

MGT of America, Inc.

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Bid Notes **FY 2011 A-87 & ICRP YR 1 Option \$12,500**
FY 2012 A-87 & ICRP YR 2 Option \$13,000

Item #	Line Item Notes	Unit Price	Qty/Unit	Total Price	Attch.	Docs
12072-11-1-01	Cost Allocation Plan Supplier Product Code:	First Offer - \$14,250.00	1 / year	\$14,250.00	Y	Y
Supplier Total				\$14,250.00		

MGT of America, Inc.

Item: **Cost Allocation Plan**

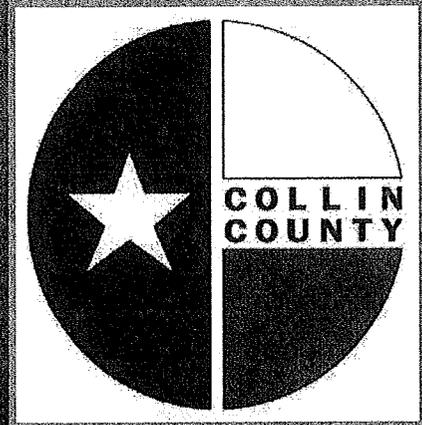
Attachments

MGT-Collin County TX ICRP RFP12072-11 Proposal.pdf

**MGT of America Response to
Collin County, Texas
RFP No. 12072-11
Services. Cost Allocation Plan**

MGT of America, Inc.

COSTING SERVICES DIVISION • AUSTIN, TEXAS 78701
502 East 11 Street, Suite 300 | ph 512.476.4697 | fx 512.476.4699
www.mgtofamerica.com | mepstein@mgtamer.com
Mark Epstein, Senior Partner



**PROPOSAL
Submitted Electronically
Via BidSync**

**Due: April 7, 2011
2:00 PM**



MGT Austin
502 East 11th Street,
Suite 300
Austin, TX 78701
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April 6, 2011

Submitted Electronically via BIDSYNC

Ms. Leslie Harper, CPPB
Contract Administrator
Purchasing Department
Collin County Administration Building
2300 Bloomdale, Suite 3160
McKinney, Texas 75071

Subject: RFP# 12072-11 Services, Cost Allocation Plan Provider

Dear Ms. Harper:

MGT of America, Inc. (MGT) is pleased to present this proposal to the Collin County, Texas (County) to provide Cost Allocation Services. MGT consultants will provide the following services to the County:

- ❖ Countywide OMB A-87 central services cost allocation plan, using the simplified method, based on actual costs for FY ending September 30, 2010.
- ❖ An Indirect Cost Rate Proposal based on actual costs for the FY ending September 30, 2010.
- ❖ Negotiation of completed cost allocation plans with the appropriate federal and/or state representatives, if requested (United States Department of Health and Human Services and the state of Texas Departments of Health and Family Services and Workforce Development, as well as others).

MGT's Commitment to Collin County

Additionally, our understanding of the County's request for services goes well beyond the project deliverables. We believe the County is requesting, in addition to the project deliverables, the following services.

- ❖ Access to more than one consultant so that questions can be answered and data can be turned into information expeditiously.
- ❖ On-site review with County personnel to ensure the highest accuracy and assertive cost recoveries.
- ❖ A professional, well-managed, accurate and **on-time** consulting engagement.
- ❖ A personable consulting team that is capable of performing the requested services with minimal disruption to, and minimal assistance from County personnel.

Ms. Leslie Harper, CPPB

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- ❖ Assistance with integrating and applying the cost allocation plan results into ongoing County operations to maximize current indirect cost recovery and pursue new methods for indirect cost recovery.
- ❖ Solid and transparent documentation to support the project deliverables.

Our proposed services will be provided by a project team of highly experienced cost allocation experts who have decades of experience preparing cost allocation plans for Texas counties. We will leverage MGT's relevant knowledge of Collin County operations, structure, and objectives to ensure an accurate, timely, and meaningful project result.

As an MGT Senior Partner, I am authorized to contractually bind the firm to the enclosed proposal for 90 days after submittal.

Sincerely,



Mark Epstein, Senior Partner
MGT of America, Inc.

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MGT Response to Collin County, Texas
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Cost Allocation Plan Services

6.1 Firm Overview

History of the Organization

MGT of America, Inc. (MGT) is a national research and management consulting firm specializing in providing management and financial services to public-sector clients. Our staff of over 110 professionals brings a wealth of knowledge and depth of understanding to all client engagements, delivering the highest quality and timely services to clients.

MGT services include expertise in preparing, explaining, applying, and defending OMB Circular A-87 compliant cost allocation plans and GAAP compliant full cost allocation plans. We are expert in cost plan development and audit defense at the state and federal levels.

MGT has been in business since 1974. In these 37 years we have successfully served more than 3,200 clients in 48 states and several foreign countries. The firm's mission "to improve the efficiency and effectiveness of governments, nonprofits, and other organizations serving the public" is supported by the capacity to deliver an extensive range of services.

MGT is a corporation owned by the current and retired partners, principals, and consultants of the firm. The advantage of this ownership structure is that every member of the firm, and by extension every member of a project team, has a vested interest in the successful completion of every project, for every client. Additionally, this ownership structure creates a mindset that permeates through every MGT owner of operating a growing, yet stable firm based on building long-term relationships.

As a financially sound privately held firm, MGT is not beholden to Wall Street analysts and corporate investors, but rather only to our clients. Since its inception in 1974, MGT has maintained persistent and steady growth. MGT is a financially sound company and is capable of providing the resources required to successfully complete Collin County's requested services.

MGT is licensed to do business in the state of Texas. The firm's primary offices are located in the following states and cities:

OFFICE LOCATION	PRIMARY CONTACT
Texas Office: 502 East 11 th Street, Suite 300 Austin, Texas 78701	Mark Epstein, Senior Partner State and Local Government Director 512-476-4697 mepstein@mgtamer.com
California Office: 455 Capitol Mall, Suite 600 Sacramento, California 95814	Brad Burgess, Senior Partner West Coast Costing Services Director 916-595-2646 bburgess@mgtamer.com

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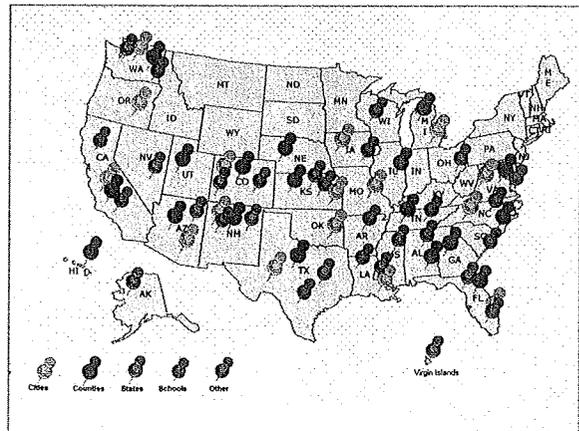
OFFICE LOCATION	PRIMARY CONTACT
Arizona Office: 8067 North 15 th Drive Phoenix, Arizona 85021	Joel E. Nolan, National Director Costing Services Practice 602-595-9728 jnolan@mgtamer.com
Colorado Office: 8200 South Quebec Suite A3 #184 Centennial, Colorado 80112	Eric Parish, Partner 877-275-7764 eparish@mgtamer.com
Florida Office: 2123 Centre Point Boulevard Tallahassee, Florida 32308	Fred Seamon, Senior Partner Regional Director 850-386-3191 fseamon@mgtamer.com
Washington Office: 711 Capitol Way, Suite 608 Olympia, Washington 98501	Dodds Cromwell, Senior Partner 360-866-7303 dcromwel@mgtamer.com
Michigan Office: 2343 Delta Road Bay City, MI 48706	Jim Olson, Principle 989-316-2220 jolson@mgtamer.com

The Austin, Texas, office will have overall management responsibility for the engagement, but the project manager and the primary cost allocation plan consultants are located in the Metroplex, including one project consultant located in Collin County.

A series of acquisitions and hiring of many of the most experienced cost allocation, cost of service, and indirect cost rate experts in the country have made MGT a firm with unmatched expertise and experience in providing the whole array of costing services to states, special districts, transit authorities, and local governments.

The *Costing Services Division* within MGT provides cost allocation plan preparation services to governments and special district entities in over 25 states. In the past three years, our consultants have prepared more than two hundred (200) OMB A-87 cost allocation plans and related studies for counties, cities, special districts, and transit agencies ranging in population from a few thousand to three million. Additionally, MGT costing services consultants have successfully completed several thousand cost allocation plans and related studies for cities and counties in the past 30 years as consultants with MGT or as former consultants with PRM, Matrix Consulting Group (MCG), MAXIMUS, DMG-MAXIMUS, or David M. Griffith & Associates (DMG).

The map to the right highlights the states where our consultants are preparing cost allocation plans, user fee studies, and related cost services projects.



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Almost every cost allocation client we currently serve switched to MGT from other firms. Many clients switched to MGT after receiving services for 20 or more years from their previous firm. While the reasons for these organizations to switch to MGT vary, one constant is their great satisfaction with the services provided by MGT. Our experience, knowledge, understanding, and commitment to Collin County objectives make MGT the best qualified to provide the cost allocation services requested.

Our consultants have extensive experience working with cost allocation and cost recovery methodologies in Texas and across the nation. The table to the right indicates the extensive cost allocation experience of our costing services consulting team. Our cost allocation experience working in and with Texas cities and counties is unsurpassed. Currently, MGT has five costing services staff located in Texas. Each of the

consultants has a MINIMUM of 22 years experience in cost allocation plan preparation. No other firm in the nation has the breadth and depth of costing experience, as does MGT. Three of the four staff members highlighted in the table above are located in Texas.

MGT COSTING CONSULTANT EXPERIENCE							
CONSULTANT	Cost Plans	User Fee	BB 90	State wide CAPs	State ICRPS	TITLE IV-D / Time Rat	Utility
Michael Adams	9	9					
Brett Ballard	3	3	2				
Sara Beemer	5	5					
Dawn Bock	8					8	
Allan Burdick			31				
Guy Burdick		1	10				
Brad Burgess	9	9	21				
Mark Carpenter	22	22					
Elise D'Auteuil	21			21	20	11	
Patrick Dyer	9	9	13				
Gary Elly	6						
Mark Epstein	29	29	7	21	21	17	3
Teresa Gannaway	26	3					
Michelle Garrett	5						
Carole Hazeltine	6		21				
Dick Hazeltine	30	5	20				
Dianne Mazo-Jones	29						
Diona LaChapelle			13				
Jerry McKenzie	23	23					31
Richard McLaughlin	20	15		20	20		
Joel Nolan	32	25		25	25		
Jim Olson	29	29		29	29	29	
Eric Parish	21	21	11		6		6
Erin Payton	25	25	3				
Richard Pearl	30	30					
Bret Schlyer	16	16	3	16	16	7	6
Shirley Sewell	27	27		20	20	11	
Donna Smigiel	25					25	
Gordie Stryker	16	16				16	
Jolene Tollenaar	1	1	14				
Jeff Wakefield	21	21					
Brad Wilkes	27	27	5				
Total Years Expertise per Specialty	530	371	174	152	157	124	46
Total Consultants per Specialty	29	23	14	7	8	8	4
Average Years per Consultant	18.2759	16.1304	12.429	21.71	19.625	15.5	11.5



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6.2 Proposed Project Team and Staff

Team Approach

While the qualifications and experience of a firm are important, perhaps more important are the knowledge and experience of the proposed project team. The proposed project team combines rich, deep knowledge and experience in preparing cost allocation plans and indirect cost rates in Texas and other states.

There are **three primary benefits** to our proposed project team. **The first**, and perhaps the greatest benefit, is the proposed project team's recent experience working across the state of Texas. For many years, these project consultants successfully provided cost allocation services to counties and cities across the state. During this time, significant enhancements have been made to the project process, the supporting documentation provided by departments has improved, the accuracy of the project results has increased, and there is an increased understanding by our clients of the projects, project results, and project applications.

County personnel will be able to utilize project results and rely on advice on cost allocation matters provided by MGT consultants.

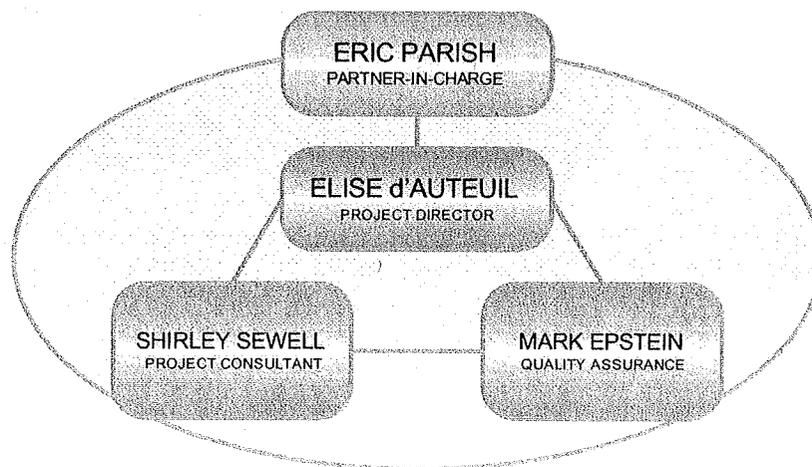
The second benefit is that the expertise of the team as a whole is greater than the sum of the team's parts. The four team members bring unique education, skills, and experiences from numerous local government cost allocation, user fee, management study, and performance review consulting engagements, many in Texas.

Responsiveness of MGT consultants is demonstrated from completing projects on-time, often despite obstacles and uncontrollable adverse circumstances.

The third benefit is that by placing five experts on the project, all phases of the project are completed in a timely manner which results in an overall on-time project.

No subcontractors, temps, interns, students or off-shore resources will be used.

Project Team Structure



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Our proposed project team offers powerful advantages to Collin County, Texas.

- A high performing team of cost allocation, user fee, and local government budget expertise, each with large jurisdiction experience. This means the County will not rely on one "national expert" along with a revolving door of untrained, junior level staff.
- A cohesive team that has worked together on related projects means instant access to insight and perspectives from more than one over-scheduled consultant.
- A team comprised of a mix of (1) prior experience with Texas counties; (2) a fresh perspective of large, complex governmental entities outside of Texas; and (3) Texas-based consultants with years of experience providing similar services to Texas cities and counties.

Mr. Eric Parish, Partner-in-Charge

Mr. Parish will serve the County as Partner-in-Charge. In this role, Mr. Parish will have responsibility for the entire project and his participation is to ensure the County will be unconditionally satisfied with the services received from MGT consultants. In addition to project oversight and quality assurance, Mr. Parish will ensure the project consultants have the resources and firm support necessary to successfully complete the proposed services. Mr. Parish will devote 5% of the total hours to this project.

Mr. Parish has recently prepared cost allocation plans for the following counties:

- ❖ **City and County of Denver, Colorado**
- ❖ **El Paso County, Colorado**
- ❖ **Jefferson Parish (County), Louisiana**
- ❖ **Knox County, Tennessee**

Mr. Parish is a partner with MGT and has over 20 years of consulting experience and has prepared hundreds of cost allocation plans and dozens of user fee studies for cities and counties. He is recognized as an expert in cost allocation and user fee studies, having presented dozens of seminars and workshops on these topics. He is proposed for this project based not only on his experience with similar studies, but also for his project management skills.

Prior to joining MGT, he held positions of responsibility with the national management consulting firms of Public Resource Management Group, LLC, Maximus, Inc. and David M. Griffith & Associates, Ltd.

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Ms. Elise d'Auteuil, Project Director

Ms. d'Auteuil will serve the County as Project Director. In this role, she will have responsibility for all field work and deliverables. Her participation is to ensure client and quality assurance, kick-off the project, oversee day-to-day activities and present final results. Ms. D'Auteuil will devote 20% of the total hours to this project.

Ms. d'Auteuil has recently prepared cost allocation plans for the following agencies and counties:

- ❖ **Texas Office of Attorney General**
- ❖ **Texas Office of the Governor**
- ❖ **Texas Comptroller**
- ❖ **Pinal County, Arizona**

Ms. d'Auteuil is based in Dallas and is one of the state's most experienced cost allocation consultants, having successfully prepared cost allocation plans for numerous Texas counties, state agencies, and special districts. Prior to joining MGT, Ms. d'Auteuil held senior consulting positions with the Financial Services Division of MAXIMUS, Inc. for over 18 years.

She has acquired an extensive knowledge of OMB Circular A-87 requirements through her management of and/or participation on SWCAP and ICRP projects for state agencies in Louisiana, New Mexico, and Texas for over 15 years. Her primary ICRP experience has been acquired through the completion of ICRP for Texas state agencies, many annually for over 15 years. She has developed and defended ICRPs for both local and state agencies in Texas.

Ms. Shirley Sewell, Lead Project Consultant

Ms. Sewell will serve as the Lead Project Consultant. In this role, Ms. Sewell will have responsibility for day-to-day activities including: identifying allowable costs; processing data; and processing data into the final cost allocation plan. She will also conduct many of the data collections meetings with County staff. Ms. Sewell will devote 70% of the total hours on this project.

Ms. Sewell has recently prepared cost allocation plans for the following governmental entities:

- ❖ **Cameron County, Texas**
- ❖ **Tarrant County, Texas**
- ❖ **Dallas, Texas**
- ❖ **Corpus Christi, Texas**

Ms. Sewell, a Senior Consultant with MGT, has over 29 years of consulting experience providing cost allocation services to Texas local governments. She has prepared dozens of cost allocation plans for cities, counties, and state agencies.

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Mr. Mark Epstein, Quality Assurance

Mr. Epstein will serve the County as Quality Assurance Advisor. In this role, he will have responsibility for assisting the project team with both technical and operational issues and decisions. Additionally, he will lead the quality assurance process to ensure the project adheres to all applicable standards, principles and guidelines. Mr. Epstein will be involved in the final review of the cost allocation plan for a total of 5% of the total project hours.

Mr. Epstein has managed cost allocation plan engagements for the following jurisdictions:

- ❖ **Bexar County, Texas**
- ❖ **Tarrant County, Texas**
- ❖ **Travis County, Texas**
- ❖ **Harris County, Texas**

Mr. Epstein, a Senior Partner with MGT, has over 32 years of experience providing public-sector consulting experience, including cost allocation services to local governments. Prior to joining MGT, he held positions of responsibility with the national management consulting firms of Maximus, and David M. Griffith and Associates. He has prepared and managed hundreds of cost allocation plans, many for large jurisdictions similar to Collin County.

Resumes for the project consultants are found in **Appendix A**.

In addition to the proposed project team, MGT can draw from a deep pool of experienced cost allocation consultants to supplement the project as necessary. These consultants have unique skill sets such as performance measurements, performance management and process improvement. These experts are available to assist the proposed project team as needed.

6.3 Proposed Products/Systems/Services

Understanding of the Services Requested

OMB A-87 Cost Allocation Plan

States, and many state agencies, counties, and cities provide services that include administrative and support expenditures allowable for federal and/or state reimbursement. Under OMB Circular A-87 guidelines, which are now codified in the Code of Federal Regulations (CFR) at 225 CFR, local governments may be reimbursed for these administrative and support expenditures if they are documented in a cost allocation plan and indirect cost rates that are compliant with the principles contained in the Circular. It can be generalized that an OMB A-87 compliant cost allocation plan is applicable to external purposes.

Applications

An OMB A-87 compliant cost allocation plan and indirect cost rates are used to recover indirect costs on federal and state grants and awards, but can also be used to recover indirect

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costs from enterprise funds, special revenue funds, and other funds as well as be included in establishing user fees, permits and applications, billing rates, hourly rates, and costs of special services.

County's Requested Services

Based on our experience successfully providing services similar to those requested by the County to other large, complex governmental entities, in addition to our understanding of the County's specifically stated request for services, our understanding of the County's request includes the following project deliverables.

- ❖ A Countywide OMB A-87 central services cost allocation plan based on actual costs for FY ending September 30, 2010.
- ❖ An Indirect Cost Rate Proposal based on actual costs for the FY ending September 30, 2010.
- ❖ Negotiation of completed cost allocation plans with the appropriate federal and/or state representatives, if requested (United States Department of Health and Human Services and the State of Texas Departments of Health and Family Services and Workforce Development, as well as others).

Additionally, our understanding of the County's request for services goes well beyond the project deliverables. We believe the County is requesting, in addition to the project deliverables, the following services.

- ❖ Access to more than one consultant so that questions can be answered and data can be turned into information expeditiously.
- ❖ On-site review with County personnel to ensure the highest accuracy and assertive cost recoveries.
- ❖ A professional, well-managed, accurate and **on-time** consulting engagement.
- ❖ A personable consulting team that is capable of performing the requested services with minimal disruption to, and minimal assistance from County personnel.
- ❖ Assistance with integrating and applying the cost allocation plan results into ongoing County operations to maximize current indirect cost recovery and pursue new methods for indirect cost recovery.
- ❖ Solid and transparent documentation to support the project deliverables.

Providing only the project deliverables takes the "consulting" out of the term "consulting engagement." We understand the County is requesting to receive expertise from a firm that can not only prepare accurate and timely cost allocation plans and cost allocation methodologies, but also provide true consulting services that will turn the project data into useful, accurate, and defensible financial and managerial information.

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Work Plan

MGT's work plan for completion of the requested scope of services is comprised of **two phases** and a total of **14 tasks**. The first phase is concerned with the development of a draft ICRP in accordance with OMB Circular A-87. The second phase involves reviewing the draft ICRP with County staff; preparing the final ICRP; and assisting the County in negotiating approval of the ICRP. Progress and project review meetings are not shown on the narrative work plan, but are planned. As our references will confirm, we are committed to meeting with County staff as frequently as necessary to assure a quality product, and full understanding of project results.

PHASE 1: DEVELOPMENT OF DRAFT ICRP

During this phase a draft ICRP will be developed. The draft ICRP will include a certification; organizational charts and descriptions; schedules identifying allowable indirect costs, supporting the development of an indirect cost rate, and reconciling indirect and direct costs to County official financial statements; and documentation on any billed or allocated costs. The ICRP will include a single, agency-wide FY 2010 indirect cost rate developed in accordance with the "simplified method" as defined by OMB Circular A-87. A draft ICRP will be provided to the County within 90 days after the contract is awarded and within 90 days of project commencement in each subsequent year. Phase I tasks include the following:

Task 1.1 Project Initiation

At the onset of the project, MGT will meet with County management (Auditor's Office) to confirm the objectives, deliverables, and schedule of the project. MGT staff understands the general objectives going into the engagement. However, having an initial meeting to set and determine specific objectives ensures the final product will meet County expectations. If necessary, any refinements in approach or schedule will be identified, discussed, and incorporated into a revised work plan and time line, and submitted to the County for approval.

Also, at this meeting the County project coordinator should be designated. This individual's involvement will include the scheduling of interviews with key department personnel and assisting MGT staff in acquiring organization, financial, and allocation base information. This individual will also be involved in establishing and coordinating activities to ensure a timely flow of information and interaction between MGT and the County. The designated individual should be thoroughly knowledgeable of County operations.

Task 1.2 Acquire and Review Organizational and Financial Information

Annual financial and program reports, detailed expenditure reports, budgets, and agency-wide organization charts will be acquired and reviewed. Additional financial reports and organizational data will be acquired during and/or as a result of the initial project meeting and subsequent meetings with County staff.

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Task 1.3 Review of Federal and State Programs Administered

A review of County programs will be conducted to identify federal and state programs and the source of their funding. The objective of this review is to determine the greatest potential for recovery of indirect costs and any issues associated with the recovery of indirect costs.

Task 1.4 Identify Administrative and Support Activities

This task focuses on identifying the activities of units responsible for providing administrative and support services. As appropriate, we will interview supervisors of administrative and support unit to discuss their services and activities.

Task 1.5 Prepare Detailed Cost Schedules for Each Indirect Organizational Unit

For each administrative and support unit and memo-billed indirect cost, a detailed indirect cost schedule will be developed. The schedule will identify each unit's allowable indirect costs by cost category. Any disallowed expenditures under OMB Circular A-87 guidelines will be deducted. All schedules will be reconciled to the County FY 2010 annual financial report.

Task 1.6 Prepare Indirect Cost Schedule

A schedule will be prepared summarizing allowable indirect costs by organizational unit and cost center, and identifying the total indirect costs to be included in developing the County indirect cost rate. Costs identified on this schedule will be supported by the detailed unit cost schedules prepared during Task 1.5. The schedule will be reconciled to the County FY 2010 annual financial report.

Task 1.7 Prepare Indirect Cost Rate

A single, agency-wide FY 2010 indirect cost rate will be developed in accordance with the "simplified method" as defined by OMB Circular A-87. The rate will be developed by dividing the total indirect costs identified in Task 1.6 by an appropriate direct cost base.

Task 1.8 Acquisition and Inclusion of Information on Billed Costs

Information on costs billed or allocated to programs and funding sources will be acquired and included in the ICRP. OMB Circular A-87 now requires an agency's federal cognizant agency to be advised of any billed or allocated costs that are not included in an agency's indirect cost rates. The following are examples of costs that are often internally billed or allocated for which information would need to be acquired: postage, space rent, telephone, office supplies, general stores, space, and motor pool usage. This task includes for each billed or allocated cost the acquisition of a description of the costs being billed or allocated, the acquisition of description of the billing or allocation methodology being utilized, and the inclusion of the information in a section of the ICRP. This task does not include the development of any methodologies, financial statements, or reconciliations that may be required by the County federal cognizant agency as a result of their being advised of these costs.

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Task 1.9 Provision of Draft Indirect Cost Rate Proposal

The draft indirect cost rate schedules, information on billed and allocated costs, and other required OMB Circular A-87 documentation will be compiled into an OMB Circular A-87 compliant ICRP and provided to the County within 90 days of the contract award. One unbound copy of the draft ICRP will be provided.

PHASE 2: REVIEW, FINAL, NEGOTIATION, AND SUPPORT

The second phase involves reviewing the draft ICRP with the County; preparing the final ICRP and assisting the County in negotiating approval of the ICRP. A final ICRP will be provided within 90 days of the contract award. Phase 2 tasks include the following.

Task 2.1 Review of Draft ICRP with County Staff

A meeting will be held with County staff to provide an overview of the draft ICRP. The intent of this overview is to ensure the accuracy and applicability of the indirect cost rate and other information presented in the ICRP. Operational implications and impacts of the indirect cost rate will also be reviewed and discussed.

Task 2.2 Provision of Final ICRP

A final ICRP will be developed incorporating any comments and revisions identified during the review of the draft ICRP during task 2.1. The final ICRP will be provided to the County no later than three weeks following the review with County staff. Twelve bound copies will be provided. In addition, we will provide the County an electronic copy of the ICRP.

Task 2.3 Negotiation Assistance

During review and negotiation of the ICRP by the County's federal cognizant agency, MGT will be available to assist the County in clarifying any issues that may arise. This task will be complete upon receipt by the County of an agreement approving the FY 2010 indirect cost rate.

Task 2.4 Provision of a Revised Final ICRP

If necessary, a revised final ICRP will be prepared and provided to the County incorporating any changes to the indirect cost rate required as a result of negotiations.

Task 2.5 Provision of Indirect Cost Support

MGT staff will continue to provide support the County on the application of the indirect cost rate and the recovery of indirect costs. If the ICRP and/or indirect cost rate should be audited or questioned, regardless of when, MGT will be available to respond to questions, defend them, and/or provide any supporting details used to create the ICRP.

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The completion of these 14 tasks contained in the two phases of the work plan we have proposed will provide for the completion of the scope of services requested in the County's RFP.

Ability to Accommodate and Respond to Changes

Most professional firms are staffed as a pyramid. That is there are a few senior level consultants at the top of the organization with many junior level consultants performing the majority of the project work. In some cases, other firms only have one or two senior staff with few, if any, backup staff to assist if problems arise.

Conversely, the Costing Services Division within MGT is staffed as an inverse pyramid. There are a few junior level consultants with many senior level consultants performing the majority of the project work. For this project, senior-level consultants will perform all the services.

This staffing model ensures the proposed project team is knowledgeable and flexible enough to accommodate annual change that is inevitable in large, complex governmental entities such as Collin County, Texas. The proposed senior-level consultants will not be reactive to the changing organizational structure of the County and need to be told changes occurred, or even where to look for changes that occurred. Rather, the proposed consulting team will be *proactive* in addressing changes and adapting the cost allocation plans accordingly, without disruption to County personnel or on-going operations.

Not only will the proposed project team proactively address County structural or organizational changes, County personnel will benefit from the advice and expertise provided by the project team to effect change.

Additionally, as a result of the project team's depth of experience with similar projects for similarly government entities, each member of the proposed project team knows to prepare for the unexpected.

While every project is unique and includes issues and concerns specific to each individual client, in general, many issues or concerns within a project are common to other projects. The proposed project team members are each adept at troubleshooting and applying years of experience from this and similar projects, to either head-off, or resolve the unexpected issues or concerns that will undoubtedly arise in this project.

6.4 References

Specific References Where MGT Has Performed Similar Work

The following projects are representative of the depth and breadth of experience The Costing Services Division with MGT in general, and the proposed project team specifically, brings to Collin County. **Each of these projects was completed by members of the proposed consulting team based here in Texas and the Principal-in-Charge within the past year while employed by MGT.**

MGT Response to Collin County, Texas
RFP No. 12072-11
Cost Allocation Plan Services

<p>CAMERON COUNTY, TEXAS Mary Lou MacNelly Assistant Auditor Cameron County Courthouse 1100 E. Monroe, 3rd Floor Brownsville, TX 78520 (956) 544 - 0822 macnelly@co.cameron.tx.us</p>	<p>CORPUS CHRISTI, TEXAS Anna Marquez, Controller Office of Financial Services, 4th Floor 1201 Leopard Street Corpus Christi, Texas, 78401 361-826-3623</p>
<p>TARRANT COUNTY, TEXAS Suzanne McKenzie Financial Reporting Manager Auditor's Office 100 East Weatherford, Room 506A Fort Worth, Texas 76196 (817) 884-1014</p>	<p>DALLAS, TEXAS Sheila Robinson, Assistant Director Office of Financial Services 1500 Marilla Street, Room 4D North Dallas, Texas, 75201 214-670-366</p>
<p align="center">TEXAS OFFICE OF THE ATTORNEY GENERAL Norma Flores Deputy Director of Budget Budget and Purchasing Division Office of the Attorney General 300 W 15th Street, 3rd Floor Austin, Texas 78701 512-475-4497 norma.flores@oag.state.tx.us</p>	

Specific Experience with Public Entities

The Costing Services Division within MGT provides cost allocation services to local and state governments in over 25 states, including Texas. In the past four years, our consultants have prepared more than 200 hundred OMB A-87 cost allocation plans, many with indirect cost rate calculations, and Full Cost allocation plans for agencies ranging in population from a few thousand to over two million. Additionally, MGT costing services consultants have successfully completed several thousand OMB A-87 cost allocation plans, indirect cost rates and Full Cost allocation plans for state and local governments in the past 30 years as consultants with MGT or as former consultants with PRM, Maximus, DMG-Maximus, or David M. Griffith & Associates (DMG).

MGT Response to Collin County, Texas
RFP No. 12072-11
Cost Allocation Plan Services

The following list does not include clients from years ago that are now with another firm, or for projects completed by consultants that have long left our firm. Rather, the following list is a sample of large and/or complex cities and counties currently or very recently receiving services from MGT costing services consultants similar to those requested by the County.

- ❖ **Tarrant County, Texas**
- ❖ **Cameron County, Texas**
- ❖ **El Paso County, Colorado**
- ❖ **North Texas Tollway Authority**
- ❖ Broward County, Florida
- ❖ Jefferson County, Colorado
- ❖ Jefferson Parish, Louisiana
- ❖ Maricopa County Arizona
- ❖ Orange County, California
- ❖ San Mateo County, California
- ❖ Sedgwick County, Kansas
- ❖ City and County of Denver, Colorado
- ❖ **City of Arlington, Texas**
- ❖ **City of Corpus Christ, Texas**
- ❖ **City of Dallas, Texas**
- ❖ **Denton County Transportation Authority**
- ❖ **City of Lewisville, Texas**
- ❖ **Texas Statewide Cost Allocation Plan**
- ❖ **Texas Attorney General**
- ❖ **Texas Office of the Governor**
- ❖ **Texas Comptroller**

6.5 Time Schedule

The chart on the following page illustrates the proposed tasks and the timeframe associated with the completion of each task:

MGT Response to Collin County, Texas
RFP No. 12072-11
Cost Allocation Plan Services

COLLIN COUNTY TASKS AND SCHEDULE	WK 1	WK 2	WK 3	WK 4	WK 5	WK 6	WK 7	WK 8	WK 9	WK 10	WK 11	WK 12
PHASE I												
1.1 Project initiation												
1.2 Acquire and review organization and financial information												
1.3 Review of federal and state programs administration												
1.4 Identify administrative and support activities												
1.5 Prepare detailed cost schedules												
1.6 Prepare Indirect Cost Schedule												
1.7 Prepare Indirect Cost Rate												
1.8 Acquisition and inclusion of billed costs												
1.9 Provision of ICRP												
PHASE II												
2.1 Review draft ICRP with County staff												
2.2 Provision of final ICRP												
2.3 Negotiation assistance												
2.4 Provision of revised final ICRP												
2.5 Provision of Indirect Cost support												

MGT Response to Collin County, Texas
RFP No. 12072-11
Cost Allocation Plan Services

6.6 - Pricing/Fees

OMB Circular A-87 Cost Allocation Plan and Single Indirect Cost Rate

MGT will provide the proposed services for the following annual, fixed, all-inclusive fee. This fee contains all direct and indirect costs including meetings, presentations, document production, etc. No additional expenses will be charged. The first year reflects the initial year of the contract commencing on the date of award through September 30, 2011 and the second and third years represent the proposed fees for each of the two additional one year renewals.

FY 2010 A-87 & ICRP COMPLETED IN 2011	FY 2011 A-87 & ICRP OPTION YR 1 - COMPLETED IN 2012	FY 2012 A-87 & ICRP OPTION YR 2 - COMPLETED IN 2013
\$14,250	\$12,500	\$13,000

Progressive payments are requested based on achieving project milestones.

6.7 - Supporting Materials

An example ICRP is provided as **Appendix B**.

6.8 - Financial Statements

MGT financial statements are provided in **Appendix C**.

6.9 - Other Projects Involved With

The table on the following page lists the current and near future projects that the members of the project team are or will be working on.

MGT Response to Collin County, Texas
 RFP No. 12072-11
 Cost Allocation Plan Services

ERIC PARISH	ELISE d'AUTEUIL	SHIRLEY SEWELL
Coconino County, AZ	Texas Office of the Attorney General	Corpus Christi, TX
Fremont County, CO	Texas Office of the Governor	Colorado Springs, CO
Cochise County, AZ	Texas Comptroller	Denton Transit Authority, TX
Boulder County CO	State of Texas SWCAP	Desoto, TX
City of Edmond, OK	North Texas Tollway Authority	Cameron County, TX
LaPlata County, CO		City of Dallas, TX
City of Centennial, CO		
Crowley County, CO		
Larimer County, CO		

6.10 - Future Development

The following billing rates are provided for any additional work or change to scope that may be contemplated by the County within the first year of the contract. Updated billing rates will be made available in subsequent years if the County requires additional services. These represent the fully loaded billing rates for consultant services. Direct expenses such as travel (mileage), printing, binding, photocopying, etc. would be billed separately to cover the direct cost of those materials and supplies.

CONSULTANTS	HOURLY RATE
Principal-in-Charge	\$185
Project Managers	\$165
Project Consultants	\$150

MGT Response to Collin County Texas
RFP No. 12072-11
Cost Allocation Plan Services

APPENDIX A

RESUMES

500





ERIC PARISH
PARTNER

RANGE OF EXPERTISE

Mr. Parish has been performing governmental cost-of-service studies since 1990. Over the past 19 years, he has developed a broad background in local government consulting, with a primary focus on cost allocation development, user fee rate calculations, indirect cost rate proposals and jail rate studies.

He has worked with city, county, state and special district government agencies on cost accounting and mandated cost claiming projects. His range of experience includes the following:

- ❖ Government Cost Allocation Plans (OMB Circular A-87)
- ❖ Full Cost Allocation Plans (GAAP)
- ❖ User Fee Studies
- ❖ Indirect Cost Rate Proposals
- ❖ Jail Rate Studies
- ❖ Reimbursable State Mandated Programs (California)
- ❖ Cost Analysis

Mr. Parish is an accomplished project manager adept at completing and managing multiple timely and satisfactory engagements.

On August 1st, 2007, Mr. Parish merged Public Resource Management Group, LLC (PRM) into MGT of America, Inc. (MGT). In 2003, Mr. Parish became one of the three founding partners of Public Resource Management Group, LLC. Prior to joining PRM, he held positions of responsibility with Maximus Inc., DMG-Maximus, and David M. Griffith and Associates, Ltd. (DMG).

PROFESSIONAL AND BUSINESS EXPERIENCE

Mr. Parish has personally prepared over 200 cost allocation plans, over 500 indirect cost rate proposals and over 50 user fee studies for government clients in 14 States.

Mr. Parish has taught hundreds of government finance officials indirect cost theory and application through numerous training sessions. He is a frequent presenter at conferences and workshops for clients, state and local governments and associations. He Parish is also an active member of the Government Finance Officers Association (GFOA).

Specific examples from Mr. Parish's experiences are described below:

- ❖ OMB A-87 and Full Cost (GAAP) allocation plans for cities and counties ranging in population from a few thousand to over two million. Many of these plans included strict cognizant agency audit and approval.

**YEARS OF
EXPERIENCE: 19**

MGT of America, Inc.
Partner
August 2007 – Present

*Public Resource
Management Group LLC*
Principle

MAXIMUS, Inc.
Senior Manager

DMG-Maximus, Inc.
Manager

*David M. Griffith and
Associates, Ltd. (DMG)*
Senior Consultant

**EDUCATION/
CERTIFICATIONS**

BBA, Business, Wichita
State University

MA, Management,
University of Phoenix

- ❖ OMB A-87 compliant Indirect Cost Rate Proposals for cities, counties and special districts. Many of these rate calculations included strict cognizant agency audit and approval.
- ❖ OMB A-87 complaint Indirect Cost Proposals for state agencies. All of these proposals required strict cognizant agency audit, negotiation and approval.
- ❖ User fee studies for cities and counties that encompass all governmental services including, but not limited to, Building, Clerk, Courts, Development, Health, Planning, Recreation, Safety and Zoning.

EXAMPLE OF RECENT GOVERNMENTS SERVED**Cities:**

- ❖ Denver, Colorado
- ❖ Des Moines, Iowa
- ❖ Goodyear, Arizona
- ❖ Oakland, California
- ❖ Wilson, North Carolina

Counties:

- ❖ El Paso, Colorado
- ❖ Kauai, Hawaii
- ❖ Jefferson (Parish), Louisiana
- ❖ Riverside, California
- ❖ Yuma, Arizona

State Agencies:

- ❖ Arizona Game and Fish
- ❖ Kansas Corporation Commission



ELISE D'AUTEUIL
SENIOR CONSULTANT

RANGE OF EXPERTISE

CONSULTING BACKGROUND

Elise d'Auteuil has 29 years of experience with state and local programs and organizations. Through her management and participation on numerous state and local government projects, she has acquired an extensive knowledge of federal and generally accepted accounting principles and procedures, governmental budgeting, finance, accounting, and operations. Projects that she has managed and/or participated in include:

- ❖ Statewide cost allocation plans (SWCAPs)
- ❖ Indirect cost allocation plans (CAPs) and indirect cost rate proposals (ICRPs) for cities, counties and state agencies
- ❖ Cost of service studies and rate methodologies
- ❖ Jail rate per diem studies and U.S. Federal Marshal housing costs
- ❖ Implementation plans and quarterly claims for Title IV-E, Title IV-D and Medicaid Administrative reimbursement
- ❖ Organizational and operational reviews

PROFESSIONAL AND BUSINESS EXPERIENCE

Ms. d'Auteuil has worked on hundreds of state and local cost allocation plans, indirect cost rate proposals and cost of services studies.

Specific examples from Elise's local government project management experience are described below:

- ❖ Managed the preparation, submission and negotiation of the Los Angeles County Metropolitan Transportation Authority (LACMTA) Indirect Cost Rate Proposal with the US Department of Transportation, Federal Transit Authority to recover administrative costs associated federal grants.
- ❖ Managed the preparation of the Pinal County, Arizona Indirect Cost Allocation Plan and Per Diem Jail Rate Study to recover administrative costs associated federal grants, to recover general fund support costs associated with non general fund operations, and to recover prisoner housing and medical costs from other jurisdictions.
- ❖ Managed the preparation of the Southwest Florida Water Management District (SWFWMD) Indirect Cost Rate Proposal and Laboratory User Fee Study to recover administrative costs associated federal grants and to recover laboratory costs from other jurisdictions.

PROFESSIONAL EXPERIENCE

29 YEARS OF EXPERIENCE

MGT OF AMERICA, INC.
 Senior Consultant
 August 2007 – Present

MAXIMUS, INC.
 Cost Services Director
 January 2007 – July 2007
 Senior Manager
 2000 – 2006
 Manager
 1993 – 1999
 Senior Consultant
 1989 – 1992

DALLAS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER
 Budget and Grants Officer
 1983 – 1988

DALLAS COUNTY, TEXAS
 Budget Analyst
 1979 – 1982

EDUCATION/ CERTIFICATIONS

The George Washington University, Washington D.C.
 B.A.





SHIRLEY W. SEWELL
SENIOR CONSULTANT

RANGE OF EXPERIENCE

CONSULTING BACKGROUND. Shirley Sewell joined MGT in April 2008 as a Senior Consultant in our Costing Services Practice after holding consulting positions with the Financial Services Division of MAXIMUS, Inc. for over 20 years. She has almost 30 years of experience with state and local programs and organizations. Her MAXIMUS, Inc. consulting experience and prior work experiences with the Dallas County Budget Office and as Assistant Administrator for Dallas County have provided her with both theoretical and practical experience in the analysis and costing of governmental operations. She has acquired experience in governmental budgeting, finance, accounting, and operations through her management and participation on numerous state and local government management and costing projects. Types of projects that she has managed and/or participated on include:

- ❖ Development of activity based cost of services studies including numerous user fee studies for both state and local jurisdictions
- ❖ Development of CAPs in accordance with federal principles.
- ❖ Assistance on several statewide cost allocation plans (SWCAPs).
- ❖ Development and negotiation of indirect cost rate proposals (ICRPs).
- ❖ Development of charge-back rate methodologies and rates.
- ❖ Development and negotiation of jail rate studies and U.S. Federal Marshal daily housing costs.
- ❖ Development and negotiation of implementation plans and quarterly claims associated with county Title IV-E, Title IV-D activities and Medicaid.
- ❖ Assisting agencies in maximizing general fund cost recoveries from federally funded programs, enterprise and special revenue funds, and other non-general fund sources.
- ❖ Organizational and operational reviews.
- ❖ Process improvement studies.
- ❖ Salary surveys and staffing analysis.
- ❖ Development and presentation of seminars on cost accounting for state agencies, local governments and professional organizations

PROFESSIONAL EXPERIENCE

29 YEARS OF EXPERIENCE

MGT OF AMERICA, INC.
 Senior Consultant,
 April 2008

MAXIMUS, INC.
Cost Services Division
 Independent Contractor
 March 2003-April 2008
 Sr. Manager
 Manager
 Sr. Consultant
 Consultant
 1983-2003

DALLAS COUNTY, TEXAS
 Assistant Administrator
 1986-1987
 Sr. Budget Analyst
 1979 - 1983

EDUCATION

L. B. J. SCHOOL OF PUBLIC AFFAIRS, UNIVERSITY OF TEXAS
 Master Public Affairs

UNIVERSITY OF TEXAS AT AUSTIN
 B.A.

STATE GOVERNMENT

Ms. Sewell has acquired an extensive knowledge of U.S. Office of Management and Budget Circular A-87 (OMB A-87) and state agencies operations through her consulting experiences in the states of Alaska, Oklahoma, Texas and Washington. Her state experiences have included assisting in the preparation of SWCAPs; state agency CAPs, indirect cost rates and ICRPs; charge-back rates for billed services in accordance with OMB A-87; and activity-based cost of services studies. Her responsibilities have included the collection and analysis of organizational, financial and performance data; the preparation of detail and summary report in accordance with OMB A-87; assisting in the negotiation of SWCAPs and ICRPs with federal agencies; assisting agencies in the application of indirect cost rates; development of billing rate methodologies and charge-back rates that comply with OMB A-87; and the costing of services for which a fee is charged or possibly charged. State government projects on which she has participated include Texas Department of Public Safety, Texas Office of the Attorney General, Texas Office of the Governor, Texas SWCAP, Texas Department of Health Lab Fees, Alaska SWCAP, Washington State Patrol, and Oklahoma Department of Administration.

SHIRLEY W. SEWELL
PAGE 2

LOCAL GOVERNMENT

In addition to Ms. Sewell's prior work experiences with Dallas County, she has acquired an extensive knowledge of local government operations through her project experiences as a consultant. Her experiences have included the preparation of ICRPs, CAPs for the identification of general fund costs provided to non-general fund entities, charge-back rates for billed services, activity based cost of services studies, and organizational and operational reviews. She has successfully negotiated local government CAPS, indirect cost rates, and ICRPs with Her responsibilities have included the collection and analysis of organizational, financial, and performance data; the preparation of detail and summary reports in accordance with OMB A-87; negotiation of CAPs and ICRPs with state and federal agencies; assisting local governments in the application of indirect cost rates; development of billing rate methodologies and charge-back rates that comply with OMB A-87; and the costing of services for which a fee is charged or possibly charged. Local government projects on which she has participated have included the following:

- ❖ Completion of ICRP and CAP projects for counties including the Texas counties of Bexar, Galveston, Harris, Smith, Tarrant, Travis, and Tarrant as well as Santa Barbara County, California, Yavapai County, Arizona, and Washoe County, Nevada as well as cities including Dallas, Texas, Ft. Worth, Texas and Denton, Texas.
- ❖ Developed and submitted to the Texas Attorney General Child Support Division, budget and quarterly claims on behalf of Texas counties for the reimbursement of costs associated with Title IV-D activities. Texas counties for which services were provided included Bexar and Tarrant.
- ❖ Developed and submitted to the Texas Juvenile Probation Commission and the Texas Department of Protective and Regulatory Services Department budgets, implementation plans, and quarterly claims on behalf of Texas counties for the reimbursement of costs associated with Title IV-E activities. Texas counties for which services were provided included Bexar, Galveston, Harris, and Travis.
- ❖ Developed and submitted implementation plans and quarterly claims to the Texas Department of State Health Services, on behalf of Harris County for the reimbursement of costs associated with Medicaid administrative services.
- ❖ Prepared cost of service analyses and user fee studies including unit costs of service for numerous municipal clients including, City of Las Vegas, Nevada, City of Reno, Nevada, City of Tucson, Arizona, City of New Orleans, Louisiana, City of Oklahoma City, Oklahoma, City of Santa Maria, California, City of Dallas, Texas, and Galveston County, Texas.
- ❖ Reviewed and provided recommendation to Texas Regional Councils of Governments on the adequacy of regional councils of governments' ICRPs and their compliance with OMB A-87 principles and procedures, including presentations to sub-committee of the Texas Legislature.
- ❖ Developed and submitted for U.S. Federal Marshal approval daily rate proposals for the reimbursement of costs associated with housing federal prisoners. Ms. Sewell also prepared detailed analyses of county jail costs utilizing activity-based costing principles and developed daily rates to secure reimbursement for county detention services and served as an expert witness on the cost of housing State prisoners in County jails.
- ❖ Responsibilities with the Dallas County included the preparation and maintenance of budgets; preparation of financial reports including long-range program forecasting; managing the County's risk management program; supervising the County's records management program; and developing a county-wide office space inventory.



MARK EPSTEIN
SENIOR PARTNER

RANGE OF EXPERIENCE

CONSULTING BACKGROUND. Mr. Mark Epstein has 30 years of professional experience working with state and local governments, educational institutions, school districts, nonprofits, and the private sector providing assistance in activity based cost identification, management and operational reviews, grants accounting, and program management. He is a nationally recognized expert in government cost of services, revenue maximization, and business process improvement. In addition, he has authored a number of articles on costing and pricing services in government and conducted numerous workshops and seminars in the user fee and cost allocation area.

PROFESSIONAL AND BUSINESS EXPERIENCE

COST ALLOCATION AND COST OF SERVICES

Mr. Epstein has worked on hundreds of cost allocation and cost of service studies throughout the United States. Cost allocation and cost of services project experience includes the following:

- ❖ Managed a cost allocation and billing rate study for the Office of the Texas Attorney General. This study analyzed the current cost allocation plan and billing rates being charged by the agency and recommended a new cost allocation and charge back rate methodology utilizing activity based costing principles and OMB Circular A-87. A new cost plan and billing rates were developed in order to meet all state and federal cost identification and allocation guidelines.
- ❖ Managed a statewide review of user fees and charges for the State of Rhode Island. Reviewed state services both in existing and potential fee areas to determine whether current revenue was covering the costs of services. As a result of the study, increases in existing fees and new fees were identified with revenue potential of over 15 million dollars annually.
- ❖ Conducted a citywide cost allocation plan and user fee study for the City of Houston, Texas. The cost allocation plans were used to recover indirect costs from federal grants, enterprise funds, and special funds. The user fee study documented the full cost of user fee and potential user fee services. Millions of dollars were recovered as a result of this study.
- ❖ Managed a citywide cost allocation plan and user fee study for the City of Dallas, Texas. The cost allocation plans were used to recover indirect costs from federal grants, enterprise funds, and to reconcile internal charges. The user fee study documented the full cost of existing and potential fees. Millions of dollars were recovered as a result of this study.

ORGANIZATIONAL REVIEW

- ❖ Supervised the management and operational studies for the political jurisdictions within Lake County, Indiana. This privately funded multi-phased study included the County departments, cities, school districts, and library districts. Strategies reviewed included regionalization in specific areas, staffing reductions, consolidation of operations, technology enhancements, and management and operational

PROFESSIONAL EXPERIENCE

30 YEARS OF EXPERIENCE

MGT OF AMERICA, INC.
Senior Partner
September 2006 – Present

MAXIMUS, INC.
President, Cost Services
Division
1998-2006

**DAVID M. GRIFFITH AND
ASSOCIATES, LTD.**
Vice President
1989-1998
Senior Manager
1982-1987

VERTEX, INC.
Partner
1988-1989

**ARTHUR YOUNG AND
COMPANY**
Senior Manager
1987-1988

DALLAS COUNTY
Director, Employment and
Training
1976-1982

EDUCATION/ CERTIFICATIONS

**NORTHERN ILLINOIS
UNIVERSITY**
M.A., Philosophy 1976

**UNIVERSITY OF TEXAS
AT ARLINGTON**
B.A. 1973

MARK EPSTEIN
PAGE 2

PROFESSIONAL AND BUSINESS EXPERIENCE (Continued)

changes to enhance efficiencies and effectiveness. A review of all the operations included a comparison with standard best practices.

- ❖ Directed two operational reviews for the City of San Antonio, Texas. The functions reviewed included contracting, legal, human resources, planning, building inspection, and park and recreation. Implementation of the recommendations resulted in significant cost savings, improved efficiencies, and a higher quality of service.
- ❖ Directed financial and operational review of the functions within the City of San Angelo, Texas. This citywide review included all general fund operations plus the enterprise operations of the utility and airport. This study identified opportunities to consolidate operations within the City and with the County, analyzed whether to privatize the City's utility operation, determined where efficiencies could be realized, identified significant cost savings opportunities, and documented areas where the City could significantly enhance its revenue.

DATA PROCESSING BILLING RATES

- ❖ Directed the development of a Data Processing Charge-Back System in accordance with activity based costing principles and OMB Circular A-87 principles for the Texas Department of Information Resources. This engagement included designing the rate structure, identifying and collecting appropriate usage statistics, analyzing both the direct and indirect costs of the department by activity, rate development, and development of an implementation plan. As a result of this study, hundreds of thousands of dollars could be charged to federal programs utilizing data processing services.
- ❖ Directed an information technology (IT) charge-back rate analysis for the City of Fort Worth, Texas. Standard activity based costing principles and OMB Circular A-87 principles were used in the analysis. This project included designing the rate structure, identifying and collecting appropriate usage statistics, analyzing both the direct and indirect costs of the department by activity, rate development, and development of an implementation plan. Also included was a recommendation for a software program that would automatically generate the usage statistics necessary to generate unit cost information. As a result of this study, the city complied with the Section II provision of OMB Circular A-87 and could charge IT's direct and indirect costs to federal grant programs and to its enterprise operations.

MISCELLANEOUS EXPERIENCE

Conducted user fee and activity based cost allocation seminars and training sponsored by government finance officers, city managers and elected officials throughout the United States. These sponsors included:

- ❖ Texas Governor's Office
- ❖ Texas Workforce Commission
- ❖ Texas Commission on Environmental Quality
- ❖ Illinois Government Finance Officers Association
- ❖ Illinois City Managers Association
- ❖ Louisiana Finance Officers Association
- ❖ Texas Tech-Southwest School of Public Finance
- ❖ Wisconsin Finance Officers Association
- ❖ Indiana town and city officials
- ❖ Government Information Services
- ❖ Ohio County Commissioners Association
- ❖ Minnesota Area Managers Association
- ❖ County Supervisors Association of Arizona

APPENDIX B

SAMPLE INDIRECT COST RATE PROPOSAL

0050



**State of Texas
Department of Agriculture
Approved FY 2011
Indirect Cost Rate Proposal**

**Based on Actual Data Incurred
During the Fiscal Year Ended
August 31, 2009**

Prepared by:



**8067 N. 15th Drive
Phoenix, Arizona 85021
(602) 595-9728
www.mgtofamerica.com**



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 WASHINGTON, D.C. 20460
OMB CIRCULAR A-87 COGNIZANT AGENCY
NEGOTIATION AGREEMENT

Page 1 of 2

Texas Department of Agriculture
 Austin, Texas

Date: May 17, 2010

Filing Ref: July 27, 2009

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget Circular A-87 applies, subject to the limitations contained in the Circular and in Section II, A below.

SECTION I: RATES

Type	Effective Period		Rate	Base
	From	To		
Fixed	9/1/2010	8/31/2011	52.66%	(a)

Basis for Application

(a) Direct salaries and wages.

Treatment of Fringe Benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs.

SECTION II: GENERAL

A. **LIMITATIONS:** The rates in this Agreement are subject to any statutory and administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the department/agency or allocated to the department/agency by an approved cost allocation plan were included in the indirect cost pool as finally accepted; such costs are legal obligations of the department/agency and are allowable under governing cost principles; (2) The same costs that have been treated as indirect costs have not been claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the department/agency which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

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Texas Department of Agriculture
Austin, Texas

Page 2 of 2

- B. CHANGES. The fixed rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the authorized representative of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowances.
- C. THE FIXED RATE contained in this agreement is based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate for the difference between the cost used to establish the fixed rate and that which would have been used were the actual costs known at the time.
- D. NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.
- E. SPECIAL REMARKS: None

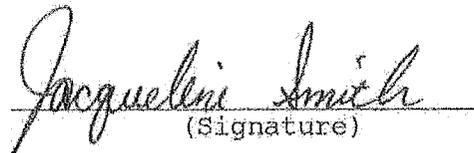
ACCEPTANCE

By the State Agency:

By the Federal Agency:



(Signature)



(Signature)

Drew Deberry
(Name)

Jacqueline Smith, Rate Negotiator
Financial Analysis and Oversight
Service Center
U.S. Environmental Protection
Agency
May 17, 2010

Deputy Commissioner
(Title)

Texas Department of Agriculture
(Agency)

5-25-10
(Date)

Negotiated by: Jacqueline Smith
Telephone: (202) 564-5055

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Appendix B: FY 2009 Statewide Cost Allocation Plan Agreement

Appendix C: FY 2009 State Auditor’s Office Billings

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE

SECTION I
INTRODUCTION

INTRODUCTION

The Texas Department of Agriculture (TDA) is responsible for the administration, marketing and regulation of agriculture related activities in the State of Texas. TDA's stated mission is "to make Texas the nation's leader in agriculture, while promoting excellence in children's nutrition, rural economic development and providing efficient and extraordinary service." Current duties include promoting Texas agricultural products locally, nationally and internationally; assisting in the development of the agri-business industry in Texas; regulating the sale, use and disposal of pesticides and herbicides; controlling destructive plant pests and diseases; and ensuring the accuracy of all weighing or measuring devices used in commercial transactions.

In the accomplishment of TDA's mission TDA staff administers a wide variety of programs funded through general revenue fund appropriations, special funds, and federal grants and awards. Both direct and indirect costs are incurred by TDA in the administration of these programs. Direct costs are costs that can be specifically or readily identified with a specific cost objective or program. Indirect costs are costs necessary for the effective, efficient operation of TDA programs that cannot be readily identified to a specific cost objective or program.

The recovery of costs incurred by TDA is accomplished and documented in accordance with generally accepted accounting principles (GAAP), and federal cost principles and requirements.

GAAP Principles

TDA cost recovery principles are in compliance with GAAP standards as recognized and promulgated by Governmental Accounting Standards Board (GASB). TDA adheres to three basic GAAP cost GAAP concepts. First, costs are necessary and reasonable for proper performance of a program. Second, costs are charged or allocated to programs in accordance with relative benefits received. A program is only charged for services it utilizes or benefits from, and is only charged in relation to benefits derived from the service. Third, costs are accorded consistent treatment as either direct or indirect. A cost is not charged to a program as a direct cost if any other costs incurred for the same purpose in like circumstances have been allocated to the program as indirect costs.

Federal Principles and Procedures

Federal cost principles and procedures applicable to TDA are presented in 2 CFR Part 225, *Cost Principles for State, Local and Indian Tribal Governments (U.S. Office of Management and Budget [OMB] Circular A-87)*. In recognition of OMB Circular A-87 requirements, TDA costs are determined and charged to federal awards in accordance with the following OMB Circular A-87 general criteria:

- Costs are necessary and reasonable for proper and efficient performance and administration of federal awards.
- Costs are allocable to federal awards under the provisions of the Circular. Costs have been allocated to a particular cost objective only if the goods or services involved are

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chargeable or assignable to such cost objective in accordance with relative benefits received.

- Costs are authorized or not prohibited under state or local laws or regulations.
- Costs conform to any limitations or exclusions set forth in OMB Circular A-87 principles, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items.
- Costs are accorded consistent treatment. A cost has not been assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
- Except as otherwise provided for in OMB Circular A-87, costs have been determined in accordance with generally accepted accounting principles.
- Costs have not been included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation.
- Costs are net of all applicable credits.
- Costs are adequately documented.

Indirect Cost Recovery

TDA recovers indirect costs through the application of an indirect cost rate. The rate is determined by dividing OMB A-87 allowable indirect costs by an appropriate direct cost base, direct salaries and wages. The resulting rate or percentage is applied to the direct cost base of each federally funded program to determine the amount of indirect costs that may be recovered.

In order for TDA to recover the costs of indirect costs on federally funded grants and awards, OMB Circular A-87 requires an indirect cost rate proposal (ICRP) be prepared annually and submitted to TDA's federal cognizant agency for review and approval. TDA's federal cognizant agency is the U.S. Environmental Protection Agency.

This document constitutes the TDA ICRP for the period beginning September 1, 2010 and ending August 31, 2011 (FY 2011). The ICRP is based on actual expenditures incurred by TDA during the fiscal year ended August 31, 2009 (FY 2009). The ICRP has been prepared by MGT of America, Inc. for and at the request of the Texas Department of Agriculture. The ICRP is presented in the following sections:

- **Certificate of Indirect Costs** - Certificate signed by an authorized TDA official certifying the ICRP has been prepared in accordance with applicable policies and procedures of OMB Circular A-87.
- **Organizational Chart** – A departmental organizational chart.

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- **Financial Information** – Exhibits providing and reconciling TDA actual FY 2008 expenditures utilized in the ICRP to TDA's FY 2008 Annual Financial Report.
- **Classification of Costs** – Exhibits providing the classification of costs as either direct or indirect, and a brief description of the organizational unit classified as indirect costs.
- **FY 2011 Fixed Indirect Cost Rate** - Exhibits supporting the development of a single, fixed indirect cost rate applicable to all TDA programs.
- **Appendices:**
 - **Appendix A: FY 2009 Post Health Retirement Benefits** - A copy of the notice provided by the Employees Retirement System of Texas of the amount of post health retirement benefits paid by the State of Texas that were allocated to TDA in accordance with a federally approved methodology.
 - **Appendix B: FY 2009 Statewide Cost Allocation Plan Agreement** - A copy of the agreement approving the State of Texas FY 2009 Statewide Cost Allocation Plan (SWCAP) and the page from Exhibit A of the agreement providing TDA's fixed SWCAP costs for FY 2009.
 - **Appendix C: FY 2009 State Auditor's Office Billing** - A copy of the State Auditor's Office annual statement of services rendered to the agency during the fiscal year ended August 31, 2009.

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SECTION II
CERTIFICATE OF INDIRECT COSTS

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**STATE OF TEXAS
DEPARTMENT OF AGRICULTURE
CERTIFICATE OF INDIRECT COSTS**

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

- 1) All costs included in this proposal to establish billing or final indirect costs rates for the period September 1, 2010 through August 31, 2011 are allowable in accordance with the requirements of the Federal award(s) to which they apply and 2 CFR Part 225, Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87). Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.
- 2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with the applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

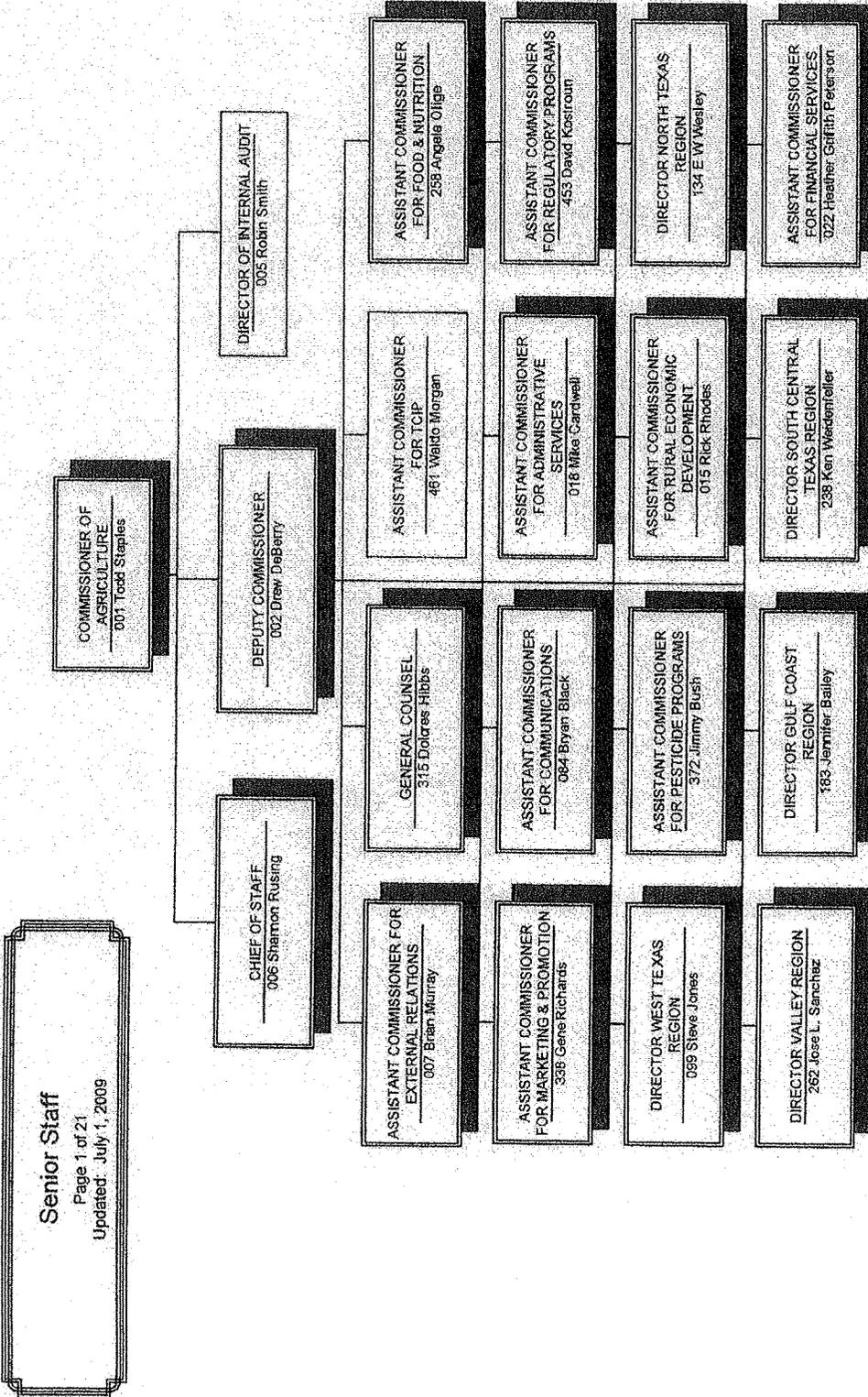
Governmental Unit: Texas Department of Agriculture
Signature: Heather Griffith Peterson
Name of Official: Heather Griffith Peterson
Title: Assistant Commissioner for Financial Services
Date of Execution: March 10th, 2010

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SECTION III
ORGANIZATIONAL CHART

ORGANIZATIONAL CHART

The Texas Department of Agriculture (TDA) is a full-service agency involved with all phases of modern agriculture, agricultural businesses and consumer protection. TDA provides services through its headquarters in Austin, five regional service offices, four satellite offices, seven laboratories, eight Food and Nutrition Division field offices, and six livestock export facilities. An organizational chart of TDA's senior staff is provided on the following page.



Senior Staff
 Page 1 of 21
 Updated: July 1, 2009

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SECTION IV
FINANCIAL INFORMATION

FINANCIAL INFORMATION

The FY 2011 ICRP is based on actual expenditures incurred by The Texas Department of Agriculture (TDA) during the fiscal year ended August 31, 2009 (FY 2009). Exhibits in this section provide TDA's total FY 2009 actual expenditures and reconcile all expenditures utilized in the ICRP to TDA's FY 2009 Annual Financial Report (AFR). All subsequent exhibits in the ICRP reconcile to exhibits presented in this section. A copy of TDA's FY 2009 AFR is provided as a separate document.

- **Exhibit IV-A: Total Expenditures by Fund for the Fiscal Year Ended August 31, 2009** – The Exhibit provides TDA's total expenditures by fund for the fiscal year. The Exhibit reconciles to fund information provided on AFR Exhibit II, Combined Statement of Revenue, Expenditures, and Changes in Fund Balances/Statement of Activities – Governmental Funds, and Exhibit L-2, Combined Statement of Revenue, Expenditures, and Changes in Net Assets – Discretely Presented Proprietary Component Units. Costs identified as "AFR Expenditures" are expenditures reported in TDA's annual financial report. Costs identified as "Additional Costs" are costs allocated to TDA in the State's statewide cost allocation plan, costs memo billed to TDA for services provided by other State agencies, and equipment depreciation.
- **Exhibit IV-B: Reconciliation of Central Services Costs to Total General Fund Expenditures for the Fiscal Year Ended August 31, 2009** – The Exhibit provides a reconciliation of the expenditures incurred by TDA central service units to the AFR. The Exhibit reconciles to the column labeled "Total General Funds Exhibit II on Exhibit IV-A. All subsequent exhibits in the ICRP reconcile to this Exhibit. Costs identified as "AFR Expenditures" are costs reported in TDA's annual financial report. Costs identified as "Additional Costs" are costs allocated to TDA in the State's statewide cost allocation plan, costs memo billed to TDA for services provided by other State agencies, and equipment depreciation.
- **Schedule 1A: Schedule of Expenditures of Federal Awards for the Fiscal Year Ended August 31, 2009** – Schedule 1A is provided in the TDA FY 2009 AFR beginning on page 42. The Schedule provides TDA's federally funded expenditures by federal agency and program.

Exhibits IV-A and IV-B are provided on the following pages.

EXHIBIT IV-A

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE
TOTAL EXPENDITURES BY FUND/SOURCE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2009

DIVISION/SECTION TITLE	TOTAL GENERAL FUNDS EXHIBIT II	YOUNG FARMER FUND 5002 EXHIBIT II	FARM/RANCH FINANCE FUND 0575 EXHIBIT L-2	TEXAS AGRICULT. FUND 0683 EXHIBIT L-2	OTHER	TOTAL
AFR Expenditures						
Salaries and Wages	\$30,813,113	\$18,164	\$0	\$59,579	\$0	\$30,890,856
Payroll Related Costs	8,882,565	4,284		29,075		8,915,924
Professional Fees and Services	2,441,807	(779)		72,282		2,513,310
Travel	818,848			7,159		826,007
Materials and Supplies	2,313,181	1,462		(1,132)		2,313,511
Communication and Utilities	979,493					979,493
Repairs and Maintenance	429,337					429,337
Rental and Leases	1,161,764					1,161,764
Printing and Reproduction	589,239					589,239
Claims and Judgments	875					875
Federal Pass - Through	4,436,218					4,436,218
State Pass - Through	3,631,107					3,631,107
Intergovernmental Payments	8,137,262					8,137,262
Public Assistance Payments	330,065,933					330,065,933
Other Expenditures	3,954,835	38,282	202	48,513		4,041,832
Bad Debt Expense				200,314		200,314
Interest Other						0
Capital Outlay	526,219					526,219
Total AFR Expenditures	399,181,796	61,413	202	415,790	0	399,659,201
Additional Costs						
Depreciation Expense (AFR Exhibit II)					608,277	608,277
Post Health Retirement Benefits					1,651,455	1,651,455
Statewide Indirect Costs					730,443	730,443
State Auditor Memo Billing					33,128	33,128
Total Additional Costs	0	0	0	0	3,023,303	3,023,303
Total Costs	\$399,181,796	\$61,413	\$202	\$415,790	\$3,023,303	\$402,682,504

EXHIBIT IV-B

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE
RECONCILIATION OF CENTRAL SERVICES COSTS TO TOTAL GENERAL FUND EXPENDITURES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2009

DIVISION/SECTION TITLE	INDEX NO.	SALARIES & WAGES	PAYROLL RELATED	OTHER OPERATING	PASS-THRU & ASSIST.	CAPITAL OUTLAYS	TOTAL
AFR Expenditures							
Executive	10210	\$746,752	\$0	\$58,078	\$0	\$0	\$804,830
Administrative Services							
Assistant Commissioner	10310	233,867		13,225	0	0	247,092
Human Resources	10320	445,055		17,724	0	0	462,779
Support Services	10381	521,249		297,018	238,709	91,166	1,148,142
Facilities Maintenance	10382	0		1,093,793	21,701	0	1,115,494
Fleet Maintenance	10383	0		817,971	0	99,792	917,763
Information Technology	10391	1,621,779		3,032,060	966,259	112,594	5,732,692
Subtotal		<u>2,821,950</u>	<u>0</u>	<u>5,271,791</u>	<u>1,226,669</u>	<u>303,552</u>	<u>9,623,962</u>
Financial Services	10410	1,071,504		104,482	0	0	1,175,986
Internal Audit	10910	168,957		56,152	0	0	225,109
Communications	11211	501,045		82,664	0	0	583,709
General Counsel	11510	678,084		26,645	0	0	704,729
Payroll Related Costs	18999	0	8,882,565	0	0	0	8,882,565
Lump Sum Termination Payments		223,643		0	0	0	223,643
Other		24,601,178		7,089,567	345,043,851	222,667	376,957,263
Total AFR General Fund Expenditures		<u>30,813,113</u>	<u>8,882,565</u>	<u>12,689,379</u>	<u>346,270,520</u>	<u>526,219</u>	<u>399,181,796</u>
Additional Costs							
Depreciation Expense (AFR Exhibit II)				608,277			608,277
Post Health Retirement Benefits				1,651,455			1,651,455
Statewide Indirect Costs				730,443			730,443
State Auditor Memo Billing				33,128			33,128
Total Additional Costs		<u>0</u>	<u>0</u>	<u>3,023,303</u>	<u>0</u>	<u>0</u>	<u>3,023,303</u>
Total Costs		<u>\$30,813,113</u>	<u>\$8,882,565</u>	<u>\$15,712,682</u>	<u>\$346,270,520</u>	<u>\$526,219</u>	<u>\$402,205,099</u>

STATE OF TEXAS
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SECTION V
CLASSIFICATION OF COSTS

CLASSIFICATION OF COSTS

For the development of an indirect cost rate, The Texas Department of Agriculture (TDA) classifies costs as either direct or indirect costs. Direct costs are costs that can be specifically or readily identified with a specific cost objective or program. Indirect costs are costs necessary for the effective, efficient operation of TDA programs that cannot be readily identified to a specific cost objective or program.

Exhibit V, Classification of FY 2009 Actual Costs, provided in this Section identifies the organizational units and costs that have been classified as indirect costs. The Exhibit reconciles to Exhibit IV-B, in Section IV, Financial Information. For each organizational unit classified as indirect, a brief narrative is provided on unit duties and responsibilities. An exhibit is also provided for each indirect unit that provides the operating costs and classification of each unit's costs.

Indirect Costs

Costs classified as indirect costs are for administrative and support services determined in accordance with U.S Office of Management and Budget Circular A-87 requirements. A brief description on each unit's duties and responsibilities is provided in the following text.

Executive Division (Exhibit V-1)

The Executive Division includes costs associated with the Commissioner, Deputy Commissioner and Chief of Staff that are responsible for the efficient, effective direction and coordination of all TDA activities. Costs of staff directly supporting the Commissioner and non-indirect activities have been classified as direct costs.

Administrative Services Division – Assistant Commissioner (Exhibit V-2)

The Assistant Commissioner of the Administrative Services Division (ASD) is responsible for the effective, efficient provision of administrative and support services. The Assistant Commissioner and staff assigned to the Unit coordinate the development of policies and procedures effecting administrative and support operations, and manage the provision of administrative and support services. ASD includes Human Resources, Information Technology, Licensing and Support Services.

Administrative Services Division - Human Resources (Exhibit V-3)

The Human Resources Section of the Administrative Services Division provides guidance and support to all TDA employees. Section duties include policy development and interpretation; processing job postings, applications, personnel actions, and other recruitment and selection activities; reviewing employee compensation and classifications; providing information and assistance on benefits; maintenance of payroll and timekeeping systems; and coordinating the provision of staff training. The Section works with managers and employees to ensure compliance with federal and state laws.

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Administrative Services Division – Support Services (Exhibit V-4)

The Support Services Section of the Administrative Services Division provides reception, facility coordination, fleet, procurement and mail services. Duties include providing central reception; purchasing supplies, services, and equipment expeditiously and in accordance with the State procurement code; maintaining property records; providing mailroom services; and providing other general support services that are required for the effective delivery of TDA services.

Administrative Services Division – Facilities Maintenance (Exhibit V-5)

The Facilities Maintenance Section is responsible for maintaining the Department's facilities. Costs associated with the rental and operation of office facilities have been classified as indirect costs. Costs associated with lab facilities have been classified as direct costs.

Administrative Services Division – Fleet Maintenance (Exhibit V-6)

The Fleet Maintenance Section is responsible for maintaining the Department's vehicles. Costs associated with the vehicles assigned to the Austin headquarters and warehouse have been classified as indirect costs. All other costs have been classified as direct costs.

Administrative Services Division – Information Technology Services (Exhibit V-7)

The Information Technology Services Section of the Administrative Services Division provides information technology services in support of Department programs and staff. Duties include data administration, applications installation, work-station support, help desk support for desktop and laptop computers and printers, maintenance of the wide area network and its local area networks, and working with other divisions to develop and maintain a long term information system/solution for the Department.

Financial Services Division (Exhibit V-8)

The Financial Services Division is responsible for establishing and monitoring policies and procedures in the areas of accounting, budgeting, grants management, and financial reporting. Staff is responsible for assuring TDA's compliance with state and federal expenditure and revenue policies and procedures, and reporting any deviations to appropriate authorities. Section activities include cash management, federal cash draws, accounts payable, general ledger maintenance, payroll, travel, journal entries, preparing grant financial reports, preparing management financial reports, and preparing the annual financial report.

Internal Audit Division (Exhibit V-9)

Internal Audit is an independent Division reporting directly to the Commissioner. Through a risk-based audit plan, the Division reviews TDA's systems of controls over financial, administrative, electronic data, programmatic and other major processes. As a result of audits, the Division reports on whether systems are operating as intended and provide recommendations for improvement where appropriate.

Communications Division (Exhibit V-10)

The Communications Division provides design, printing, and publication support for all TDA programs. The Division also edits all printed material and correspondence for the Department.

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General Counsel Division (Exhibit V-11)

The General Counsel Division is responsible for providing legal services to the executive staff and all programs administered by TDA. The Division provides legal guidance on ethics, records management, federal policies and procedures, program requirements, human resource issues, contracting and other legal issues. The Division serves as the Department's liaison with the Office of the Attorney General on general litigation initiated by the Department or in which the Department is named as a party or intervener.

Payroll Related Costs (Exhibit V-12)

The following payroll related costs are centrally budgeted and recorded: employee retirement, employee health insurance, FICA employer match, and unemployment insurance. Costs have been allocated between direct and indirect based on the percentage of salaries and wages classified as direct and indirect.

Lump Sum Termination Payments

The costs of payment for unused leave when an employee retires or terminates employment have been classified as indirect costs. These costs have been classified as indirect costs in accordance with OMB A-87 and a DCA directive.

Equipment Depreciation

Annual depreciation expense incurred on buildings and improvements, furniture and equipment, and vehicles, boats and aircraft owned by the Department. The depreciation expense is presented in summary on Exhibit II of the AFR and by component in note 2 of the AFR.

Post Health Retirement Benefits (Appendix A)

The costs of post health retirement benefits are allocated to TDA by the Employee Retirement System based on a method approved by the Division of Cost Allocation (DCA) of the U.S. Department of Health and Human Services. In accordance with OMB A-87 and a DCA directive, these costs have been classified as indirect costs.

Statewide Indirect Costs (Appendix B)

Costs of central services allocated to TDA as FY 2009 fixed costs in the FY 2009 statewide cost allocation plan.

State Auditor (Appendix C)

The Office of the State Auditor is an approved Section II billed service on the SWCAP Agreement. Costs are for services rendered by the Office during FY 2009.

Section exhibits are provided on the following pages.

TEXAS DEPARTMENT OF AGRICULTURE
 FY 2011 INDIRECT COST RATE PROPOSAL
 BASED ON ACTUAL EXPENDITURES INCURRED
 DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

CLASSIFICATION OF FY 2009 ACTUAL COSTS

DIVISION/SECTION TITLE	SUPPORT EXHIBIT	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				DEPARTMENT	STATEWIDE	TOTAL
AFR Expenditures						
Executive	V-1	\$804,830	\$26	804,804		\$804,804
Administrative Services						
Assistant Commissioner	V-2	247,092	2,157	244,935		244,935
Human Resources	V-3	462,779	11	462,768		462,768
Support Services	V-4	1,148,142	386,124	762,018		762,018
Facilities Maintenance	V-5	1,115,494	586,383	529,111		529,111
Fleet Maintenance	V-6	917,763	897,738	20,025		20,025
Information Technology	V-7	5,732,692	2,520,480	3,212,212		3,212,212
Subtotal		<u>9,623,962</u>	<u>4,392,893</u>	<u>5,231,069</u>	<u>0</u>	<u>5,231,069</u>
Financial Services	V-8	1,175,986	84,220	1,091,766		1,091,766
Internal Audit	V-9	225,109	596	224,513		224,513
Communications	V-10	583,709	26	583,683		583,683
General Counsel	V-11	704,729	102,409	602,320		602,320
Payroll Related Costs	V-12	8,882,565	\$7,259,573	1,622,992		1,622,992
Lump Sum Termination Payments		223,643	0	223,643		223,643
Other		<u>376,957,263</u>	<u>376,957,263</u>			<u>0</u>
Total AFR Expenditures		<u>399,181,796</u>	<u>388,797,006</u>	<u>10,384,790</u>	<u>0</u>	<u>10,384,790</u>
Additional Costs						
Depreciation Expense (AFR Exhibit II)		608,277		608,277		608,277
Post Health Retirement Benefits	Appendix A	1,651,455		1,651,455		1,651,455
Statewide Indirect Costs	Appendix B	730,443			730,443	730,443
State Auditor	Appendix C	33,128		33,128		33,128
Total Additional Costs		<u>3,023,303</u>	<u>0</u>	<u>2,292,860</u>	<u>730,443</u>	<u>3,023,303</u>
Total Costs		<u>\$402,205,099</u>	<u>\$388,797,006</u>	<u>\$12,677,650</u>	<u>\$730,443</u>	<u>\$13,408,093</u>

EXHIBIT V-1

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

EXECUTIVE DIVISION (10210)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$746,752	\$0	\$746,752	\$0	\$746,752
Other Operating						
Travel	71XX *	30,798			30,798	30,798
Materials and Supplies						
Postal Services	7291	1,007			1,007	1,007
Consumables	7300	623			623	623
Fuel and Lubricants	7304	44			44	44
Expensed Equipment	7334	587			587	587
Books and Reference Materials	7382	60			60	60
Subtotal		<u>2,321</u>	<u>0</u>	<u>0</u>	<u>2,321</u>	<u>2,321</u>
Communications and Utilities						
Communications	7276	406			406	406
Telecommunications	7516	270			270	270
Subtotal		<u>676</u>	<u>0</u>	<u>0</u>	<u>676</u>	<u>676</u>
Rentals and Leases						
Aircraft Charters	7444	16,250			16,250	16,250
Space Rental	7470	2,550			2,550	2,550
Subtotal		<u>18,800</u>	<u>0</u>	<u>0</u>	<u>18,800</u>	<u>18,800</u>
Printing and Reproduction						
Printing and Reproduction	7273	3,081			3,081	3,081
Other Expenditures						
Membership Dues	7201	75			75	75
Training	7203	1,925			1,925	1,925
Delivery Services	7286	376			376	376
Prompt Payment Interest	7806	26	26		0	0
Subtotal		<u>2,402</u>	<u>26</u>	<u>0</u>	<u>2,376</u>	<u>2,376</u>
Total Other Operating		<u>58,078</u>	<u>26</u>	<u>0</u>	<u>58,052</u>	<u>58,052</u>
Total		<u>\$804,830</u>	<u>\$26</u>	<u>\$746,752</u>	<u>\$58,052</u>	<u>\$804,804</u>

* Represents multiple object codes which have been consolidated.

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

ASSISTANT COMMISSIONER FOR ADMINISTRATIVE SERVICES (10310)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$233,867	\$1,372	\$232,495	\$0	\$232,495
Other Operating						
Travel	71XX *	4,638			4,638	4,638
Materials and Supplies						
Postal Services	7291	8			8	8
Consumables	7300	1,328			1,328	1,328
Expensed Equipment	7334	3,094			3,094	3,094
Computer Parts	7335	425			425	425
Subtotal		<u>4,855</u>	<u>0</u>	<u>0</u>	<u>4,855</u>	<u>4,855</u>
Communications and Utilities						
Communications	7276	495			495	495
Printing and Reproduction						
Printing and Reproduction	7273	26			26	26
Other Expenditures						
Training	7203	1,228			1,228	1,228
Awards	7211	1,118			1,118	1,118
Advertising Services	7281	770	770		0	0
Delivery Services	7286	80			80	80
Purchased Contract Services	7299				0	0
Prompt Payment Interest	7806	15	15		0	0
Subtotal		<u>3,211</u>	<u>785</u>	<u>0</u>	<u>2,426</u>	<u>2,426</u>
Total Other Operating		<u>13,225</u>	<u>785</u>	<u>0</u>	<u>12,440</u>	<u>12,440</u>
Total		<u>\$247,092</u>	<u>\$2,157</u>	<u>\$232,495</u>	<u>\$12,440</u>	<u>\$244,935</u>

* Represents multiple object codes which have been consolidated.

EXHIBIT V-3

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

HUMAN RESOURCES SECTION (10320)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$445,055	\$0	\$445,055	\$0	\$445,055
Other Operating						
Travel	71XX	2,451			2,451	2,451
Materials and Supplies						
Postal Services	7291	503			503	503
Consumables	7300	628			628	628
Subscriptions & Periodicals	7303	2,681			2,681	2,681
Expensed Equipment	7334	1,745			1,745	1,745
Books and Reference Materials	7382	857			857	857
Subtotal		<u>6,414</u>	<u>0</u>	<u>0</u>	<u>6,414</u>	<u>6,414</u>
Rentals and Leases						
Space Rental	7470	825			825	825
Printing and Reproduction						
Printing and Reproduction	7273	64			64	64
Other Expenditures						
Membership Dues	7201	310			310	310
Training	7203	5,064			5,064	5,064
Fees and Other Charges	7210	300			300	300
Awards	7211	1,448			1,448	1,448
Delivery Services	7286	221			221	221
Purchased Contract Services	7299	616			616	616
Prompt Payment Interest	7806	11	11		0	0
Subtotal		<u>7,970</u>	<u>11</u>	<u>0</u>	<u>7,959</u>	<u>7,959</u>
Total Other Operating		<u>17,724</u>	<u>11</u>	<u>0</u>	<u>17,713</u>	<u>17,713</u>
Total		<u>\$462,779</u>	<u>\$11</u>	<u>\$445,055</u>	<u>\$17,713</u>	<u>\$462,768</u>

* Represents multiple object codes which have been consolidated.

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

SUPPORT SERVICES SECTION (10381)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$521,249	\$0	\$521,249	\$0	\$521,249
Other Operating						
Travel	71XX	3,258			3,258	3,258
Materials and Supplies						
Postal Services	7291	29,332			29,332	29,332
Consumables	7300	26,190			26,190	26,190
Fuel and Lubricants	7304	11,580			11,580	11,580
Supplies/Materials	7328	502			502	502
Expensed Equipment	7334	55,038	43,523		11,515	11,515
Books and Reference Materials	7382	517			517	517
Subtotal		<u>123,159</u>	<u>43,523</u>	<u>0</u>	<u>79,636</u>	<u>79,636</u>
Communications and Utilities						
Building Maintenance	7266	28,524			28,524	28,524
Communications	7276	3,731			3,731	3,731
Electricity	7501	529			529	529
Water	7507	104			104	104
Waste Disposal	7526	4,541			4,541	4,541
Subtotal		<u>37,429</u>	<u>0</u>	<u>0</u>	<u>37,429</u>	<u>37,429</u>
Repairs and Maintenance						
Equipment Maintenance	7367	400	400		0	0
Vehicle Maintenance	7368	2,143			2,143	2,143
Subtotal		<u>2,543</u>	<u>400</u>	<u>0</u>	<u>2,143</u>	<u>2,143</u>
Rentals and Leases						
Rental of Furnishing & Equip.	7406	7,363			7,363	7,363
Printing and Reproduction						
Printing and Reproduction	7273	13			13	13
Other Expenditures						
Membership Dues	7201	410			410	410
Training	7203	1,183			1,183	1,183
Fees and Other Charges	7210	3,256			3,256	3,256
Cleaning Services	7277	749			749	749
Delivery Services	7286	1,530			1,530	1,530
Purchased Contract Services	7299	16,869	12,282		4,587	4,587
Building Repairs	7340	346			346	346
Prompt Payment Interest	7806	44	44		0	0
Miscellaneous	7899	192			192	192
Risk Management Assessment	7947	98,674			98,674	98,674
Subtotal		<u>123,253</u>	<u>12,326</u>	<u>0</u>	<u>110,927</u>	<u>110,927</u>
Total Other Operating		<u>297,018</u>	<u>56,249</u>	<u>0</u>	<u>240,769</u>	<u>240,769</u>
Pass Through and Public Assist.						

EXHIBIT V-4

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

SUPPORT SERVICES SECTION (10381)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Commodity Distribution Program	7644	238,709	238,709		0	0
			0		0	0
Total Pass Through		238,709	238,709	0	0	0
Capital Outlays						
Other Motor Vehicles	7372	91,166	91,166		0	0
Telecomm Equipment	7512		0		0	0
Total Capital Outlays		91,166	91,166	0	0	0
Total		\$1,148,142	\$386,124	\$521,249	\$240,769	\$762,018

* Represents multiple object codes which have been consolidated.

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

FACILITIES MAINTENANCE SECTION (10382)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$0	\$0	\$0	\$0	\$0
Other Operating						
Materials and Supplies						
Fuel and Lubricants	7304	(14,011)	228		(14,239)	(14,239)
Expensed Equipment	7334	44,158	5,875		38,283	38,283
Furnishings and Equipment	7374	1,941	0		1,941	1,941
Subtotal		32,088	6,103	0	25,985	25,985
Communications and Utilities						
Building Maintenance	7266	11,810	4,283		7,527	7,527
Electricity	7501	162,973	143,136		19,837	19,837
Natural Gas	7502	880	(2,644)		3,524	3,524
Water	7507	6,558	4,432		2,126	2,126
Other Utilities	7524	111	111		0	0
Waste Disposal	7526	4,837	4,658		179	179
Subtotal		187,169	153,976	0	33,193	33,193
Repairs and Maintenance						
Land Maintenance	7271	5,357	5,357		0	0
Equipment Maintenance	7367	2,743	0		2,743	2,743
Vehicle Maintenance	7368	131	131		0	0
Subtotal		8,231	5,488	0	2,743	2,743
Rentals and Leases						
Rental of Office Space	7462	778,858	342,412		436,446	436,446
Rental of Service Buildings	7468	28,080	28,080		0	0
Space Rental	7470	16,396	4,132		12,264	12,264
Subtotal		823,334	374,624	0	448,710	448,710
Other Expenditures						
Cleaning Services	7277	23,835	17,319		6,516	6,516
Purchased Contract Services	7299	19,047	7,083		11,964	11,964
Prompt Payment Interest	7806	89	89		0	0
Subtotal		42,971	24,491	0	18,480	18,480
Total Other Operating		1,093,793	564,682	0	529,111	529,111
Pass Through and Public Assist.						
Commodity Distribution Program	7644	21,701	21,701		0	0
			0		0	0
Total Pass Through		21,701	21,701	0	0	0
Total		\$1,115,494	\$586,383	\$0	\$529,111	\$529,111

* Represents multiple object codes which have been consolidated.

TEXAS DEPARTMENT OF AGRICULTURE
 FY 2011 INDIRECT COST RATE PROPOSAL
 FLEET MAINTENANCE SECTION (10383)
 ACTUAL EXPENDITURES INCURRED
 DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$0	\$0	\$0	\$0	\$0
Other Operating						
Materials and Supplies						
Fuel and Lubricants	7304	451,473	442,173		9,300	9,300
Supplies/Materials	7328	85	85		0	0
Parts	7330	5,127	5,127		0	0
Expensed Equipment	7334	125	125		0	0
Subtotal		<u>456,894</u>	<u>447,594</u>	<u>0</u>	<u>9,300</u>	<u>9,300</u>
Repairs and Maintenance						
Equipment Maintenance	7367	124	124		0	0
Vehicle Maintenance	7368	228,954	218,229		10,725	10,725
Subtotal		<u>229,078</u>	<u>218,353</u>	<u>0</u>	<u>10,725</u>	<u>10,725</u>
Other Expenditures						
Fees and Other Charges	7210	4,895	4,895		0	0
Delivery Services	7286	1,329	1,329		0	0
Purchased Contract Services	7299	183	183		0	0
Passenger Cars - Capital	7371	124,648	124,648		0	0
Prompt Payment Interest	7806	944	944		0	0
Subtotal		<u>131,999</u>	<u>131,999</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Operating		<u>817,971</u>	<u>797,946</u>	<u>0</u>	<u>20,025</u>	<u>20,025</u>
Capital Outlays						
Other Motor Vehicles	7372	99,792	99,792		0	0
Furnishing & Equipment	7373		0		0	0
Total Capital Outlays		<u>99,792</u>	<u>99,792</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total		<u><u>\$917,763</u></u>	<u><u>\$897,738</u></u>	<u><u>\$0</u></u>	<u><u>\$20,025</u></u>	<u><u>\$20,025</u></u>

* Represents multiple object codes which have been consolidated.

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

INFORMATION TECHNOLOGY SECTION (10391)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$1,621,779	\$398,368	\$1,223,411	\$0	\$1,223,411
Other Operating						
Professional Fees and Services						
Engineering Services	7256	2,925			2,925	2,925
Information Technology Services	7275	538,759	538,759		0	0
Data Processing Services	7284	641,770	302,081		339,689	339,689
Statewide Technology Center	7285	465,443			465,443	465,443
Subtotal		1,648,897	840,840	0	808,057	808,057
Travel	71XX	3,064			3,064	3,064
Materials and Supplies						
Postal Services	7291	31			31	31
Consumables	7300	23,015			23,015	23,015
Equipment Parts	7330	160			160	160
Expensed Equipment	7334	2,821			2,821	2,821
Computer Parts	7335	3,602			3,602	3,602
Furnishings and Equipment	7374	10,065	3,852		6,213	6,213
Computer Equip. - Expensed	7377	414			414	414
Computer Equip. - Controlled	7378	311,700	156,471		155,229	155,229
Expensed Software	7380	103,930			103,930	103,930
Telecomm Parts & Supplies	7510	710			710	710
Telecomm Equip. - Expensed	7517	(31,413)			(31,413)	(31,413)
Subtotal		425,035	160,323	0	264,712	264,712
Communications and Utilities						
Communications	7276	20,639			20,639	20,639
Telecomm - Long Distance	7503	403			403	403
Telecomm - Monthly Charges	7504	70,915			70,915	70,915
Water	7507	12			12	12
Telecomm - Other Services	7516	250,596			250,596	250,596
Telecomm - STS (TEX-AN)	7961	181,528			181,528	181,528
Telecomm - Capitol Complex	7962	168,890			168,890	168,890
Subtotal		692,983	0	0	692,983	692,983
Repairs and Maintenance						
Computer Software	7262	69,787	26,255		43,532	43,532
Computer Equipment - Expensed	7267	10,089			10,089	10,089
Equipment Maintenance	7367	3,460			3,460	3,460
Telecomm - Maintenance	7514	130			130	130
Subtotal		83,466	26,255	0	57,211	57,211
Rentals and Leases						
Rental of Furnishing & Equip.	7406	152,205	24,247		127,958	127,958
Rental of Space	7470	9,614			9,614	9,614
Subtotal		161,819	24,247	0	137,572	137,572
Printing and Reproduction						

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

INFORMATION TECHNOLOGY SECTION (10391)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Printing and Reproduction	7273	51			51	51
Other Expenditures						
Membership Dues	7201	150			150	150
Training	7203	12,153			12,153	12,153
Fees and Other Charges	7210	1,726			1,726	1,726
Advertising Services	7281	770	770		0	0
Delivery Services	7286	3,322			3,322	3,322
Purchased Contract Services	7299	(4,482)	(12,282)		7,800	7,800
Prompt Payment Interest	7806	3,106	3,106		0	0
Subtotal		<u>16,745</u>	<u>(8,406)</u>	<u>0</u>	<u>25,151</u>	<u>25,151</u>
Total Other Operating		<u>3,032,060</u>	<u>1,043,259</u>	<u>0</u>	<u>1,988,801</u>	<u>1,988,801</u>
Pass Through and Public Assist.						
Commodity Distribution Program	7644	966,259	966,259		0	0
			0		0	0
Total Pass Through		<u>966,259</u>	<u>966,259</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Outlays						
Computer Equipment	7379	(69,760)	(69,760)		0	0
Computer Equip. - Capital Lease	7385	92,377	92,377		0	0
Computer Software	7387	4,974	4,974		0	0
Telecomm Equipment	7512	85,003	85,003		0	0
Total Capital Outlays		<u>112,594</u>	<u>112,594</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total		<u>\$5,732,692</u>	<u>\$2,520,480</u>	<u>\$1,223,411</u>	<u>\$1,988,801</u>	<u>\$3,212,212</u>

* Represents multiple object codes which have been consolidated.

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

FINANCIAL SERVICES DIVISION (10410)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$1,071,504	\$78,878	\$992,626	\$0	\$992,626
Other Operating						
Professional Fees and Services						
Training Services	7243	700			700	700
Financial and Accounting	7245	36,150			36,150	36,150
Subtotal		<u>36,850</u>	<u>0</u>	<u>0</u>	<u>36,850</u>	<u>36,850</u>
Travel	71XX	(1,682)			(1,682)	(1,682)
Materials and Supplies						
Postal Services	7291	3,784			3,784	3,784
Consumables	7300	3,989			3,989	3,989
Parts	7330	22			22	22
Expensed Equipment	7334	8,427			8,427	8,427
Computer Parts	7335	44			44	44
Books and Reference Materials	7382	200			200	200
Subtotal		<u>16,466</u>	<u>0</u>	<u>0</u>	<u>16,466</u>	<u>16,466</u>
Communications and Utilities						
Communications	7276	199			199	199
Rentals and Leases						
Space Rental	7470	250			250	250
Printing and Reproduction						
Publications	7218	2,044			2,044	2,044
Printing and Reproduction	7273	4,603			4,603	4,603
Subtotal		<u>6,647</u>	<u>0</u>	<u>0</u>	<u>6,647</u>	<u>6,647</u>
Other Expenditures						
Training	7203	6,059			6,059	6,059
Fees and Other Charges	7210	6,450			6,450	6,450
Temp Employment Agencies	7274	3,054			3,054	3,054
Delivery Services	7286	97			97	97
Purchased Contract Services	7299	24,750			24,750	24,750
Prompt Payment Interest	7806	5,342	5,342		0	0
Subtotal		<u>45,752</u>	<u>5,342</u>	<u>0</u>	<u>40,410</u>	<u>40,410</u>
Total Other Operating		<u>104,482</u>	<u>5,342</u>	<u>0</u>	<u>99,140</u>	<u>99,140</u>
Total		<u>\$1,175,986</u>	<u>\$84,220</u>	<u>\$992,626</u>	<u>\$99,140</u>	<u>\$1,091,766</u>

* Represents multiple object codes which have been consolidated.

EXHIBIT V-9

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

INTERNAL AUDIT DIVISION (10910)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$168,957	\$0	\$168,957	\$0	\$168,957
Other Operating						
Travel	71XX	357			357	357
Materials and Supplies						
Consumables	7300	32			32	32
Expensed Equipment	7334	2,928			2,928	2,928
Books and Reference Materials	7382	166			166	166
Subtotal		<u>3,126</u>	<u>0</u>	<u>0</u>	<u>3,126</u>	<u>3,126</u>
Printing and Reproduction						
Printing and Reproduction	7273	13			13	13
Other Expenditures						
Membership Dues	7201	250			250	250
Training	7203	1,326	596		730	730
Temp Employment Agencies	7274	51,080			51,080	51,080
Subtotal		<u>52,656</u>	<u>596</u>	<u>0</u>	<u>52,060</u>	<u>52,060</u>
Total Other Operating		<u>56,152</u>	<u>596</u>	<u>0</u>	<u>55,556</u>	<u>55,556</u>
Total		<u>\$225,109</u>	<u>\$596</u>	<u>\$168,957</u>	<u>\$55,556</u>	<u>\$224,513</u>

* Represents multiple object codes which have been consolidated.

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

COMMUNICATIONS DIVISION (11211)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$501,045	\$0	\$501,045	\$0	\$501,045
Other Operating						
Professional Fees and Services						
Consultant Services - Other	7240	720			720	720
Travel	71XX	2,975			2,975	2,975
Materials and Supplies						
Postal Services	7291	1,242			1,242	1,242
Consumables	7300	1,901			1,901	1,901
Periodicals and Info Services	7303	3,864			3,864	3,864
Parts	7330	1,700			1,700	1,700
Fabrics and Linens	7333	21			21	21
Expensed Equipment	7334	3,399			3,399	3,399
Books and Reference Materials	7382	547			547	547
Subtotal		<u>12,674</u>	<u>0</u>	<u>0</u>	<u>12,674</u>	<u>12,674</u>
Communications and Utilities						
Communications	7276	1,188			1,188	1,188
Rentals and Leases						
Rental of Furnishing & Equip.	7406	3,797			3,797	3,797
Aircraft Charters	7444	4,571			4,571	4,571
Space Rental	7470	260			260	260
Subtotal		<u>8,628</u>	<u>0</u>	<u>0</u>	<u>8,628</u>	<u>8,628</u>
Printing and Reproduction						
Publications	7218	11,564			11,564	11,564
Printing and Reproduction	7273	21,740			21,740	21,740
Subtotal		<u>33,304</u>	<u>0</u>	<u>0</u>	<u>33,304</u>	<u>33,304</u>
Other Expenditures						
Training	7203	1,375			1,375	1,375
Awards	7211	566			566	566
Temp Employment Agencies	7274	1,000			1,000	1,000
Delivery Services	7286	988			988	988
Purchased Contract Services	7299	19,220			19,220	19,220
Prompt Payment Interest	7806	26	26		0	0
Subtotal		<u>23,175</u>	<u>26</u>	<u>0</u>	<u>23,149</u>	<u>23,149</u>
Total Other Operating		<u>82,664</u>	<u>26</u>	<u>0</u>	<u>82,638</u>	<u>82,638</u>
Total		<u>\$583,709</u>	<u>\$26</u>	<u>\$501,045</u>	<u>\$82,638</u>	<u>\$583,683</u>

* Represents multiple object codes which have been consolidated.

EXHIBIT V-11

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

GENERAL COUNSEL DIVISION (11510)
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	OBJECT CODE	TOTAL COSTS	DIRECT COSTS	INDIRECT COSTS		
				SALARIES & WAGES	OTHER	TOTAL
Salaries and Wages	70XX *	\$678,084	\$103,249	\$574,835	\$0	\$574,835
Other Operating						
Travel	71XX	6,495			6,495	6,495
Materials and Supplies						
Postal Services	7291	994			994	994
Consumables	7300	1,399	27		1,372	1,372
Periodicals and Info Seives	7303	81			81	81
Expensed Equipment	7334	920			920	920
Books and Reference Materials	7382	362			362	362
Subtotal		<u>3,756</u>	<u>27</u>	<u>0</u>	<u>3,729</u>	<u>3,729</u>
Communications and Utilities						
Communications	7276	5,475			5,475	5,475
Printing and Reproduction						
Printing and Reproduction	7273	77			77	77
Claims and Judgements						
Other Legal Expenses	7226	875	(875)		1,750	1,750
Other Expenditures						
Membership Dues	7201	2,327			2,327	2,327
Training	7203	7,576			7,576	7,576
Delivery Services	7286	56			56	56
Prompt Payment Interest	7806	8	8		0	0
Subtotal		<u>9,967</u>	<u>8</u>	<u>0</u>	<u>9,959</u>	<u>9,959</u>
Total Other Operating		<u>26,645</u>	<u>(840)</u>	<u>0</u>	<u>27,485</u>	<u>27,485</u>
Total		<u>\$704,729</u>	<u>\$102,409</u>	<u>\$574,835</u>	<u>\$27,485</u>	<u>\$602,320</u>

* Represents multiple object codes which have been consolidated.

TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL

PAYROLL RELATED COSTS - GENERAL FUNDS
ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

DESCRIPTION	SOURCE EXHIBIT	TOTAL COSTS	PERCENT	DIRECT COSTS	INDIRECT COSTS		
					SALARIES & WAGES	OTHER	TOTAL
Expenditures							
General Fund	IV-A						
Payroll Related Costs		<u>\$8,882,565</u>					
Allocation of Expenditures							
Direct Salaries and Wages		\$25,183,045	81.7283%	\$7,259,573	\$0	\$0	\$0
Indirect Salaries and Wages							
Deputy Commissioner	V-1	746,752	2.4235%			215,268	215,268
Assist. Commissioner Admin.	V-2	232,495	0.7545%			67,022	67,022
Human Resources	V-3	445,055	1.4444%			128,297	128,297
Support Services	V-4	521,249	1.6916%			150,262	150,262
Facilities Maintenance	V-5	0	0.0000%			0	0
Fleet Maintenance	V-6	0	0.0000%			0	0
Information Technology	V-7	1,223,411	3.9704%			352,675	352,675
Financial Services	V-8	992,626	3.2214%			286,147	286,147
Internal Audit	V-9	168,957	0.5483%			48,706	48,706
Communications	V-10	501,045	1.6261%			144,437	144,437
General Counsel	V-11	574,835	1.8656%			165,709	165,709
Lump Sum Termination	IV-B	223,643	0.7258%			64,470	64,470
Total Indirect		<u>5,630,068</u>	<u>18.2717%</u>	<u>0</u>	<u>0</u>	<u>1,622,992</u>	<u>1,622,992</u>
Total	IV-A	<u>\$30,813,113</u>	<u>100.0000%</u>	<u>\$7,259,573</u>	<u>\$0</u>	<u>\$1,622,992</u>	<u>\$1,622,992</u>

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE

SECTION VI
FY 2011 FIXED INDIRECT COST RATE

FY 2011 FIXED INDIRECT COST RATE

The OMB Circular A-87 simplified method has been utilized to develop a single, fixed indirect cost rate for The Texas Department of Agriculture (TDA). The FY 2011 fixed indirect cost rate is based on TDA actual expenditures for the fiscal year ended August 31, 2009 (FY 2009). All costs presented on exhibits in this Section reconcile to expenditure and classification exhibits provided in Section IV and V of the ICRP.

The rate has been prepared in accordance with OMB Circular A-87 and includes all OMB Circular A-87 allowable indirect costs incurred by TDA. The rate has been developed by classifying all TDA costs as either direct or indirect; calculating any carry forward adjustment from the prior year fixed rate; adding the indirect costs and carry forward adjustment to determine total indirect costs; and dividing total indirect costs by TDA's modified total direct costs.

Indirect Costs

Indirect costs included in the indirect cost rate are identified by organizational unit on Exhibit V in the previous section of the ICRP. Indirect costs have been classified as either department costs or statewide costs. Department costs are indirect costs incurred by TDA organizational units in support of TDA programs. Statewide costs are indirect costs identified as fixed central service costs in the FY 2009 statewide cost allocation plan.

Carry Forward Adjustment

TDA utilized a fixed indirect cost rate in FY 2009. OMB A-87 requires entities utilizing a fixed indirect cost rate to determine the difference between the fixed rate, less any over or under recoveries in the FY 2009 rate, and the actual rate for the period based on actual costs. The difference between the rates is to be carried forward as an adjustment to the rate computation for FY 2011. The calculation of the FY 2009 carry-forward adjustment is provided on Exhibit VI-B, FY 2009 Indirect Cost Carry Forward.

Direct Cost Base

The direct cost base is direct salaries and wages (direct salaries). Direct salaries have been determined by deducting the salaries and wages of indirect staff from TDA's total salaries and wages. Total salaries and wages by organizational unit are provided on Exhibit IV-A, in Section IV of the ICRP. Salaries and wages of indirect staffs are identified by organizational unit and position on exhibits in Section V of the ICRP.

FY 2011 Indirect Cost Rate

A single, fixed indirect cost rate has been developed by dividing TDA's total OMB A-87 allowable indirect costs by total direct salaries. Exhibit VI-A provides the calculation of the indirect cost rate. The rate has been calculated in total and by two major components: department and statewide. When appropriate, TDA intends to utilize the total rate to recover

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE

indirect costs from Federal programs. The identification of the rate by major components has been done to enable TDA to establish the expenditure source of any indirect costs recoveries.

The following two exhibits are provided:

- **Exhibit VI-A: FY 2011 Fixed Indirect Cost Rate** - The Exhibit provides the calculation of the FY 2011 fixed indirect cost rate applicable to all TDA divisions and programs. The Exhibit provides a summary of FY 2009 actual indirect costs, the FY 2009 indirect cost carry forward, and FY 2009 actual direct salaries. Rate calculations are provided by indirect cost source and in total.
- **Exhibit VI-B: FY 2009 Indirect Cost Carry Forward** - The Exhibit provides the calculation of the FY 2009 indirect cost carry forward. The carry forward is the difference between potential indirect cost recoveries utilizing the Department's fixed FY 2009 indirect cost rate based on projected FY 2009 costs and the actual or final rate for FY 2009 based on FY 2009 actual costs. Carry forwards are provided by indirect cost source and in total. The carry forward is included on Exhibit VI-A.

This concludes the narrative on this Section of the ICRP. The exhibits are provided on the following pages.

EXHIBIT VI-A

TEXAS DEPARTMENT OF AGRICULTURE
 FY 2011 INDIRECT COST RATE PROPOSAL
 BASED ON ACTUAL EXPENDITURES INCURRED
 DURING THE FISCAL YEAR ENDED AUGUST 31, 2009

FY 2011 FIXED INDIRECT COST RATE

DESCRIPTION	DEPARTMENT	STATEWIDE	TOTAL			
Direct Cost Base: Salaries and Wages						
Total Salaries and Wages (Exhibit IV-A)	\$30,890,856	\$30,890,856	\$30,890,856			
Less Indirect Salaries and Wages						
Executive (V-1)	(\$746,752)	(\$746,752)	(\$746,752)			
ASD - Asst. Commissioner (V-2)	(232,495)	(232,495)	(232,495)			
ASD - Human Resources (V-3)	(445,055)	(445,055)	(445,055)			
ASD - Support Services (V-4)	(521,249)	(521,249)	(521,249)			
ASD - Facilities Maintenance (V-5)	0	0	0			
ASD - Fleet Maintenance (V-6)	0	0	0			
ASD - Information Technology (V-7)	(1,223,411)	(1,223,411)	(1,223,411)			
Financial Services (V-8)	(992,626)	(992,626)	(992,626)			
Internal Audit (V-9)	(168,957)	(168,957)	(168,957)			
Communications (V-10)	(501,045)	(501,045)	(501,045)			
General Counsel (V-11)	(574,835)	(574,835)	(574,835)			
Lump Sum Termination Payments	(223,643)	(223,643)	(223,643)			
Total Indirect Personal Services	<u>(5,630,068)</u>	<u>(5,630,068)</u>	<u>(5,630,068)</u>			
Direct Salaries and Wages	<u>\$25,260,788</u>	<u>\$25,260,788</u>	<u>\$25,260,788</u>			
FY 2009 Indirect Costs:						
Executive (V-1)	\$804,804	\$0	\$804,804			
ASD - Asst. Commissioner (V-2)	244,935		244,935			
ASD - Human Resources (V-3)	462,768		462,768			
ASD - Support Services (V-4)	762,018		762,018			
ASD - Facilities Maintenance (V-5)	529,111		529,111			
ASD - Fleet Maintenance (V-6)	20,025		20,025			
ASD - Information Technology (V-7)	3,212,212		3,212,212			
Financial Services (V-8)	1,091,766		1,091,766			
Internal Audit (V-9)	224,513		224,513			
Communications (V-10)	583,683		583,683			
General Counsel (V-11)	602,320		602,320			
Payroll Related Costs (V-12)	1,622,992		1,622,992			
Lump Sum Termination Payments	223,643		223,643			
Depreciation Expense	608,277		608,277			
Post Health Retirement Benefits	1,651,455		1,651,455			
Statewide Indirect Costs	0	730,443	730,443			
State Auditor Memo Billing	33,128		33,128			
Total Indirect Costs	<u>12,677,650</u>	<u>730,443</u>	<u>13,408,093</u>			
FY 2009 Carry Forward (Exh. VI-B)	<u>(140,371)</u>	<u>33,477</u>	<u>(106,894)</u>			
FY 2011 Projected Indirect Costs	<u>\$12,537,279</u>	<u>\$763,920</u>	<u>\$13,301,199</u>			
FY 2011 INDIRECT COST RATE COMPUTATION						
Indirect Costs	\$12,537,279	49.63%	\$763,920	3.02%	\$13,301,199	52.66%
Direct Salaries and Wages	\$25,260,788		\$25,260,788		\$25,260,788	

EXHIBIT VI-B

**TEXAS DEPARTMENT OF AGRICULTURE
FY 2011 INDIRECT COST RATE PROPOSAL
BASED ON ACTUAL EXPENDITURES INCURRED
DURING THE FISCAL YEAR ENDED AUGUST 31, 2009**

FY 2009 INDIRECT COST CARRY FORWARD

DESCRIPTION	DEPARTMENT	STATEWIDE	TOTAL
Direct Cost Base: FY 2009 Salaries and Wages			
Total Salaries and Wages (Exhibit IV-A)	\$30,890,856	\$30,890,856	\$30,890,856
Less Indirect Salaries and Wages			
Executive (V-1)	(\$746,752)	(\$746,752)	(\$746,752)
ASD - Asst. Commissioner (V-2)	(232,495)	(232,495)	(232,495)
ASD - Human Resources (V-3)	(445,055)	(445,055)	(445,055)
ASD - Support Services (V-4)	(521,249)	(521,249)	(521,249)
ASD - Facilities Maintenance (V-5)	0	0	0
ASD - Fleet Maintenance (V-6)	0	0	0
ASD - Information Technology (V-7)	(1,223,411)	(1,223,411)	(1,223,411)
Financial Services (V-8)	(992,626)	(992,626)	(992,626)
Internal Audit (V-9)	(168,957)	(168,957)	(168,957)
Communications (V-10)	(501,045)	(501,045)	(501,045)
General Counsel (V-11)	(574,835)	(574,835)	(574,835)
Termination Leave	(223,643)	(223,643)	(223,643)
Total Indirect Personal Services	<u>(5,630,068)</u>	<u>(5,630,068)</u>	<u>(5,630,068)</u>
Direct Salaries and Wages	<u>\$25,260,788</u>	<u>\$25,260,788</u>	<u>\$25,260,788</u>
FY 2009 Indirect Costs:			
Executive (V-1)	\$804,804	\$0	\$804,804
ASD - Asst. Commissioner (V-2)	244,935		244,935
ASD - Human Resources (V-3)	462,768		462,768
ASD - Support Services (V-4)	762,018		762,018
ASD - Facilities Maintenance (V-5)	529,111		529,111
ASD - Fleet Maintenance (V-6)	20,025		20,025
ASD - Information Technology (V-7)	3,212,212		3,212,212
Financial Services (V-8)	1,091,766		1,091,766
Internal Audit (V-9)	224,513		224,513
Communications (V-10)	583,683		583,683
General Counsel (V-11)	602,320		602,320
Payroll Related Costs (V-12)	1,622,992		1,622,992
Depreciation Expense	608,277		608,277
Post Health Retirement Benefits	1,651,455		1,651,455
Termination Leave	223,643		223,643
Statewide Indirect Costs		730,443	730,443
State Auditor	33,128		33,128
Total Indirect Costs	<u>\$12,677,650</u>	<u>\$730,443</u>	<u>\$13,408,093</u>
Carry Forward			
FY 2009 Actual Indirect Costs	\$12,677,650	\$730,443	\$13,408,093
FY 2009 Actual Direct Salaries & Wages	\$25,260,788	\$25,260,788	\$25,260,788
FY 2009 Fixed Indirect Cost Rate	58.30%	3.17%	61.47%
Projected Recoveries	14,727,039	800,767	15,527,806
FY 2007 Under Recovery in FY 2009 Rate	<u>(1,909,018)</u>	<u>(103,801)</u>	<u>(2,012,819)</u>
Total FY 2009 Projected Recoveries	<u>12,818,021</u>	<u>696,966</u>	<u>13,514,987</u>
FY 2009 Under (Over) Recovery	<u>(\$140,371)</u>	<u>\$33,477</u>	<u>(\$106,894)</u>

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE

APPENDIX A
FY 2009 POST HEALTH RETIREMENT BENEFITS

Payroll Related Costs - Fiscal Year 2009
 State Agencies
 General Revenue

Insurance State Contribution - Retiree

Agency	Fund	Prior Years' Adjustments in FY 10	Current Year	Total Retiree
0551	0001	34,615.97	1,616,358.96	1,651,454.93
0554	0001		789,252.77	789,252.77
0575	0001		15,649.68	15,649.68
0590	0001	866.54	541,046.39	541,406.93
0592	0001	13,483.62	4,200,695.32	4,202,443.94
0592	0001	179.00	52,895.23	53,074.23
0601	0001	13,753.22	259,479.33	273,232.55
0662	0001		8,454.24	8,454.24
0665	0001		5,150.60	5,150.60
0665	0001		59,955.08	59,955.08
0666	0001		40,889.60	40,889.60
0685	0001		121,142.04	121,142.04
0694	0001	590.52	5,001,240.69	5,000,243.47
0696	0001	5,125.81	47,470,564.72	49,547,890.53
0701	0001	113,612.56	2,269,774.60	2,149,161.54
0702	0001		12,780.72	12,780.72
0723	0001	381.56	3,290,391.31	3,290,139.91
0751	0001	3,447.56	536,620.13	531,572.54
0772	0001	1,339.17	351,185.16	350,845.99
0781	0001	220.56	535,281.47	535,501.83
0802	0001	5,101.46	1,434,734.18	1,437,835.64
0808	0001	488.49	127,217.51	127,716.00

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE

APPENDIX B
FY 2009 STATEWIDE COST ALLOCATION PLAN AGREEMENT

COST ALLOCATION AGREEMENT
STATE AND LOCAL GOVERNMENTS

EIN #1746000100A1

DATE: November 30, 2009

DEPT/AGENCY:
State of Texas
Office of the Governor
P.O. Box 12428
Austin, TX 78711

FILING REF: The preceding
Agreement was dated
June 10, 2008

SECTION I: ALLOCATED COSTS

The central service costs listed in Exhibit A, attached, are approved on a Fixed basis and may be included as part of the costs of the State/local departments and agencies indicated during the fiscal year ending August 31, 2009 for further allocation to Federal grants, contracts, and other agreements performed at those departments and agencies.

<u>SECTION</u>	<u>II:</u>	<u>BILLED</u>	<u>COSTS</u>
----------------	------------	---------------	--------------

In addition to Section I, which provides for services furnished but not billed, the services listed below are furnished and billed to departments and agencies:

1. DIR State Telecommunications System (TEX-AN)
2. DIR Capitol Complex Telecommunications
3. DIR Business Operations/Cooperative Contracts
4. DIR Data Center Consolidation
5. TBPC Construction Inspection/Project Management
6. TBPC Minor Construction
7. TBPC Quick Copy Operation
8. TXDOT Department of Aviation
9. State Auditor
10. Attorney General
11. Library - State & Local Records Management
12. Employee Retirement
13. State Office of Risk Management
14. Texas Workforce Commission - Unemployment Compensation

(1)

DEPT/AGENCY:
State of Texas

DATE: November 30, 2009

SECTION III: CONDITIONS

The amounts approved in Section I and the billings for the services listed in Section II are subject to the following conditions:

A. LIMITATIONS: (1) Charges resulting from this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract, or other agreement only to the extent that funds are available. (2) Such charges represent costs incurred by the State/locality which are legal obligations of the State/locality and are allowable under OMB Circular A-87. (3) The same costs that are treated as indirect costs are not claimed as direct costs. (4) Similar type of costs are accorded consistent accounting treatment. (5) The information provided by the State/locality which was used to establish this Agreement is not later found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: This Agreement is based on the accounting system purported by the State/locality to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the Cognizant Agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from an allocated cost to a billed cost. Failure to obtain such approval may result in cost disallowances.

C. FIXED AMOUNTS: If fixed amounts are approved in Section I of this Agreement, they are based on an estimate of the costs for the period covered by the Agreement. When the actual costs for this period are determined, adjustments will be made to the amounts of a future year to compensate for the difference between the costs used to establish the fixed amounts and actual costs.

D. BILLED COSTS: Charges for the services listed in Section II will be billed in accordance with rates established by the State/locality. These rates will be based on the estimated costs of providing the services. Adjustments for variances between billed costs and the actual allowable costs of providing the services, as defined by OMB Circular A-87, will be made in accordance with procedures agreed to between the State/locality and the Cognizant Agency.

E. USE BY OTHER FEDERAL AGENCIES: This Agreement was executed in accordance with the authority in OMB Circular A-87, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in Paragraph A above. The State/locality may provide copies of this Agreement to other Federal Agencies to give them early notification of the Agreement.

(2)

DEPT/AGENCY:
State of Texas

DATE: November 30, 2009

F. SPECIAL REMARKS:

This agreement is issued with the understanding that the issue of how to charge Post Retirement Health Benefits to state agencies and federally funded programs remains open. We will resolve this issue when we receive sufficient information to do so.

Equipment Definition - Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

ACCEPTANCE

BY THE DEPT/AGENCY:
State of Texas
Office of the Governor
(DEPT/AGENCY)

Mary Katherine Stout
(SIGNATURE)

Mary Katherine Stout
(NAME) Office of the Governor
Director, Budget, Planning & Policy
(TITLE)

January 29, 2010
(DATE)

BY THE COGNIZANT AGENCY ON
BEHALF OF THE FEDERAL GOVERNMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES
(AGENCY)

[Signature]
(SIGNATURE)

Henry Williams
(NAME)

Director, Division of Cost Allocation
(TITLE)

November 30, 2009
(DATE) 0262

Katherine Tang
HHS REPRESENTATIVE

(214) 767-5362
Telephone

(3)

OMB A-87
ACTUAL FY2007

STATE OF TEXAS
FY 2009 STATEWIDE COST ALLOCATION PLAN
FIXED COSTS TO BE ALLOCATED IN FY 2009 WITH CARRY FORWARD ADJUSTMENTS

Department	(538) Assistive & Rehab Svcs	(539) Aging & Disability Svcs	(551) Agriculture	(554) Animal Health Comm	(555) AgrLife Research	(556) AgrLife Experiment	(557) Vet Med Diagnostic Lab	(576) Forest Service
Building Depreciation:	\$ 283,869	\$ (94,173)	\$ 91,271	\$ -	\$ -	\$ (2,613)	\$ -	\$ 3,725
Equipment Depreciation	-	-	-	-	-	-	-	-
Comptroller	3,074,481	3,090,587	231,969	57,306	90,236	91,142	8,633	72,226
Dept of Information Resources	24,964	141,152	1,268	4,032	19,611	8,246	125	4,427
DPS Capitol Security	-	-	49,332	-	-	(584)	-	-
TBPC Admin	-	-	-	-	-	-	-	-
TBPC Purchasing	15,219	149,997	6,967	37,978	5,409	6,666	-	-
TBPC P Card Rebate	(15,644)	(89,753)	(3,366)	(726)	(17,002)	(40,389)	-	4,489
TBPC Support Services	21,040	2,178	7,903	7,852	1,829	6,078	(241)	(8,482)
TBPC Building & Utilities	852,428	(186,734)	299,263	-	-	(9,055)	64	692
TBPC Fac Const & Space Mgmt	90,912	(15,215)	5,924	8,122	-	(143)	-	9,817
Governor Budget & Planning	16,255	172,663	3,423	421	1,415	1,452	-	1,314
State Office of Risk Management	28,598	842,628	36,489	(72)	-	-	129	2,787
State Preservation Bnd	-	-	-	-	-	-	-	-
Total	\$ 4,392,122	\$ 4,013,331	\$ 730,443	\$ 114,912	\$ 98,922	\$ 60,790	\$ 8,710	\$ 90,995

MGT of America, Inc.

14 of 24

11/30/2009

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE

APPENDIX C
FY 2009 STATE AUDITOR'S OFFICE BILLINGS

STATE AUDITOR'S OFFICE
Annual Statement of Services Rendered to Agency
Fiscal Year Ending August 31, 2009

Agency Name: Agriculture, Department of
 Agency No.: 551
 Agency Address: 1700 N. Congress Ave., 11th floor
 Austin, TX 78701

ATTN: Mrs. Heather G. Petterson Heather.Griffith.Peterson@texasagriculture.gov
 CC: Ms. Robin Smith robin.smith@texasagriculture.gov

Project Name	Project No.	Project Cost
Classification Compliance Audit - Texas Department of Agriculture	9.00032	\$1,530.00
Classification Compliance Audit - Maintenance Assts/Maintenance Techs	9.00030	\$290.42
Activities Related/Agencies' /Higher Ed Institutions'/Delegated Audit Autl	9.00025	\$140.93
Investigative Services	8.93208	\$40.50
Performance Measures - Structural Pest Control Board	8.00114	\$28,102.50
Other Services		\$3,024.10
TOTAL		\$33,128.45

Project cost for "Other Services" represents a portion of the total cost of services provided by the State Auditor's Office in FY 2009 which benefitted all state entities equally. "Other services" costs are allocated to entities with federal funds based on the entity's prior year federal expenditures. Other costs represent work specific to your entity.

American Recovery and Reinvestment Act (ARRA)

ARRA Project Name	Project No.	Project Cost
Federal Coordination	9.10012	\$3.98
TOTAL		\$3.98

ARRA projects in FY 2009 identified here relate to oversight, coordination, and monitoring functions of the State Auditor's Office. Hours are allocated to your agency based on your agency's reported FY 2009 ARRA expenditures, as reported to the Comptroller of Public Accounts.

STATE OF TEXAS
DEPARTMENT OF AGRICULTURE

THE END
