City of Sebastopol

CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: November 17, 2026

==========

To:	Honorable Mayor and City Councilmembers
Requestor:	Ana Kwong, Administrative Services Director Mary Gourley, City Manager
Responsible Department:	Administrative Services | City Administration
Subject:	Award of Cost Allocation Plan Consulting Services to Government Consulting Partners, Inc and Authorization for the City Manager to Execute the Agreement

==========

RECOMMENDATION:
Staff recommends that the City Council:

1. Select Government Consulting Partners, Inc. (GCP) to prepare the City's comprehensive Cost Allocation Plan;
2. Adopt the resolution authorizing the City Manager to execute a Professional Services Agreement with GCP in an amount not to exceed $19,500, subject to final review and approval as to form by the City Attorney; and
3. Approve a budget amendment of $11,300 to provide sufficient appropriation for the agreement.

PROCESS OF AGENDA ITEM:

a. Presentation of the item by City staff
b. Council questions and discussion
c. Public comment
d. Council deliberation and action

EXECUTIVE SUMMARY:
On September 23, 2026, the City issued a Request for Proposals for an independent review of its existing cost allocation methodologies and preparation of a new comprehensive Cost Allocation Plan. The project will include particular attention to allocations involving the Water and Wastewater Enterprise Funds and development of a transparent Excel-based model that City staff can understand, oversee, and use to support future annual updates.

The City received proposals from Government Consulting Partners, Inc., Matrix Consulting Group, and Willdan Financial Services. The Budget Committee and Enterprise Fund Oversight Committee jointly interviewed all three firms on November 2, 2026. Committee member evaluations were advisory and were considered by staff together with the firms' proposals, written responses, qualifications, methodology, interview performance, project schedule, deliverables, and cost.

Based on the complete evaluation, staff recommends GCP as providing the best overall value to the City. GCP submitted the lowest base fee at $19,500 and proposed an approach specifically tailored to the City's Enterprise Fund concerns, including review of allocation methods, direct and indirect charges, potential duplicate cost recovery, documentation, and future maintenance of the CAP model. GCP's proposal includes staff training and twelve months of continuing assistance.

BACKGROUND:
The City uses a Cost Allocation Plan to assign an appropriate share of centralized administrative and support costs to the departments and funds receiving those services. Recent review of allocations involving the Water and Wastewater Enterprise Funds identified the need for an independent evaluation of the City's methodology.

City of Sebastopol

The new CAP will review existing cost pools, allocation methods, direct and indirect charges, staffing and workload information, and the relationship between Enterprise Fund charges and the services received. The project will also provide a transparent model that staff can understand and oversee as City staffing, services, and operations change.

DISCUSSION:
The City received the following proposals:

Proposer	Fee	Summary
Government Consulting Partners, Inc. (Granite Bay/Sacramento)	$19,500	Proposed a Sebastopol-specific review emphasizing Water and Wastewater allocations, direct and indirect charges, prevention of duplicate cost recovery, clear documentation, staff training, and a transparent Excel model that staff can understand and oversee.
Matrix Consulting Group (San Mateo)	$31,000	Proposed a detailed technical approach addressing allocation methods, data reconciliation, Enterprise Fund support, annual true-ups, documentation, and an updateable model.
Willdan Financial Services (Temecula)	$23,575	Proposed a traditional municipal cost allocation approach, including full-cost and federal cost allocation plans, an Excel-based model, staff training, and ongoing support.

The respective fees, estimated work hours, project teams, schedules, meeting commitments, and other proposal differences were also compared as part of staff's evaluation.

Following initial proposal review, the City provided the firms with the same questions and written-response requirements. The Budget Committee and Enterprise Fund Oversight Committee jointly interviewed all three firms on November 2, 2026. Committee members completed individual evaluation forms, which were advisory and were considered as one component of staff's overall assessment.

STAFF ANALYSIS:
All three firms demonstrated relevant municipal cost allocation experience and the ability to complete the City's project. Staff evaluated the firms based on their written proposals, responses to the City's standardized questions, interview presentations, qualifications and experience, proposed methodology and deliverables, project schedule, and cost. The individual committee member evaluations were also considered as an advisory component of the selection process.

Advisory Committee Evaluations
Following the November 2, 2026 interviews, five members of the Budget Committee and Enterprise Fund Oversight Committee completed individual evaluation forms. The results were as follows:

Proposer	Total Score	Average Score	Members Ranking Firm First
Government Consulting Partners, Inc.	115	23.0	4 of 5
Matrix Consulting Group	124	24.8	1 of 5
Willdan Financial Services	114	22.8	0 of 5

Four of the five members ranked Government Consulting Partners, Inc. (GCP) as their first choice. One member's evaluation differed substantially from the other evaluations and ranked Matrix first by a considerable margin. As a result, Matrix received the highest aggregate numerical score even though GCP was ranked first by four of the five members.

City of Sebastopol

The individual evaluations were advisory and did not constitute formal action or a recommendation by either committee. Staff did not base its recommendation solely on the aggregate numerical score, nor did staff exclude any individual evaluation. Instead, staff considered the scores, the overall pattern of member preferences, and the complete procurement record in determining which firm offered the best overall value to the City.

Evaluation of Proposals

All three firms demonstrated relevant municipal cost allocation experience. Matrix presented a particularly detailed technical approach. Willdan demonstrated substantial California municipal experience. GCP presented an approach specifically tailored to the City's identified concerns, including review of direct and indirect charges, potential duplicate cost recovery, and documentation supporting allocations to the Water and Wastewater Enterprise Funds.

GCP also proposed a staff-maintainable Excel model, staff training, and twelve months of continuing assistance. Another distinguishing feature of GCP's approach is its proposed one-page summary of the completed Cost Allocation Plan, similar in concept to the City's "Budget at a Glance" format. While the complete CAP and supporting analysis will remain available for those seeking detailed information, the one-page summary will provide Councilmembers, committee members, staff, and the public with an accessible overview of the methodology, key allocations, and results. Staff believes this type of plain-language presentation will improve transparency and make a technically complex financial document easier to understand.

Staff Recommendation

Staff recommends Government Consulting Partners, Inc. as providing the best overall value to the City. GCP's proposal and interview demonstrated the strongest overall combination of:

- Understanding of Sebastopol's current cost allocation concerns;
- Specific attention to Water and Wastewater Enterprise Fund allocations;
- Review of direct charges, indirect allocations, and potential duplicate cost recovery;
- Clear and traceable documentation of allocation decisions;
- A practical Excel model that City staff can understand, oversee, and use to validate future updates;
- A one-page, plain-language summary designed to make the CAP's methodology and results more accessible;
- Staff training and twelve months of continuing assistance; and
- Overall cost and value.

GCP's $19,500 base fee is $4,075 less than Willdan's proposal and $11,500 less than Matrix's proposal**.** Cost was not a primary consideration. However, when considered together with GCP's City-specific approach, proposed deliverables, responsiveness to the City's concerns, and the fact that four of five committee members ranked GCP first, staff concluded that GCP provides the best overall value.

GCP's proposal includes staff training, a transparent Excel model, and twelve months of continuing assistance. Staff views these features as important for institutional knowledge, transparency, and oversight rather than as a replacement for future professional assistance. Cost allocation is a specialized process, and staffing, services, expenditures, organizational structure, and allocation drivers may change from year to year. Staff therefore anticipates that consultant assistance with future annual updates will remain appropriate to provide continuity and independent technical review, while City staff remains responsible for providing and validating the underlying financial and operational information.

Given the significant attention placed on the City's cost allocation practices, staff expects the resulting CAP to be subject to close review regardless of which consultant performs the work. Differences of opinion regarding particular allocation methodologies or results may remain. For this reason, staff placed significant weight on each proposer's ability to develop a methodology that is transparent, traceable, independently developed and supportable, and

City of Sebastopol

understandable to staff, the City Council, the EFOC, auditors, and the public. This consideration was an important factor in staff's recommendation of GCP.

Accordingly, staff recommends that the City Council award the Cost Allocation Plan consulting agreement to Government Consulting Partners, Inc.

CITY COUNCIL GOALS / PRIORITIES / GENERAL PLAN CONSISTENCY:
This action supports the City Council's goals and priorities, including:
• Goal 4: High Performance Organization by improving the accuracy, transparency, consistency, and maintainability of the City's cost allocation practices. Completion of the new CAP will support informed fiscal decision-making and provide clearer documentation of allocations involving the Water and Wastewater Enterprise Funds.

PUBLIC COMMENT:
As of the preparation of this staff report, no public comments have been received. Any written public comments received after publication of this report will be provided to the City Council as supplemental materials prior to or at the meeting. Members of the public may also provide oral comments during the public comment portion of the agenda item.

PUBLIC NOTICE:
This item was noticed in accordance with the Ralph M. Brown Act and was made available for public viewing and review at least 72 hours prior to the scheduled meeting.

FISCAL IMPACT:
GCP's proposed base fee is $19,500. The FY 2026-27 budget currently includes approximately $8,200 for the City's annual Cost Allocation Plan update. Therefore, an additional appropriation of approximately $11,300 would be required to fully fund the base contract.

GCP also proposed an optional historical review related to prior-year allocation issues at a not-to-exceed amount of $9,750. Staff recommends that this optional service not automatically be included in the base award and instead be separately authorized if the City determines that the additional historical analysis is necessary.

RESTATED RECOMMENDATION:
Staff recommends that the City Council:

1. Select Government Consulting Partners, Inc. (GCP) to prepare the City's comprehensive Cost Allocation Plan;
2. Adopt the resolution authorizing the City Manager to execute a Professional Services Agreement with GCP in an amount not to exceed $19,500, subject to final review and approval as to form by the City Attorney; and
3. Approve a budget amendment of $11,300 to provide sufficient appropriation for the agreement.

ATTACHMENTS:

1. Resolution Awarding the Professional Cost Allocation Plan Agreement to GCP, Inc. and Approving the Related Budget Amendment
2. Committee Interview Scoring Summary
3. Request for Proposals – Cost Allocation Plan Services (issued September 23, 2026)
4. GCP Proposal

APPROVALS:

Department Head Approval:	Approval Date: 11/6/26
CEQA Determination (Planning):	Approval Date: N/A

City of Sebastopol

Awarding a professional services agreement is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5), as it is an administrative activity that will not result in direct or indirect physical changes in the environment.

Administrative Services (Financial): Approval Date: 11/6/26

Costs authorized in City Approved Budget: ☑ Yes ☒ No ☐ N/A

Account Code: 100-14-01-4210-000-000000-000

City Attorney Approval: Approval Date: 11/12/26

City Manager Approval: Approval Date: 11/12/26

RESOLUTION NO. _____-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AWARDING A PROFESSIONAL SERVICES AGREEMENT TO GOVERNMENT CONSULTING PARTNERS, INC. FOR COST ALLOCATION PLAN CONSULTING SERVICES IN AN AMOUNT NOT TO EXCEED $19,500, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, AND APPROVING A RELATED BUDGET AMENDMENT

WHEREAS, the City of Sebastopol uses a Cost Allocation Plan to allocate an appropriate share of centralized administrative and support costs to the departments and funds receiving those services; and

WHEREAS, the City determined that an independent review of its existing cost allocation methodologies and preparation of a new comprehensive Cost Allocation Plan are appropriate, with particular attention to allocations involving the Water and Wastewater Enterprise Funds; and

WHEREAS, on September 23, 2026, the City issued a Request for Proposals for Cost Allocation Plan consulting services; and

WHEREAS, the City received proposals from Government Consulting Partners, Inc., Matrix Consulting Group, and Willdan Financial Services; and

WHEREAS, the Budget Committee and Enterprise Fund Oversight Committee jointly interviewed the three firms on November 2, 2026, and individual committee member evaluations were advisory and considered as one component of staff's overall assessment; and

WHEREAS, staff evaluated the complete procurement record, including the proposals, written responses, qualifications and experience, methodology, interview performance, proposed deliverables, project schedule, advisory evaluations, and cost; and

WHEREAS, Government Consulting Partners, Inc. demonstrated the strongest overall combination of responsiveness to the City's identified needs, Enterprise Fund focus, transparency, documentation, accessibility, technical approach, and overall value; and

WHEREAS, the Fiscal Year 2026-27 budget includes approximately $8,200 for Cost Allocation Plan services, and an additional appropriation of $11,300 is necessary to fully fund the recommended agreement; and

WHEREAS, approval of the professional services agreement is not a project under the California Environmental Quality Act pursuant to CEQA Guidelines section 15378(b)(5), because it is an administrative activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AS FOLLOWS:

Section 1. The City Council selects Government Consulting Partners, Inc. to prepare the City's comprehensive Cost Allocation Plan and awards a Professional Services Agreement in an amount not to exceed $19,500.
Section 2. The City Manager is authorized to execute the Professional Services Agreement, subject to final review and approval as to form by the City Attorney, and to take any other actions reasonably necessary to implement this resolution.
Section 3. The City Council approves a Fiscal Year 2026-27 budget amendment in the amount of $11,300 and authorizes the Administrative Services Director to make the necessary budgetary and accounting entries to fully fund the agreement.
Section 5. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 17th day of November 2026, by the following vote:

IN COUNCIL DULY PASSED this ____ day of _____, 2026.

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mayor Jill McLewis

ATTEST:

_____
Mary Gourley, City Manager

APPROVED AS TO FORM:

_____
Alex Mog, City Attorney