Effective April 20, 2015, this Contract is AMENDED to incorporate the following work statement to the Contract:  
 Department of Technology, Management and Budget: Building Occupancy Cost Allocation Plan based on budgeted expenditures for FY2017. (\$24,000)

Total Value of Proposals: \$24,000.00

All other terms, conditions, specifications and pricing remain unchanged.

PROPOSAL TO THE  
**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT & BUDGET FOR A BUILDING  
OCCUPANCY**  
COST ALLOCATION PLAN  
FY 17 BUDGET

**MARCH 2015**

*CERTAIN PARTS OF THIS PROPOSAL MAY CONTAIN PROPRIETARY INFORMATION. PLEASE CONTACT MAXIMUS BEFORE RELEASING ANY PAGES MARKED PROPRIETARY*

**MAXIMUS**  
*HELPING GOVERNMENT SERVE THE PEOPLE™*

**PROPOSAL TO THE MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET FOR A BUILDING OCCUPANCY  
COST ALLOCATION PLAN  
BASED ON BUDGETED COSTS FOR THE YEAR ENDING  
SEPTEMBER 30, 2017**

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary of MAXIUS, Inc. (MAXIMUS) is pleased to present this proposal to the Department of Technology, Management and Budget for a Building Occupancy Cost Allocation Plan based on budgeted costs for the year ending September 30, 2017.

**BUSINESS ORGANIZATION**

MAXIMUS Consulting Services, Inc. is a public sector consulting firm incorporated in Virginia and licensed to do business in Michigan. This project would be performed by our Financial Services Division that specializes in assisting state and local governments in matters related to grants management and cost accounting. The Division has several offices across the continental United States, including one located in Lansing, Michigan. This project would be performed out of our Lansing office at the following address:

M.A.C. Building  
935 North Washington Avenue  
Lansing, MI 48906  
517-484-4240

**BACKGROUND**

The Building Operations Division of the Department of Technology, Management and Budget is responsible for the management of several buildings and parking facilities at various locations around the State. The division receives no general fund appropriation to fund these activities, but operates on revenues generated from building occupancy charges and parking rentals. Since building rental fees are charged to federal programs, the US Department of Health and Human Services has listed building occupancy as a Section II, billed cost, on negotiation

agreements for the Statewide Cost Allocation Plan (SWCAP). As such, the Department must document to the Federal government the cost of providing services each year. In order to do so, the State must prepare a Building Occupancy Cost Allocation Plan based on actual expenditures for each fiscal year. In addition, DTMB needs to project building rental rates for upcoming years. Therefore, a second cost allocation plan must be prepared. This plan is based on projected expenditures and facility inventories and is used to establish rental rates for a subsequent appropriation year.

### **DESCRIPTION OF SERVICES**

To meet the needs of the Department, MAXIMUS proposes to provide the following services:

**Prepare the Building Occupancy Cost Allocation Plan (CAP) based on budgeted expenditures for the year ending September 30, 2017.** MAXIMUS has prepared this plan for the past several years and will develop the FY 17 budget plan in a consistent manner with prior year plans. Preparation of the plan will include the following tasks:

- Building inventories will be reviewed and updated, including any changes to the square footage of any facility.
- Projected expenditure reports will be reviewed, and allocation bases for each index will be updated.
- Fixed asset reports will be reviewed and use charges will be developed for each facility.
- Work order projects will be reviewed and amortization schedules updated.
- The cost plan will be processed on the MAXIMUS proprietary system, MAXCars.
- A summary of projected costs for each building will be prepared, along with the calculation of the projected rental rates necessary to generate sufficient revenues to meet operating expenses for each facility.

### **DELIVERABLES**

MAXIMUS will deliver one bound and one electronic copy of the following document:

- Building Occupancy Cost Allocation Plan based on budgeted expenditures for year ending September 30, 2017. (Including summary schedule showing the full operating cost and projected rental rate for each facility.)

### **EXPERIENCE AND QUALIFICATIONS**

MAXIMUS is the nation's leading firm in providing cost allocation services to state and local governments. MAXIMUS currently serves nearly two thousand government cost allocation clients annually and can bring to this engagement a uniquely qualified staff of professionals with extensive experience in preparing cost allocation plans and other cost accounting services for state and local governments.

Furthermore, MAXIMUS has extensive experience in working with agencies of the State of Michigan. Since 1987, MAXIMUS has prepared the Statewide Cost Allocation Plan (SWCAP) through the Department of Technology, Management and Budget, Office of Financial Management. In addition, MAXIMUS has prepared numerous departmental cost allocation plans and indirect cost rate proposals, installed several random moment sampling systems, and worked on many other cost accounting projects for agencies of the State of Michigan. Attached is a partial listing of State of Michigan clients and references. A complete client listing for MAXIMUS is available upon request.

### **STAFFING**

MAXIMUS will assemble an experienced team of consultants to assist the Department in this engagement. All staff will have experience in preparing cost allocation plans for agencies of the State of Michigan. The project director will be Mr. William Maxwell, the director of our MAXIMUS Lansing office. Other staff will be assigned to the project as needed by Mr. Maxwell. The resume for Mr. Maxwell is included at the end of this proposal.

### **TIMING AND FEES**

MAXIMUS is prepared to begin work on the FY 17 budgeted building rental rate CAP as soon as the State can provide the projected financial information and building inventories. It is anticipated that approximately two to three months will be necessary to complete the draft of the building occupancy cost plan and rate summary. The draft report will be delivered to DTMB for

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review and will be revised as necessary to reflect any necessary changes. Delivery of the final report will be contingent upon the review and approval of the draft report. However, we anticipate that the final report will be delivered within four months of the outset of the project.

Our current contract with the State of Michigan for preparation of the Statewide Cost Allocation Plan (071B2200084) provides an hourly rate for additional cost allocation projects. We believe this project can be performed under the terms of this contact. Based on our experience in preparing this plan in previous years, we anticipate that the project will require 200 consultant hours to complete. At the current negotiated billing rate for the SWCAP of \$120 per hour, we are prepared to quote a fixed fee of \$24,000, including all expenses incurred by us. Please contact Ms. Lora Mikula, our contact administrator at the Office of Financial Management to get approval to contract under the SWCAP agreement.

Payment would be due upon delivery of the final report to the DTMB Office of Financial Services.

MAXIMUS appreciates the opportunity to submit this proposal. We look forward to assisting the Department of Technology, Management and Budget on this very important engagement. If you have any questions or require any additional information, do not hesitate to contact us at our Lansing office.

*No contractual commitments shall be established as the result of this proposal until the parties have executed in writing a mutually acceptable Agreement containing negotiated terms and conditions, or in this instance, the SWCAP contract is amended to include this project.*

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**MAXIMUS Consulting  
Services, Inc.**

STATE OF MICHIGAN  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
PROCUREMENT  
P.O. BOX 30026, LANSING, MI 48909  
OR  
525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 24**  
to  
**CONTRACT NO. 071B2200084**  
between  
**THE STATE OF MICHIGAN**  
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Maximus Consulting Services, Inc. 935 North Washington Avenue Lansing, MI 48906	William Maxwell	billmaxwell@maximus.com
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	(517) 484-4240	7956

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB-OFM	Shawna Hessling	(517) 335-8917	hesslings@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	(517) 284-7031	edgett@c@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> Central Cost Analysis and SWCAP Preparation - DTMB			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2012	December 31, 2014	2, 1 Yr.	December 31, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
NET 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE		
\$1,808,500.00	\$0.00	\$1,808,500.00		

**DESCRIPTION:**  
Effective March 9, 2015, this Contract is AMENDED to incorporate the following work statement to the Contract:  
2. Department of Natural Resources: Cost Allocation Plan and Indirect Cost Rate Proposal based on FY2014 actual costs (\$25,200)  
Proposal to DTMB

All other terms, conditions, specifications and pricing remain unchanged.

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PROPOSAL TO THE  
MICHIGAN DEPARTMENT OF  
NATURAL RESOURCES  
FOR A COST ALLOCATION PLAN AND  
INDIRECT COST RATE PROPOSAL  
FY 14ACTUAL

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JANUARY 2015

*CERTAIN PARTS OF THIS PROPOSAL MAY CONTAIN PROPRIETARY INFORMATION.  
PLEASE CONTACT MAX/MUS BEFORE RELEASING ANY PAGES MARKED PROPRIETARY.*

**MAXIMUS**  
*HELPING GOVERNMENT SERVE THE PEOPLE™*



PROPOSAL TO THE MICHIGAN  
DEPARTMENT OF NATURAL  
RESOURCES

FOR A COST ALLOCATION PLAN  
BASED ON ACTUAL COSTS FOR  
THE YEAR ENDED SEPTEMBER 30, 2014

MAXIMUS Consulting Services, Inc. is pleased to present this proposal to the Michigan Department of Natural Resources (DNR) for the preparation of a Departmental Cost Allocation Plan based on actual costs for the year ending September 30, 2014.

The following information outlines the services we would provide and the associated costs.

BUSINESS ORGANIZATION

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary corporation of MAXIMUS, Inc. (MAXIMUS) is a public sector consulting firm incorporated in Virginia and licensed to do business in Michigan. This project would be performed by our Financial Services Division that specializes in assisting state and local governments in matters related to grants management and cost accounting. The Division has several offices within the continental United States. This project would be performed out of our Lansing, Michigan office at the following address:

M.A.C. Building  
935 North Washington  
Avenue Lansing, MI  
48906  
(517) 484-4240

BACKGROUND

The Michigan Department of Natural Resources receives substantial funding for the operation of various programs it administers from the Federal government as well as several state restricted funding sources, i.e. Game and Fish Fund, Marine Safety Fund, State Waterways Fund, etc. The DNR spends considerable resources to administer these programs. These costs

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include administration, accounting services, personnel services,

internal audit, etc. plus the costs incurred by the State of Michigan and identified in the State's annual Statewide Cost Allocation Plan (SWCAP). The Federal government will reimburse the State a portion or all of the costs spent in supporting Federal programs if the State can document the expenses to the Federal government. In order to accomplish the actual recovery of indirect costs attributed to any particular program within the Department of Natural Resources, a Departmental Cost Allocation Plan (DCAP) must be prepared in accordance with the provision of OMB Circular A-87, Cost Principles for State and Local Governments. In addition, the Department is interested in determining the extent to which various state restricted funds should contribute to the funding of the various DNR administrative cost pools.

The Department of Natural Resources annually negotiates indirect cost rates with the U.S. Department of Interior. FY 14 rates were approved on a fixed with carry-forward basis. This requires that fixed indirect cost rates employed during a fiscal year be reconciled to actual cost at the end of the period. Differences between fixed rates and actual rates, or carry-forwards, are computed and incorporated into future rates. This proposal will be used to reconcile the fiscal 2014 rates, calculate appropriate carry-forwards for 2014, and to propose new rates for use in FY 16.

## DESCRIPTION OF SERVICES

MAXIMUS proposes to provide the following services for the Michigan Department of Natural Resources:

1. Preparation of the DCAP based on actual costs for the year ended September 30, 2014, prepared in accordance with OMB Circular A-87. The DCAP would be prepared using a "multiple rate" methodology, whereby indirect costs would be segregated into discrete cost pools and selective allocations of costs will be made by applying an allocation base most appropriate to each circumstance. The overall objective is to allocate indirect costs consistent with the manner in which services are actually provided to programs and bureaus which benefit from these services. A "multiple rate" DCAP provides for a much more accurate allocation of indirect costs than a single departmental rate as it recognizes differences in the level of support provided to various programs within the Department.

The DCAP will include allocation of the following administrative appropriation units. However, allocated appropriations will be revised to reflect any changes or additions for the current fiscal year.

- Building Occupancy- 1345
- Private Rent - 1346
- Natural Resources Commission- 1092
- Unclassified Salaries - 1093
- Executive Direction- 1001
- Science and Policy- 1003
- Central Support- 1200
- Accounting Service Center - 1225
- Information Technology Services- 1150

In addition, the plan will allocate statewide costs for DNR approved in the Michigan Statewide Cost Allocation Plan (SWCAP).

2. Preparation of the Departmental Indirect Cost Rate Proposal based on actual expenditures for the year ended September 30, 2014. Current indirect cost rates for the DNR are approved on a fixed with carry-forward basis. As such, the proposal needs to include the calculation of appropriate FY 14 carry-forwards and the incorporation of these amounts into proposed rates for use during state fiscal year 2016. Two rate pools will be proposed:

- PR-DJ Rate - Applicable to Federal salaries and benefits funded by Pittman/Robertson- Dingle/Johnson programs.
- All Other Programs- Applicable to all other Federal salaries and benefits.

3. Negotiation of the DCAP and Indirect Cost Rate Proposal with the Department's Federal cognizant agency. Once completed the cost plan and rate proposal will be submitted to the US Department of Interior, Office of Inspector General, for review and approval. MAXIMUS will be the initial point of contact with Interior regarding all questions regarding the preparation of the documents.

4. Preparation of a revised cost plan for the documentation of charges to state restricted funding sources. Another version of the DCAP will be prepared. The revised version will essentially allocate the same cost pools; however, it will be structured differently in order to identify indirect charges separately for the various bureaus of the department. In addition, costs allocated to individual bureaus will subsequently be reallocated to funding sources according to the ratio of funding within each bureau. The final result will be that the appropriateness of the level of funding provided by various state restricted funds for each administrative appropriation can be reviewed. As this plan is prepared for state funds only, it will not need to be submitted to the Federal government for review.

## EXPERIENCE AND QUALIFICATIONS

MAXIMUS, Inc. is the nation's leading firm in providing costs accounting services to state and local governments. We currently serve over two thousand governmental cost allocation clients through over forty offices across the continental United States, and can bring to this engagement a uniquely qualified staff of professionals with extensive experience in preparing cost allocation plans for state and local governments.

Furthermore, MAXIMUS has extensive experience in working with agencies of the State of Michigan. Since 1987, MAXIMUS has prepared the Statewide Cost Allocation Plan (SWCAP) through the Department of Technology, Management and Budget, Office of Financial Management. In addition, we have prepared numerous departmental cost allocation plans and indirect cost rate proposals, installed several random moment sampling systems, and worked on many other cost accounting projects for agencies of the State of Michigan. Attached is a partial listing of State of Michigan clients and references. A complete client listing for MAXIMUS is available upon request.

## STAFFING

MAXIMUS will assemble an experienced team of consultants to assist the Michigan Department of Natural Resources in this engagement. The project team has prepared a numerous cost allocation plans and indirect cost rate proposals for state

agencies. Moreover, the team has extensive experience in negotiating cost allocation plans with the cognizant federal agencies on behalf of clients. The key members of the project team are as follows:

William Maxwell - Mr. Maxwell is the director in charge of our Lansing, Michigan office and is responsible for managing our clients with agencies of the State of Michigan. Mr. Maxwell would be the project manager and be responsible for the day-to-day development of the plan.

Nicholas Bohac- Mr. Bohac is a senior consultant assigned to our Lansing office. Mr. Bohac would assist Mr. Maxwell with development of the plan and rate proposal.

All of these individuals have extensive experience in preparing cost allocation plans and indirect cost rate proposals. Resumes are attached.

#### COMPENSATION

Under the provisions of our current contract with DTMB for preparation of the SWCAP, the contract can be amended to include departmental cost allocation plans for other state agencies. We believe this project can be performed under the provisions of this contract. Based on our experience in preparing your departmental cost plan in the past, we project that the project will require the following consultant hours:

A-87 DCAP & Federal Indirect Cost Rate Proposal -	150 hrs
<u>Revised DCAP for Restricted Funds</u>	<u>60 hrs</u>
Total Hours	210 hrs

Based on a billing rate of \$120 per hour, we are prepared to quote a fixed fee of \$25,200, including all expenses. MAXIMUS will bill the Department according to the following schedule:

- Submission of A-87 DCAP and Rate Proposal to Interior- \$18,000
- Delivery and Acceptance of Revised DCAP for Restricted Funds - \$7,200

## TIMING

MAXIMUS is prepared to begin work on this project within 10 working days of receiving a purchase order or contract amendment notice. However, work cannot begin until the current fiscal year has been closed and final financial reports are available. Once work has begun, it is anticipated that it will require approximately twelve weeks to complete a draft of the A-87 plan and an additional eight weeks to complete the draft of the second plan. Once approved by DNR, the A-87 plan will be submitted to the Department of Interior and MAXIMUS will begin negotiations on your behalf to secure federal approval. MAXIMUS will make every attempt to expedite the process, but we must advise the Department of Natural Resources that in some instances the negotiation process can take up to a year. In any case, we are committed to securing the fairest possible negotiation agreement within the procedures set forth in A-87.

MAXIMUS appreciates the opportunity to submit this proposal and looks forward to again working with the Michigan Department of Natural Resources.

*No contractual commitments shall be established as the result of this proposal until the parties have executed in writing a mutually agreeable Agreement containing negotiated terms and conditions, or in this instance, the SWCAP contract has been amended to include this project.*

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MAXIMUS Consulting Services, Inc.

## STATE OF MICHIGAN REFERENCES

State of Michigan  
Department of Management & Budget  
SWCAP  
Michael Moody, Director of Financial Management  
373-1010

State of Michigan  
Department of Civil Service  
DCAP  
Carol Vargovich, Director of Financial Services  
373-3168

State of Michigan  
Department of Community Health  
DCAP, RMS  
Kim Stephen, Director Bureau of Budget & Audits  
335-0251

State of Michigan  
Department of State  
DCAP, Cost of Service Study  
Cindy Paradine, Director of Financial Services  
373-7941

State of Michigan  
Department of Labor and Economic Growth  
DCAP, RMS  
Allan Pohl, Director of Financial Management  
335-1976

State of Michigan  
Department of Natural Resources  
DCAP  
Sharon Schafer, Chief, Finance & Operations  
335-3283

MAXIMUS Consulting Services,

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State of Michigan  
Department of Management & Budget  
Building Rental Rate Study, DCAP  
Ron Foss, Director of Fiscal Management  
335-7015

State of Michigan  
Department of State Police  
DCAP  
Sherri Irwin, Director of Department Services  
241-1053

State of Michigan  
Department of Transportation  
Cost Allocation Study  
Ed Timpf, Administrator Financial Operations  
373-1527

State of Michigan  
Economic Development Corporation  
DCAP  
Minesh Mody, Chief Financial Officer  
241-0523

State of Michigan  
Department of Environmental Quality  
DCAP  
Jim Kasprzak, Director of Administration  
241-7427

State of Michigan  
Department of Agriculture  
DCAP  
David Bruce, Director of Finance and Technology  
373-1100

MAXIMUS Consulting Services,

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State of  
Michigan  
Judiciary  
DCAP

Karen Ellis, Budget Officer, Supreme Court  
373-5544

State of  
Michigan  
Attorney  
General DCAP

James Selleck, Finance Director  
335-6920

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William L.  
Maxwell Director

Qualifications

Mr. Maxwell has over 25 years of professional experience in providing cost accounting services to state and local governments. He is currently with our Financial Services Division and is the Director in charge of our Michigan offices in Lansing and Bay City. He is responsible for the preparation and negotiation of all cost allocation plans and related cost accounting projects for agencies of the State of Michigan. His range of project experience includes the following:

- A-87 Cost Allocation
- Federal Indirect Cost Rate Negotiations
- Cost of Service Studies
- Random Moment Sampling
- User Fee Studies
- Direct Billings Models

Since joining MAXIMUS, Mr. Maxwell has been a key consultant or project manager on numerous cost accounting projects, including the following:

Relevant Experience

State of Michigan SWCAP -Mr. Maxwell has been the project manager for the Michigan Statewide Cost Allocation Plan since 1987. He was responsible for the design, development and negotiation of all actual and budget based SWCAP's. During this time, all plans were successfully completed and negotiated with the Department of Health and Human Services.

State of New York SWCAP - Mr. Maxwell was a key consultant assigned to the State of New York Statewide Cost Allocation Plan during 1995 and 1996. He was responsible for the design of an allocation methodology for most of the financial central services.

Michigan Department of Community Health Cost Allocation Project - Mr. Maxwell was the project manager for a comprehensive cost allocation project for the MDCH. The DCH was created in 1996 by combining portions of the previous departments of Public and Mental Health and the Medical Assistance Program (Medicaid) from the Family Independence Agency, resulting in numerous cost allocation issues that needed to be resolved. The project involved finalizing indirect cost rates for DPH and DMH for 1995 and 1996; preparing budget and actual cost allocation plans for DCH; design and installation of an RMS system in the DCH administrative offices; and developing a federally required Public Assistance Cost Plan for the Medicaid Program.

Michigan Department of State Cost Allocation Project - Mr. Maxwell was the project manager for the DOS cost allocation project. This was a comprehensive cost allocation project designed to document the cost of administering and operating motor vehicle programs. The project encompassed the development of

nine cost allocation plans and included a short term RMS system at 20 branch offices across the state. In addition, the project included a cost of service or user fee review of various driver and vehicle fees charged by the Department. The project was originally developed based on fiscal 1995/96 information, and has been updated each year since.

Michigan Department of Transportation Cost Allocation Project – Mr. Maxwell was the project manager for the MDOT cost allocation project. This project resulted in the calculation of overhead rates applicable to highways maintenance, construction and design work performed in seven regions of the State. The project also involved recommendations for improvements to the existing time reporting and accounting structures in order to enhance the Department's ability to determine its full cost of service. This project was completed during 1999 and updated in 2000 and 2009.

State Agency Cost Allocation Plans - Mr. Maxwell has been responsible for the development of numerous other departmental cost allocation plans and indirect cost rate proposals for state agencies. Among others, clients include:

*Michigan Department of Technology, Management and Budget*  
*Michigan Department of Community Health*  
*Michigan Department of Transportation*  
*Michigan Department of State*  
*Michigan Department of Corrections*  
*Michigan Department of Energy, Labor and Economic Growth*  
*Michigan Attorney General*  
*Michigan Supreme Court*  
*Michigan Department Natural Resources*  
*Michigan Department of Environmental Quality*  
*Michigan Department of State Police*  
*Michigan Economic Development Corporation*  
*Michigan Department of Agriculture*  
*Ohio Department of Rehabilitative Services*  
*Indiana Department of Health*  
*Indiana Attorney General*

Random Moment Sampling Systems - Mr. Maxwell has been the project manager for several random moment sampling (RMS) installations used for the purpose of documenting work effort for federal claiming.

User Fee Studies - Mr. Maxwell has been the project manager on numerous user fee, or cost of service studies. User fee studies encompass documenting the full cost of providing services to the public for which fees are assessed, e.g. building permits, business licenses, laboratory fees, etc. Clients include:

*City of Detroit*  
*City of Flint*  
*City of Brighton*  
*City of Kentwood*  
*City of Ann Arbor*



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## Nicholas J. Bohac Senior Consultant

### Qualifications

Mr. Bohac has over 10 years of professional experience in providing cost accounting services to state and local governments. He is currently with our Financial Services Division and is a Senior Consultant in our Lansing, Michigan office. He has completed and assisted on the preparation of numerous cost allocation projects for all of the cost allocation plans and related cost accounting projects for the agencies of the State of Michigan. Additionally, he has contributed on many of our user fee projects performed for various governmental agencies throughout the state of Michigan. His range of project experience includes the following:

- A-87 Cost Allocation
- Federal Indirect Cost Rate Negotiations
  - Cost of Service Studies
  - Random Moment Sampling
  - User Fee Studies
  - Direct Billings Models

**Relevant Experience** Since joining MAXIMUS, Mr. Bohac has been the primary consultant or valued contributor on many cost accounting projects, including the following:

Michigan Department of Licensing and Regulatory Affairs Indirect Cost Rate Proposal and Random Moment Sample - Mr. Bohac has been a key consultant assigned to the Michigan Department of Licensing and Regulatory Affairs, most recently the Michigan Department of Energy, Labor and Economic Growth, cost allocation and random moment sample project for the last several years. He has been responsible for preparing and submitting the cost allocation plan to the U.S. Department of Labor to secure approval of the Department's indirect cost rate. In addition, he has also been responsible for administering the Department's random moment sampling system, which was used to document work effort for federal claiming purposes.

Michigan Department of Agriculture and Rural Development Cost Allocation Plan and Indirect Cost Rate Proposal - Mr. Bohac has been the main consultant assigned to the Michigan Department of Agriculture and Rural Development cost allocation project for over five years. He was responsible for preparing the Department's cost allocation plan and negotiating the indirect cost rate agreement with the U.S. Department of Agriculture.

Michigan Department of Corrections Cost Allocation Plan and Indirect Cost Rate Proposal - Mr. Bohac was the principal consultant for the Michigan Department of Corrections cost allocation project over the last several years. He has successfully completed and negotiated the Department's indirect cost rate agreement with the U.S. Department of Justice.

Michigan Department of State Police Cost Allocation Plan and Indirect Cost Rate Proposal - Mr. Bohac was the primary consultant for the Michigan Department of State Police cost allocation project for the last several years. He has been responsible for completing the Department's cost allocation plan and submitting the indirect cost rate proposal to the U.S. Department of Homeland Security.

Michigan Economic Development Corporation Cost Allocation Plan and Indirect Cost Rate Proposal - Mr. Bohac was the main consultant assigned to the Michigan Economic Development Corporation cost allocation project for nearly the last ten years. All proposals he has completed have been successfully negotiated with the U.S. Department of Housing and

Michigan Supreme Court Cost Allocation Plan and Indirect Cost Rate Proposal - Mr.

Bohac has been the key consultant for the Michigan Supreme Court cost allocation project for almost the last ten years. He was responsible for completing all proposals and negotiating with the U.S. Department of Health and Human Services to secure approval of the indirect cost rate.

Michigan Department of Community Health Indirect Cost Rate Proposal and Random Moment Sample - Mr. Bohac was an important consultant assigned to the Michigan Department of Community Health cost allocation and random moment sample project for the last several years. In addition to assisting with the indirect cost rate proposal, he has been responsible for administering the Department's random moment sampling system, which was being used to document work effort in order to recover costs associated with federal programs.

Other Michigan State Agency Cost Allocation Plans – In addition to those previously discussed, Mr. Bohac has been a major contributor on several other State of Michigan cost allocation plans and indirect cost rate proposals, including:

*Michigan Statewide Cost Allocation Plan*  
*Michigan Department of Technology, Management and Budget Michigan*  
*Department of Transportation*  
*Michigan Department of State*  
*Michigan Attorney General*  
*Michigan Department Natural Resources Michigan Department*  
*of Environmental Quality*

Michigan Department of Transportation Cost Allocation Project – Mr. Bohac was a key part of the project staff for the Michigan Department of Transportation cost allocation project. This project resulted in the calculation of overhead rates applicable to highways maintenance, construction and design work performed in seven regions of the State. The project also involved recommendations for improvements to the existing time reporting and accounting structures in order to enhance the Department's ability to determine its full cost of service.

User Fee Studies - Mr. Bohac has assisted with numerous user fee, or cost of service, studies. User fee studies encompass documenting the full cost of providing services to the public for which fees are assessed, e.g. building permits, business licenses, laboratory fees, etc. Such studies Mr. Bohac has contributed to include:

*City of Detroit, Michigan City of Kentwood,*  
*Michigan City of Brighton, Michigan Branch*  
*County, Michigan Clare County, Michigan Clinton*  
*County, Michigan Eaton County, Michigan*  
*Grand Traverse County, Michigan*  
*Ingham County, Michigan St. Clair County,*  
*Michigan*  
*Washtenaw County, Michigan Ingham County, Michigan*  
*Kalamazoo County, Michigan Health and Community Services*  
*Kent County, Michigan Register of Deeds Montcalm County,*  
*Michigan Register of Deeds*

Other Cost Allocation Plans – Mr. Bohac has also contributed on other cost allocation plans for cities



STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 23**  
 to  
**CONTRACT NO. 071B2200084**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Maximus Consulting Services, Inc. 935 North Washington Avenue Lansing, MI 48906	William Maxwell	billmaxwell@maximus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 484-4240	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB-OFM	Shawna Hessling	(517) 335-8917	hesslings@michigan.gov
BUYER	DTMB	Chelsea Edgett	(517) 284-7031	edgettc@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: <b>CENTRAL COST ANALYSIS AND SWCAP PREPARATION - DTMB</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2012	December 31, 2014	2, 1 yr.	December 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$1,808,500.00		

Effective February 6, 2015, this Contract is AMENDED to incorporate the following work statements to the Contract:

1. Department of Insurance and Financial Services: Administrative Funding Cost Allocation Plan, Federal Cost Allocation Plan & Indirect Cost Rate Proposal based on FY2014 actual costs, dated December 3, 2014 (\$33,600)
2. Judiciary: Cost Allocation Plan & Indirect Cost Rate Proposal based on FY2014 actual costs, dated October 20, 2014 (\$10,800)

Total Value of Proposals: \$44,400.00  
Remaining Contract Amount Available: \$138,420.00

All other terms, conditions, specifications and pricing remain unchanged.

Rev 8/20/2012



December 3, 2014

**Ms. Karen Sage**

Department of Insurance and Financial Services  
611 West Ottawa – 3<sup>rd</sup> Floor  
P.O. Box 30220  
Lansing, MI 48909

Dear Ms. Sage:

MAXIMUS Consulting Services, Inc. is pleased to present this proposal to the Department of Insurance and Financial Services for the development of the following documents:

- Administrative Cost Allocation Plan based on actual expenditures for the year ended September 30, 2014.
- Federal Cost Allocation Plan and Indirect Cost Rate Proposal based on actual expenditures for the year ended September 30, 2014.

We were recently notified by DTMB that our contract to prepare the Statewide Cost Allocation Plan (071B2200084) has been extended to cover the next fiscal year. As in the past, this contract contains a provision for other agencies to contract with MAXIMUS for cost allocation projects. We believe this project can be completed under the terms of this contract. However, to do so, you will need to obtain approval from the DTMB Office of Financial Management. Please contact Ms. Lora Mikula, our contract administrator at OFM.

Mr. William Maxwell, the director of our Lansing office, will be the project manager assigned to this project. If you have any questions regarding this proposal or any aspect of the project please contact him directly.

MAXIMUS appreciates the opportunity to submit this proposal, and we look forward to working with the Department of Insurance and Financial Services on this very important project.

Sincerely,  
MAXIMUS Consulting Services, Inc.

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Nelson A. Clugston  
Vice President

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**PROPOSAL TO THE MICHIGAN  
DEPARTMENT OF INSURANCE  
AND FINANCIAL SERVICES  
FOR FISCAL 2014  
COST ALLOCATION PLANS**

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**DECEMBER 2014**

**CERTAIN PARTS OF THIS PROPOSAL MAY CONTAIN PROPRIETARY INFORMATION. PLEASE  
CONTACT **MAXIMUS** BEFORE RELEASING ANY PAGES MARKED PROPRIETARY.**

**MAXIMUS**  
*HELPING GOVERNMENT SERVE THE PEOPLE™*

935 N. WASHINGTON AVE. • LANSING, MI 48906 • 517.484.4240 • FAX 517.484.3011

**Proposal to the  
Michigan Department of Insurance and  
Financial Services  
For Fiscal 2014  
Cost Allocation Plans**

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary of MAXIMUS, Inc. (MAXIMUS) is pleased to present this proposal to the Michigan Department of Insurance and Financial Services (DIFS) for cost allocation services based on actual costs for the fiscal year ended September 30, 2014. The proposal includes two separate cost allocation plans:

- Administrative Funding Cost Allocation Plan – intended to determine the appropriate mix of state restricted funding for the administrative programs of the Department.
- Federal Cost Allocation Plan and Indirect Cost Rate Proposal – used to determine indirect costs for federally funded programs in compliance with OMB Circular A-87.

The following information outlines the services we would provide and the associated costs.

**BUSINESS ORGANIZATION**

MAXIMUS Consulting Services, Inc. is a public sector consulting firm incorporated in the State of Virginia and licensed to do business in Michigan. This project would be performed by our Financial Services Division that specializes in assisting state and local governments in matters related to grants management and cost accounting. This project would be performed out of our Lansing, Michigan office at the following address:

M.A.C. Building  
935 North Washington Avenue  
Lansing, MI 48906  
517-484-4240

**BACKGROUND**

The Department of Insurance and Financial Services was established as a new state agency under Executive Order 2013-1. DIFS is responsible for the regulation of Michigan's financial industries, including banks, credit unions, insurance, mortgage

companies, and other consumer finance lenders. DIFS receives funding for its operation from a variety of restricted revenue sources, including among others, Insurance Regulatory Fees, Bank Regulation Fees, Credit Union Regulatory Fees, Consumer Finance Fees and Security Fees. DIFS is also responsible for several federally funded programs. In addition to direct program costs associated with these programs, DIFS spends considerable resources to administer these programs. These costs include administration, human resources, budget, consumer complaint processing, policy development, etc. DIFS needs to justify the use of the various state restricted funding sources in supporting the administrative operations of the Department. DIFS also needs to develop a federal approved methodology for the recovery of indirect costs from its federally funded programs.

### **STATEMENT OF PROBLEM**

DIFS receives no general fund appropriation for the operation of its administrative programs. As such, DIFS needs to determine an appropriate mix of funding for the administrative operations of the Department. DIFS desires to have a detailed and defensible allocation methodology developed. In order to accomplish this, an administrative (central services) cost allocation plan needs to be prepared. The plan will examine the various administrative functions of the Department and develop a defensible approach for allocating costs to benefited programs, and ultimately funding sources of DIFS. The plan should be based upon actual costs for the fiscal year ended September 30, 2014 and be used to establish funding ratios for the next appropriation year.

Federal funds may not be used to fund the administrative programs. However, indirect costs can be recovered from federal programs. In order to accomplish the actual recovery of indirect costs attributed to any particular federal program within the Department, a Departmental Cost Allocation Plan (DCAP) and Indirect Cost Rate Proposal must be prepared in accordance with the provision of OMB Circular A-87, Cost Principles for State and Local Governments.

### **DESCRIPTION OF SERVICES**

MAXIMUS proposes to provide the following services for the Department of Insurance and Financial Services:

1. **Preparation of an Administrative Funding Cost Allocation Plan based on actual costs for the year ended September 30, 2014.** The plan will identify the recommended mix of funding for the administrative programs of the Department. The plan will be prepared utilizing *MAXCARS*, software developed by MAXIMUS for the specific purpose of preparing cost allocation plans. The following is a listing of the administrative cost pools that we anticipate will be allocated.

Director's Office

Unclassified  
Finance and Administrative Services  
DIFS Modernization  
Department-wide Costs  
Executive Director Programs  
Consumer Services  
Policy  
General Counsel  
Attorney General IDG  
Rent  
Property Management  
IT IDG

2. **Preparation of an A-87 Departmental Cost Allocation Plan and Indirect Cost Rate Proposal based on actual expenditures for the year ended September 30, 2014.** DIFS currently has rates approved covering both fiscal years 2014 and 2015. Current indirect cost rates for the DIFS are approved on a provisional basis. This means that rates must be “finalized” or reconciled to actual costs at the close of the year. As such, DIFS needs to prepared a cost plan and rate proposal based on actual costs for fiscal 2014. The proposal will establish final rates for fiscal year 2014, and also be used to establish a new rate for fiscal 2016, beginning on October 1, 2015.
3. **Negotiation of the DCAP and Indirect Cost Rate Proposal with the Department’s federal cognizant agency.** Once completed the cost plan and rate proposal will be submitted to the US Department of Health and Human Services for review and approval. MAXIMUS will be the initial point of contact with DHHS regarding all questions concerning preparation of the documents.

### EXPERIENCE AND QUALIFICATIONS

MAXIMUS is the nation’s leading firm in providing cost allocation services to state and local governments. MAXIMUS currently serves nearly two thousand government cost allocation clients annually and can bring to this engagement a uniquely qualified staff of professionals with extensive experience in preparing cost allocation plans and other cost accounting services for state and local governments.

Furthermore, MAXIMUS has extensive experience in working with agencies of the State of Michigan. Since 1987, MAXIMUS has prepared the Statewide Cost Allocation Plan (SWCAP) through the Department of Technology, Management and Budget, Office of Financial Management. In addition, MAXIMUS has prepared numerous departmental cost allocation plans and indirect cost rate proposals, installed several random moment sampling systems, and worked on many other cost accounting projects for agencies of the State of Michigan. A complete client listing for MAXIMUS is available upon request.

## **STAFFING**

MAXIMUS will assemble an experienced team of consultants to assist DIFS in this engagement. All staff will have experience in preparing cost allocation plans and indirect cost rate proposals. The project director will be Mr. William Maxwell, the director of our MAXIMUS Lansing office. Other staff will be assigned to the project as needed by Mr. Maxwell. The resume for Mr. Maxwell is included at the end of this proposal.

## **COMPENSATION**

Our current contract with the State of Michigan for preparation of the Statewide Cost Allocation Plan (SWCAP) provides for additional departmental cost allocation projects to be completed as amendments to the original contract. We believe this project can be performed under the provisions of this contact. Based upon our experience in preparing this plan in prior years, we anticipate that the project will require 280 consultant hours to complete. At our standard hourly rate of \$120 we are prepared to quote a fixed fee of \$33,600, including all expenses incurred by us. Payment will be due as follows:

- \$24,000 – Due upon delivery of the Administrative Funding Cost Allocation Plan
- \$9,600 – Due upon submission of the A-87 Cost Allocation Plan and Indirect Cost Rate Proposal to DHHS

## **DELIVERABLES**

The Department would be provided with one (1) bound and one (1) clipped copy of the following:

- **Administrative Funding Cost Allocation Plan**
- **A-87 Cost Allocation Plan and Indirect Cost Rate Proposal**

## **TIMING**

MAXIMUS is prepared to begin preparation of the cost plans and rate proposal as soon as practical after securing a contract or change notice to our SWCAP contract. However, work cannot begin until the FY 14 fiscal year is closed out and final financial reports are available. Once the necessary financial information is obtained, approximately four months will be necessary for preparation of the draft documents. The timing of the draft is however contingent upon the availability of DIFS staff for interviews and the availability of all selected allocation statistics. Once the draft is approved by DIFS, the final report can be delivered within two weeks. The anticipated submission date for the A-87 plan is June 30, 2015.

MAXIMUS is pleased to have the opportunity to present this proposal. We look forward to assisting the Department of Insurance and Financial Services on this very important engagement.

*No contractual commitments shall be established as the result of this proposal until the parties have executed in writing a mutually agreeable Agreement containing negotiated terms and conditions, or in this instance, the SWCAP contract has been amended to include this project.*

**MAXIMUS Consulting Services, Inc.**

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William L. Maxwell  
Director

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Qualifications

Mr. Maxwell has over 25 years of professional experience in providing cost accounting services to state and local governments. He is currently with our Financial Services Division and is the Director in charge of our Michigan offices in Lansing and Bay City. He is responsible for the preparation and negotiation of all cost allocation plans and related cost accounting projects for agencies of the State of Michigan. His range of project experience includes the following:

- ☞ A-87 Cost Allocation
- ☞ Federal Indirect Cost Rate Negotiations
- ☞ Cost of Service Studies
- ☞ Random Moment Sampling
- ☞ User Fee Studies
- ☞ Direct Billings Models

Relevant Experience

Since joining **MAXIMUS**, Mr. Maxwell has been a key consultant or project manager on numerous cost accounting projects, including the following:

**State of Michigan SWCAP** - Mr. Maxwell has been the project manager for the Michigan Statewide Cost Allocation Plan since 1987. He was responsible for the design, development and negotiation of all actual and budget based SWCAP's. During this time, all plans were successfully completed and negotiated with the Department of Health and Human Services.

**State of New York SWCAP** - Mr. Maxwell was a key consultant assigned to the State of New York Statewide Cost Allocation Plan during 1995 and 1996. He was responsible for the design of an allocation methodology for most of the financial central services.

**Michigan Department of Community Health Cost Allocation Project** - Mr. Maxwell was the project manager for a comprehensive cost allocation project for the MDCH. The DCH was created in 1996 by combining portions of the previous departments of Public and Mental Health and the Medical Assistance Program (Medicaid) from the Family Independence Agency, resulting in numerous cost allocation issues that needed to be resolved. The project involved finalizing indirect cost rates for DPH and DMH for 1995 and 1996; preparing budget and actual cost allocation plans for DCH; design and installation of an RMS system in the DCH administrative offices; and developing a federally required Public Assistance Cost Plan for the Medicaid Program.

**Michigan Department of State Cost Allocation Project** - Mr. Maxwell was the project manager for the DOS cost allocation project. This was a comprehensive cost allocation project designed to document the cost of administering and operating motor vehicle programs. The project encompassed the development of

nine cost allocation plans and included a short term RMS system at 20 branch offices across the state. In addition, the project included a cost of service or user fee review of various driver and vehicle fees charged by the Department. The project was originally developed based on fiscal 1995/96 information, and has been updated each year since.

**Michigan Department of Transportation Cost Allocation Project** – Mr. Maxwell was the project manager for the MDOT cost allocation project. This project resulted in the calculation of overhead rates applicable to highways maintenance, construction and design work performed in seven regions of the State. The project also involved recommendations for improvements to the existing time reporting and accounting structures in order to enhance the Department's ability to determine its full cost of service. This project was completed during 1999 and updated in 2000 and 2009.

**State Agency Cost Allocation Plans** - Mr. Maxwell has been responsible for the development of numerous other departmental cost allocation plans and indirect cost rate proposals for state agencies. Among others, clients include:

*Michigan Department of Technology, Management and Budget*

*Michigan Department of Community Health*

*Michigan Department of Transportation*

*Michigan Department of State*

*Michigan Department of Corrections*

*Michigan Department of Energy, Labor and Economic Growth*

*Michigan Attorney General*

*Michigan Supreme Court*

*Michigan Department Natural Resources*

*Michigan Department of Environmental Quality*

*Michigan Department of State Police*

*Michigan Economic Development Corporation*

*Michigan Department of Agriculture*

*Ohio Department of Rehabilitative Services*

*Indiana Department of Health*

*Indiana Attorney General*

**Random Moment Sampling Systems** - Mr. Maxwell has been the project manager for several random moment sampling (RMS) installations used for the purpose of documenting work effort for federal claiming.

**User Fee Studies** - Mr. Maxwell has been the project manager on numerous user fee, or cost of service studies. User fee studies encompass documenting the full cost of providing services to the public for which fees are assessed, e.g. building permits, business licenses, laboratory fees, etc. Clients include:

*City of Detroit*

*City of Flint*

*City of Brighton*

*City of Kentwood*

*City of Ann Arbor*

*Ottawa County  
St. Clair County  
Ingham County  
Kent County  
Branch County*

**Direct Billing Models** - Mr. Maxwell has assisted several state agencies in the development of direct charge-back billing systems.

**Child Support Enforcement** - Mr. Maxwell has worked with several Michigan counties assisting with the documentation of costs allowable for reimbursement under Title IV-D, Child Support Enforcement.

**Other Cost Allocation Plans** – Mr. Maxwell has also served as the project manager or lead consultant on numerous other city and county cost allocation plans.

Prior Experience

Prior to joining **MAXIMUS**, Mr. Maxwell was a high school mathematics and business instructor at Grand Ledge Public Schools for over ten years. Mr. Maxwell served as the head of the mathematics department from 1979 to 1980.

Professional History

MAXIMUS, Inc., Director, 2001 to present

DMG-MAXIMUS, Inc., State Manager, 1998 to 2001

David M. Griffith & Associates, State Manager, 1987 to 1998

Education

Master of Arts in Secondary Education, Michigan State University, East Lansing, Michigan, 1980.

Bachelor of Science Degree in Mathematics and Business, Central Michigan University, Mt. Pleasant, Michigan, 1973.

Professional Affiliations

Mr. Maxwell has been asked to give presentations on a variety of cost accounting topics to several public sector organizations, including:

Michigan Association of Counties  
Michigan Municipal League  
Greater Lansing Association of Government Accountants  
Michigan Institute for Public Administration  
Municipal Finance Officers Association of Ontario  
State Association of Accountants, Auditors and Business Administrators



October 20, 2014

**Karen Ellis, Budget Officer**  
Michigan Supreme Court  
Hall of Justice Building  
925 West Ottawa  
P.O. Box 30052  
Lansing, MI 48909

Dear Ms. Ellis,

MAXIMUS Consulting Services, Inc. pleased to present this proposal to the Michigan Judiciary for a cost allocation plan and indirect cost rate proposal based on actual costs for the year ending September 30, 2014. The FY 14 plan will be used to “finalize” the FY 14 rate approved by DHHS and to propose a new rate for use beginning in FY 16. Our work plan and qualification are detailed in the proposal.

Our contract with the Department of Technology, Management and Budget for the Statewide Cost Allocation Plan (071B2200084) has recently been extended to cover the next fiscal year. As in the past, this contract includes provisions for other State agencies to contract with us for cost allocation projects. We believe this project can be performed under the terms of this contract. However, to do so, you will need to obtain approval from the DTMB Office of Financial Management. Please contact Lora Mikula, our contract administrator at OFM.

Mr. William Maxwell, the director of our Lansing office, will serve as the project manager for this engagement. If you have any questions regarding this proposal, or any aspect of the project, please do not hesitate to contact him at 517-484-4240.

MAXIMUS appreciates your continued confidence in our ability to meet the cost allocation needs for the Michigan Judiciary. We look forward to working with you during the upcoming year.

Sincerely,  
MAXIMUS Consulting Services, Inc.

Nelson Clugston  
Vice President

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**PROPOSAL TO THE  
MICHIGAN JUDICIARY  
FOR A COST ALLOCATION PLAN AND  
INDIRECT COST RATE PROPOSAL  
FY 14 ACTUAL**

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**OCTOBER 2014**

**CERTAIN PARTS OF THIS PROPOSAL MAY CONTAIN PROPRIETARY INFORMATION. PLEASE CONTACT MAXIMUS BEFORE RELEASING ANY PAGES MARKED PROPRIETARY.**

**MAXIMUS**  
*HELPING GOVERNMENT SERVE THE PEOPLE™*

**PROPOSAL TO  
THE MICHIGAN JUDICIARY  
FOR PREPARATION OF AN FY 14 ACTUAL  
COST ALLOCATION PLAN AND  
INDIRECT COST RATE PROPOSAL**

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary of MAXIMUS, Inc. (MAXIMUS) is pleased to present this proposal to the Michigan Judiciary for the preparation and negotiation of the FY 14 Actual Departmental Cost Allocation Plan (DCAP) and Indirect Cost Rate Proposal. The following information outlines the services we would provide and the associated costs.

**BUSINESS ORGANIZATION**

MAXIMUS Consulting Services, Inc. is a public sector consulting firm incorporated in Virginia and licensed to do business in Michigan. This project would be performed by our Financial Services Division which specializes in assisting state and local governments in matters related to grants management and cost accounting. This project would be performed out of our Lansing, Michigan office at the following address:

M.A.C. Building  
935 North Washington Avenue  
Lansing, MI 48906  
(517) 484-4240

**BACKGROUND**

The Michigan Judiciary, particularly the State Court Administrative Office (SCAO), receives substantial funding for the operation of various programs it administers from the Federal Government. The Court spends considerable resources to administer these programs. These costs include administration, accounting services, personnel services, etc. plus the costs incurred by the State of Michigan and identified in the State's annual Statewide Cost Allocation Plan

(SWCAP). The Federal government will reimburse the State a portion or all of the costs spent in supporting Federal programs if the State can document the expenses to the Federal Government. In order to accomplish the actual recovery of the costs attributed to any particular program within the Supreme Court, a Departmental Cost Allocation Plan (DCAP) must be prepared in accordance with OMB Circular A-87, Cost Principles for State and Local Governments.

### STATEMENT OF PROBLEM

The Court annually prepares and submits to the Department of Health and Human Services (DHHS) its cost allocation plan and indirect cost rate proposal based on actual expenditures for the year. Based upon a prior submission, the U.S. Department of Health and Human Services (DHHS) issued a federal negotiation agreement approving provisional indirect cost rates for use in FY 14. As the rates were approved provisionally, federal guidelines require that they be “finalized” or reconciled to actual costs to determine any over or under charges to Federal programs. Accordingly, the Court needs to submit a cost allocation plan and indirect cost rate proposal based on actual costs for the year ending September 30, 2014. The FY 14 cost allocation plan will be used to finalize the FY 14 provisional rates, and to propose new rates for use beginning with FY 16.

### DESCRIPTION OF SERVICES

MAXIMUS proposes to provide the following services for the Michigan Judiciary:

**1. Preparation of the cost allocation plan based on actual costs for the year ended September 30, 2014.** The cost allocation plan will serve as the documentation for the indirect costs included in the indirect cost rate proposal. The cost plan will be prepared utilizing **MAXCARS**, proprietary software developed by MAXIMUS for the specific purpose of preparing cost allocation plans.

There are several tasks related to development of the cost plan.

- **Determining the appropriate financial reports to be used.** MAXIMUS consultants will meet with agency financial staff to review the various R\*STARS or other reports which are available. It will be necessary to select reports that roll-up or report on an organizational basis.
- **Reconciliation of the financial reports.** As salaries and wages will most likely be used as the direct cost basis upon which any indirect cost rate will be computed, it will be necessary to reconcile salaries and wages by organization within the Court.
- **Identifying the various indirect cost pools to be included.** Based upon a review of the financial reports, organizational charts and functional descriptions, various indirect cost pools will be identified. Selected indirect cost pools will be reviewed for allowability, and cost will be documented for inclusion in the cost plan.
- **Identification of Statewide Costs** - The cost plan also needs to include statewide costs allocated to the Judiciary in the Statewide Cost Allocation Plan (SWCAP). The appropriate federally approved SWCAP agreement will be reviewed and costs will be included in the cost plan.

**2. Preparation of the Departmental Indirect Cost Rate Proposal based on actual costs for the year ended September 30, 2014.** Based upon the results of the cost plan, an indirect cost rate proposal will be computed. As stated earlier, indirect cost rates were approved by the Department of Health and Human Services in Dallas for use during FY 14. This proposal will calculate final rates for FY 14 and also propose new provisional rates for use by the Court in FY 16.

**3. Negotiation of the DCAP and Indirect Cost Rate Proposal.** Upon approval of the Court, MAXIMUS will submit the cost plan and rate proposal to the Department of Health and Human Services, Division of Cost Allocation, in Dallas, Texas. Once the plan is submitted, MAXIMUS will begin negotiations on your behalf to secure approval.

## **EXPERIENCE AND QUALIFICATIONS**

MAXIMUS is the nation's leading firm in providing cost allocation services to state and local governments. MAXIMUS currently serves nearly two thousand government cost allocation clients annually and can bring to this engagement a uniquely qualified staff of professionals with extensive experience in preparing cost allocation plans and other cost accounting services for state and local governments.

Furthermore, MAXIMUS has extensive experience in working with agencies of the State of Michigan. Since 1987, MAXIMUS has prepared the Statewide Cost Allocation Plan (SWCAP) through the Department of Technology Management and Budget, Office of Financial Management. In addition, MAXIMUS has prepared numerous departmental cost allocation plans and indirect cost rate proposals, installed random moment sampling systems, and worked on many other cost accounting projects for the State of Michigan. A complete listing of all of our clients is available upon request.

## **STAFFING**

MAXIMUS will assemble an experienced team of consultants to assist the Michigan Judiciary in this engagement. The project team has prepared a number of cost allocation plans and indirect cost rate proposals for state agencies. Moreover, the team has extensive experience in negotiating cost allocation plans with cognizant Federal agencies on behalf of clients. The key members of the project team are as follows:

- William Maxwell - Mr. Maxwell is the Director of our Lansing, Michigan office and is responsible for managing our clients with agencies of the State of Michigan. Mr. Maxwell would be the project manager and be responsible for the day-to-day development of the plan.
  
- Nick Bohac – Mr. Bohac is a consultant assigned to our Lansing office. Mr. Bohac would assist Mr. Maxwell with development of the plan and proposal.

Each of these individuals has extensive experience in preparing cost allocation plans and indirect cost rate proposals. Resumes for the key consulting team are included at the end of this proposal.

### **COMPENSATION**

Our current contract with the State of Michigan for preparation of the Statewide Cost Allocation Plan (SWCAP) provides for additional departmental cost allocation projects to be completed as amendments to the original contract. We believe this project can be performed under the provisions of this contract. However, to do so, Office of Financial Management approval is required.

Based upon prior experience in preparing this plan, we anticipate that the project will require 90 hours of consultant time to complete. At our current approved SWCAP hourly rate of \$120 we are prepared to quote a fixed fee of \$10,800 including all expenses incurred by MAXIMUS. Payment would be due upon submission of the proposal to the Department of Health and Human Services.

### **DELIVERABLES**

The Department would be provided with three (3) bound and one (1) clipped copy of each of the following:

**Actual Cost Allocation Plan**  
**Indirect Cost Rate Proposal**

### **TIMING**

MAXIMUS is prepared to begin preparation of the FY 14 actual plan when the fiscal year is closed out and financial reports are available. As such, we do not project a start date until February 2015. It is anticipated that approximately 12 weeks will be required to complete a draft of the plan, after which we still need to review the plan with the Court financial staff, and prepare the plan for federal submission. The projected submission date would be approximately June 30,

2015. Based upon our experience, negotiation and approval of the documents can take anywhere from several weeks to several months. MAXIMUS will make every attempt to expedite the process, but we must advise the Court that the process can in some instances take up to a year. In any case, we are committed to securing the fairest possible negotiation agreement within the procedures set forth in Circular A-87.

MAXIMUS is pleased to have the opportunity to present this proposal. We look forward to assisting the Michigan Judiciary on this very important engagement.

*No contractual commitments shall be established as the result of this proposal until the parties have executed in writing a mutually agreeable Agreement containing negotiated terms and conditions, or in this instance, the SWCAP contract has been amended to include this project.*

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**MAXIMUS Consulting Services, Inc.**

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William L. Maxwell  
Director

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Qualifications

Mr. Maxwell has over 25 years of professional experience in providing cost accounting services to state and local governments. He is currently with our Financial Services Division and is the Director in charge of our Michigan offices in Lansing and Bay City. He is responsible for the preparation and negotiation of all cost allocation plans and related cost accounting projects for agencies of the State of Michigan. His range of project experience includes the following:

- ☞ A-87 Cost Allocation
- ☞ Federal Indirect Cost Rate Negotiations
- ☞ Cost of Service Studies
- ☞ Random Moment Sampling
- ☞ User Fee Studies
- ☞ Direct Billings Models

Relevant Experience

Since joining **MAXIMUS**, Mr. Maxwell has been a key consultant or project manager on numerous cost accounting projects, including the following:

**State of Michigan SWCAP** - Mr. Maxwell has been the project manager for the Michigan Statewide Cost Allocation Plan since 1987. He was responsible for the design, development and negotiation of all actual and budget based SWCAP's. During this time, all plans were successfully completed and negotiated with the Department of Health and Human Services.

**State of New York SWCAP** - Mr. Maxwell was a key consultant assigned to the State of New York Statewide Cost Allocation Plan during 1995 and 1996. He was responsible for the design of an allocation methodology for most of the financial central services.

**Michigan Department of Community Health Cost Allocation Project** - Mr. Maxwell was the project manager for a comprehensive cost allocation project for the MDCH. The DCH was created in 1996 by combining portions of the previous departments of Public and Mental Health and the Medical Assistance Program (Medicaid) from the Family Independence Agency, resulting in numerous cost allocation issues that needed to be resolved. The project involved finalizing indirect cost rates for DPH and DMH for 1995 and 1996; preparing budget and actual cost allocation plans for DCH; design and installation of an RMS system in the DCH administrative offices; and developing a federally required Public Assistance Cost Plan for the Medicaid Program.

**Michigan Department of State Cost Allocation Project** - Mr. Maxwell was the project manager for the DOS cost allocation project. This was a comprehensive cost allocation project designed to document the cost of administering and operating motor vehicle programs. The project encompassed the development of

nine cost allocation plans and included a short term RMS system at 20 branch offices across the state. In addition, the project included a cost of service or user fee review of various driver and vehicle fees charged by the Department. The project was originally developed based on fiscal 1995/96 information, and has been updated each year since.

**Michigan Department of Transportation Cost Allocation Project** – Mr. Maxwell was the project manager for the MDOT cost allocation project. This project resulted in the calculation of overhead rates applicable to highways maintenance, construction and design work performed in seven regions of the State. The project also involved recommendations for improvements to the existing time reporting and accounting structures in order to enhance the Department's ability to determine its full cost of service. This project was completed during 1999 and updated in 2000 and 2009.

**State Agency Cost Allocation Plans** - Mr. Maxwell has been responsible for the development of numerous other departmental cost allocation plans and indirect cost rate proposals for state agencies. Among others, clients include:

*Michigan Department of Technology, Management and Budget*  
*Michigan Department of Community Health*  
*Michigan Department of Transportation*  
*Michigan Department of State*  
*Michigan Department of Corrections*  
*Michigan Department of Energy, Labor and Economic Growth*  
*Michigan Attorney General*  
*Michigan Supreme Court*  
*Michigan Department Natural Resources*  
*Michigan Department of Environmental Quality*  
*Michigan Department of State Police*  
*Michigan Economic Development Corporation*  
*Michigan Department of Agriculture*  
*Ohio Department of Rehabilitative Services*  
*Indiana Department of Health*  
*Indiana Attorney General*

**Random Moment Sampling Systems** - Mr. Maxwell has been the project manager for several random moment sampling (RMS) installations used for the purpose of documenting work effort for federal claiming.

**User Fee Studies** - Mr. Maxwell has been the project manager on numerous user fee, or cost of service studies. User fee studies encompass documenting the full cost of providing services to the public for which fees are assessed, e.g. building permits, business licenses, laboratory fees, etc. Clients include:

*City of Detroit*  
*City of Flint*  
*City of Brighton*  
*City of Kentwood*  
*City of Ann Arbor*

*Ottawa County  
St. Clair County  
Ingham County  
Kent County  
Branch County*

**Direct Billing Models** - Mr. Maxwell has assisted several state agencies in the development of direct charge-back billing systems.

**Child Support Enforcement** - Mr. Maxwell has worked with several Michigan counties assisting with the documentation of costs allowable for reimbursement under Title IV-D, Child Support Enforcement.

**Other Cost Allocation Plans** – Mr. Maxwell has also served as the project manager or lead consultant on numerous other city and county cost allocation plans.

Prior Experience

Prior to joining **MAXIMUS**, Mr. Maxwell was a high school mathematics and business instructor at Grand Ledge Public Schools for over ten years. Mr. Maxwell served as the head of the mathematics department from 1979 to 1980.

Professional History

MAXIMUS, Inc., Director, 2001 to present

DMG-MAXIMUS, Inc., State Manager, 1998 to 2001

David M. Griffith & Associates, State Manager, 1987 to 1998

Education

Master of Arts in Secondary Education, Michigan State University, East Lansing, Michigan, 1980.

Bachelor of Science Degree in Mathematics and Business, Central Michigan University, Mt. Pleasant, Michigan, 1973.

Professional Affiliations

Mr. Maxwell has been asked to give presentations on a variety of cost accounting topics to several public sector organizations, including:

Michigan Association of Counties  
Michigan Municipal League  
Greater Lansing Association of Government Accountants  
Michigan Institute for Public Administration  
Municipal Finance Officers Association of Ontario  
State Association of Accountants, Auditors and Business Administrators

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Nicholas J. Bohac  
Senior Consultant

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Qualifications

Mr. Bohac has over 10 years of professional experience in providing cost accounting services to state and local governments. He is currently with our Financial Services Division and is a Senior Consultant in our Lansing, Michigan office. He has completed and assisted on the preparation of numerous cost allocation projects for all of the cost allocation plans and related cost accounting projects for the agencies of the State of Michigan. Additionally, he has contributed on many of our user fee projects performed for various governmental agencies throughout the state of Michigan. His range of project experience includes the following:

- ☞ A-87 Cost Allocation
- ☞ Federal Indirect Cost Rate Negotiations
- ☞ Cost of Service Studies
- ☞ Random Moment Sampling
- ☞ User Fee Studies
- ☞ Direct Billings Models

Relevant Experience

Since joining MAXIMUS, Mr. Bohac has been the primary consultant or valued contributor on many cost accounting projects, including the following:

**Michigan Department of Licensing and Regulatory Affairs Indirect Cost Rate Proposal and Random Moment Sample** - Mr. Bohac has been a key consultant assigned to the Michigan Department of Licensing and Regulatory Affairs, most recently the Michigan Department of Energy, Labor and Economic Growth, cost allocation and random moment sample project for the last several years. He has been responsible for preparing and submitting the cost allocation plan to the U.S. Department of Labor to secure approval of the Department's indirect cost rate. In addition, he has also been responsible for administering the Department's random moment sampling system, which was used to document work effort for federal claiming purposes.

**Michigan Department of Agriculture and Rural Development Cost Allocation Plan and Indirect Cost Rate Proposal** - Mr. Bohac has been the main consultant assigned to the Michigan Department of Agriculture and Rural Development cost allocation project for over five years. He was responsible for preparing the Department's cost allocation plan and negotiating the indirect cost rate agreement with the U.S. Department of Agriculture.

**Michigan Department of Corrections Cost Allocation Plan and Indirect Cost Rate Proposal** - Mr. Bohac was the principal consultant for the Michigan Department of Corrections cost allocation project over the last several years. He has successfully completed and negotiated the Department's indirect cost rate agreement with the U.S. Department of Justice.

**Michigan Department of State Police Cost Allocation Plan and Indirect Cost Rate Proposal** - Mr. Bohac was the primary consultant for the Michigan Department of State Police cost allocation project for the last several years. He

has been responsible for completing the Department's cost allocation plan and submitting the indirect cost rate proposal to the U.S. Department of Homeland Security.

**Michigan Economic Development Corporation Cost Allocation Plan and Indirect Cost Rate Proposal** - Mr. Bohac was the main consultant assigned to the Michigan Economic Development Corporation cost allocation project for nearly the last ten years. All proposals he has completed have been successfully negotiated with the U.S. Department of Housing and Urban Development.

**Michigan Supreme Court Cost Allocation Plan and Indirect Cost Rate Proposal** - Mr. Bohac has been the key consultant for the Michigan Supreme Court cost allocation project for almost the last ten years. He was responsible for completing all proposals and negotiating with the U.S. Department of Health and Human Services to secure approval of the indirect cost rate.

**Michigan Department of Community Health Indirect Cost Rate Proposal and Random Moment Sample** - Mr. Bohac was an important consultant assigned to the Michigan Department of Community Health cost allocation and random moment sample project for the last several years. In addition to assisting with the indirect cost rate proposal, he has been responsible for administering the Department's random moment sampling system, which was being used to document work effort in order to recover costs associated with federal programs.

**Other Michigan State Agency Cost Allocation Plans** – In addition to those previously discussed, Mr. Bohac has been a major contributor on several other State of Michigan cost allocation plans and indirect cost rate proposals, including:

*Michigan Statewide Cost Allocation Plan*  
*Michigan Department of Technology, Management and Budget*  
*Michigan Department of Transportation*  
*Michigan Department of State*  
*Michigan Attorney General*  
*Michigan Department Natural Resources*  
*Michigan Department of Environmental Quality*

**Michigan Department of Transportation Cost Allocation Project** – Mr. Bohac was a key part of the project staff for the Michigan Department of Transportation cost allocation project. This project resulted in the calculation of overhead rates applicable to highways maintenance, construction and design work performed in seven regions of the State. The project also involved recommendations for improvements to the existing time reporting and accounting structures in order to enhance the Department's ability to determine its full cost of service.

**User Fee Studies** - Mr. Bohac has assisted with numerous user fee, or cost of service, studies. User fee studies encompass documenting the full cost of providing services to the public for which fees are assessed, e.g. building permits, business licenses, laboratory fees, etc. Such studies Mr. Bohac has contributed to include:

*City of Detroit, Michigan*  
*City of Kentwood, Michigan*  
*City of Brighton, Michigan*  
*Branch County, Michigan*  
*Clare County, Michigan*  
*Clinton County, Michigan*  
*Eaton County, Michigan*  
*Grand Traverse County, Michigan*  
*Ingham County, Michigan*  
*St. Clair County, Michigan*  
*Washtenaw County, Michigan*  
*Ingham County, Michigan*  
*Kalamazoo County, Michigan Health and Community Services*  
*Kent County, Michigan Register of Deeds*  
*Montcalm County, Michigan Register of Deeds*

**Direct Billing Models** - Mr. Bohac has assisted agencies in the development of direct charge-back billing systems.

**Other Cost Allocation Plans** – Mr. Bohac has also contributed on other cost allocation plans for cities and counties, including:

*City of Ann Arbor, Michigan*  
*City of Brighton, Michigan*  
*City of Detroit, Michigan Department of Public Works*  
*City of Kentwood, Michigan*  
*City of Mason, Michigan*  
*City of Warren, Michigan*  
*Kalamazoo County, Michigan Health and Community Services*  
*Kent County, Michigan Register of Deeds*  
*Montcalm County, Michigan Register of Deeds*

Prior Experience	Prior to joining MAXIMUS, Mr. Bohac worked for the Michigan Department State Internal Audit Division.
Professional History	<p>MAXIMUS, Inc., Senior Consultant, 2006 to present</p> <p>MAXIMUS, Inc., Consultant, 2001 to 2006</p>
Education	Bachelor of Arts in Accounting, Michigan State University, East Lansing, Michigan, 2001.
Professional Affiliations	Mr. Bohac is a member of the Association of Government Accountants.