

ALPENA COUNTY BOARD OF COMMISSIONERS

BOARD ACTION #03

TO: County Clerk, County Treasurer  
FROM: Alpena County Board of Commissioners  
SUBJECT: MGT Cost Allocation Plan/Agreement

BOARD ACTION:

**ACTION ITEM #4: The Committee recommends approval of the Cost Allocation Plan for 2023 and the new three-year MGT Consulting Cost Allocation Agreement (10/12/2022 to 10/12/2025) in the amount of \$9,000 annually (\$1,000 budgeted increase for 2023) with monies to come out of line item #101-200-821.000 Cost Allocation Contract as presented. The fee of \$8,000 has been paid for annually in the 2022 Budget.**

Vice Chairman Thomson presented the Action Items from the Finance Ways & Means Committee for board approval. Moved by Commissioner Karschnick and supported by Commissioner Fournier to approve the Finance Ways & Means Committee recommended Action Items as presented. Roll call vote was taken: AYES: Commissioners Gilmet, Karschnick, Fournier, Osbourne, Kozlowski, and Thomson. NAYS: None. Commissioners Peterson and Adrian, excused. Motion carried.

This action was XX APPROVED \_\_\_\_\_ DISAPPROVED

BY: Ayes: 6 Nays: 0 Excused: 2 Absent: 0 Abstaining: 0

Alpena County Board Chairman's Signature: \_\_\_\_\_

Alpena County Board Vice-Chairman's Signature: Marty Thomson

Date of the Board Meeting: November 8, 2022

**MASTER ENGAGEMENT AGREEMENT  
BY AND BETWEEN  
MGT OF AMERICA CONSULTING, LLC  
AND  
ALPENA COUNTY, MICHIGAN**

**THIS MASTER ENGAGEMENT AGREEMENT** ("Agreement") made and entered into as of **October 12, 2022**, by and between **MGT of America Consulting, LLC** ("MGT"), with offices located at 4320 West Kennedy Boulevard, Tampa, FL 33609, and **Alpena County, Michigan** ("Client"), with offices located at 720 W. Chisholm St., Alpena, MI 49707, sets forth the parties' understanding pursuant to which MGT shall be engaged by Client.

**I. SCOPE OF SERVICES**

The Scope of Services of MGT's services hereunder (the "Services") shall be set out in **Annex No. 1** to this Agreement. Each Annex, upon execution by both parties, shall by this reference be incorporated in and made part of this Agreement. Each Annex shall specify the services to be performed by MGT, key MGT staff members assigned to assist in the performance of such Services and the payment terms for such Services, as well as any other details specified by the parties. Should the Services as described in any Annex change in any material way, an adjustment to MGT's fees and promised delivery dates for such Services may be required. MGT undertakes to advise Client promptly should any such adjustment be necessary and to negotiate with Client in good faith to arrive at a mutually acceptable revision to the applicable Annex.

**II. STAFFING**

**Stephanie Farrell** shall serve as Project Manager and point of contact for MGT under this Agreement. MGT shall assign staff members to virtually perform all Services. Should any of the employees be unable to perform the Services, MGT may substitute another similarly qualified staff member. MGT may, from time to time and in its discretion, augment the listed staff as needed to perform the Services. All tasks are to be completed virtually, unless Client and MGT mutually agree to add in-person work for an additional fee (to be determined). Any requests for in-person work must be made in writing and must be approved by MGT and incorporated as an amendment and/or annex to this Agreement.

**III. FEES AND DISBURSEMENTS**

MGT proposes a total cost of **nine thousand US dollars (\$9,000.00)** for the Services outlined in Annex No. 1. This all-inclusive fee for professional services is to be billed upon delivery.

All invoices submitted by MGT to Client shall be due and payable upon receipt. MGT reserves the right to impose an interest charge equal to one and one-half percent (1.5%) per month in respect of any invoice which is outstanding for more than thirty (30) days.

**IV. TERM AND TERMINATION**

This Agreement shall be effective on the Effective Date and shall continue for a period of 3 years ("Initial Term"), unless otherwise terminated, expiring on **October 12, 2025** ("Expiration Date").



Either party shall have the right to terminate this Agreement by giving thirty (30) days' prior written notice to the other party ("Termination Date"). In the event that this Agreement is so terminated in advance of its scheduled completion, Client shall pay to MGT, upon receipt of an invoice, any and all proper charges earned and/or incurred by MGT in connection with the Services pursuant to this Agreement and the Annexes up to the time of its termination and shall indemnify MGT as provided in Section V(3) below.

## **V. GENERAL PROVISIONS**

### **1) Modification, Cancellation or Suspension of Work**

Upon consultation with MGT, Client shall have the right to modify, cancel or suspend any and all plans, schedules or work in progress under any Annex, and, in such event, MGT shall immediately take proper steps to carry out such instructions. In the event Client elects to modify the scope, an adjustment to the Annex Compensation may be necessary, and MGT will advise Client of any changes to Compensation.

### **2) Delay**

If during the term, Client causes delay resulting from Client's (i) failure to provide requested information on a timely basis, (ii) providing of inaccurate, incorrect or false information, (iii) Client's failure to provide access to appropriate personnel if required by the Annex Scope, or (iv) delay due to Client rescheduling Annex Scope; and such delay causes MGT any or all of (i) duplicate work efforts, (ii) corrective work efforts, or (iii) more than 7 days of idle time, MGT reserves the right to charge additional fees on either or both of (i) hourly rate (ii) and material costs.

### **3) General Indemnification**

Client shall fully defend, indemnify and hold harmless MGT and its officers, directors, employees, agents, representatives or successors and assigns (collectively, "Indemnified Parties") from and against any and all claims, demands, actions or causes of actions and any and all liabilities, costs and expenses (including but not limited to attorney's fees and expenses, incurred in the defense of an Indemnified Party, including costs of appeal) damage or loss in connection therewith, what may be asserted by MGT, its officers, employees, agents, representatives, successors or assigns or any other third party on account of, or sustained or alleged to have been sustained by, or arising out of or growing out of bodily injury, including death, or loss of use or damage to or destruction of property caused by, arising out of, sustained or alleged to have been sustained by, or in any way incidental to or in connection with MGT's performance of the Services under this Agreement or Statement of Work, regardless of whether such claims, demands, actions, causes of action or liability are or alleged to have been caused by in part or contributed to by the negligence, fault, or strict liability of any Indemnified Party.

MGT's indemnity obligation under this Paragraph is contingent upon the MGT seeking indemnity ("Indemnitee") to (i) promptly notify Client ("Indemnitor") of each claim; provided, however, that the Indemnitee's failure to give prompt notice to the Indemnitor of any such claim shall not relieve the Indemnitor of any obligation under this Paragraph except and to the extent that such failure materially prejudices the Indemnitor's ability to defend against such claim; (ii) provide the Indemnitor with sole control over the defense and/or settlement thereof provided however, that



Indemnitor shall not settle any claim that includes an admission of wrongdoing by the Indemnitee or otherwise adversely affects Indemnitee's interests without its prior consent; and (iii) at the Indemnitor's request and expense, provide full information and reasonable assistance to the Indemnitor with respect to such claim.

#### **4) Confidentiality**

MGT shall maintain in confidence all information and data relating to Client, its services, products, business affairs, marketing and promotion plans or other operations and its associated companies which are disclosed to MGT by or on behalf of Client (whether orally or in writing and whether before, on or after the date of this Agreement) or which are otherwise directly or indirectly acquired by MGT from Client, or any of its affiliated companies, or created in the course of this Agreement.

MGT shall ensure that it, its officers, employees and agents only use such confidential information in order to perform the Services, and shall not without Client's prior written consent, disclose such information to any third-party nor use it for any other purpose; provided, however, that MGT shall have the right to disclose Client's name and the general nature of MGT's work for Client in pitches and business proposals.

The above obligations of confidentiality shall not apply to the extent that MGT can show that the relevant information:

- a) was at the time of receipt already in MGT's possession;
- b) is, or becomes in the future, public knowledge through no fault or omission of MGT;
- c) was received from a third-party having the right to disclose it; or
- d) is required to be disclosed by law.

#### **5) Non-Solicitation**

During the term of this Agreement, and for a period of two (2) years after the Termination thereof, neither party shall directly or indirectly solicit for employment any person or persons currently employed, or who were employed in the last twelve (12) months, by the other unless (a) the other party has given its prior written consent, or (b) the employee has terminated his or her position, or (c) notice of termination given to the employee. Direct solicitation does not include advertisements published in the general media and, except to the extent that an individual was specifically encouraged to respond to such advertisements, nothing in this clause restricts an individual employee's right to seek employment with the other party to perform work unrelated to this Agreement.

#### **6) Risk**

Any analysis, projections, forecasts, or conclusions of Project relies on the accuracy of information provided by Client as well as near-term and long-term assumptions influenced by factors outside of MGT's control and for which may adversely impact Client. Changes such as Client's financial health, as well as state, local, and global economic conditions, may impact the Client, accuracy of projections and or feasibility of services. Additional risks to the Client include but are not limited to changes to demand, competition, regulatory changes, as well as Acts of Disaster.



## **7) Force Majeure**

Neither party will be in breach of its obligations under this Agreement (other than payment obligations) or incur any liability to the other party for any losses or damages of any nature whatsoever incurred or suffered by that other party if and to the extent that it is prevented from carrying out those obligations by, or such losses or damages are caused by, a Force Majeure, except to the extent that the relevant breach of its obligations would have occurred, or the relevant losses or damages would have arisen, even if the Force Majeure had not occurred. Force Majeure is defined as: 1) acts of God; 2) war; 3) act(s) of terrorism; 4) fires; 5) explosions; 6) natural disasters, to include without limitation, hurricanes, floods, and tornadoes; 7) failure of transportation; 8) strike(s); 9) loss or shortage of transportation facilities; 10) lockout, or commandeering of materials, products, plants or facilities by the government or other order (both federal and state); 11) interruptions by government or court orders (both federal and state); 12) present and future orders of any regulatory body having proper jurisdiction; 13) civil disturbances, to include without limitation, riots, rebellions, and insurrections; 14) epidemic(s), pandemic(s), or other national, state, or regional emergency(ies); and 15) any other cause not enumerated in this provision, but which is beyond the reasonable control of the party whose performance is affected and which by the exercise of all reasonable due diligence, such party is unable to overcome. Such excuse from performance will be effective only to the extent and duration of the Force Majeure event(s) causing the failure or delay in performance and provided that the affected party has not caused such Force Majeure event(s) to occur and continues to use diligent, good faith efforts to avoid the effects of such Force Majeure event(s) and to perform the obligation(s). Written notice of a party's failure or delay in performance due to Force Majeure must be given within a reasonable time after its occurrence and which notice must describe the Force Majeure event(s) and the actions taken to minimize the impact of such Force Majeure event(s). Notwithstanding the foregoing, a party's financial inability to perform its obligations shall in no event constitute a Force Majeure.

## **8) Exclusion of Liability caused by Political or Regulatory Decisions**

While Client has engaged MGT to assist it in dealing with certain regulatory or political decisions or actions that may adversely affect Client's business, and while MGT has agreed to provide such assistance, MGT cannot be held responsible for and cannot be held liable to Client for any loss, damage, or other adverse consequence that may result from any regulatory or political decision or action being rendered against Client or Client's interests.

## **9) Governing Law, Submission to Jurisdiction and Consent to Suit**

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA (IRRESPECTIVE OF THE CHOICE OF LAWS PRINCIPLES OF THE STATE OF FLORIDA) AS TO ALL MATTERS, INCLUDING MATTERS OF VALIDITY, CONSTRUCTION, EFFECT, ENFORCEABILITY, PERFORMANCE AND REMEDIES. CLIENT SUBMITS ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT WITHIN HILLSBOROUGH COUNTY, FLORIDA AND CLIENT HEREBY ACCEPTS VENUE IN EACH SUCH COURT.



## **10) Dispute Resolution Procedure**

In the event of a dispute, controversy or claim by and between Client and MGT arising out of or relating to this Agreement or matters related to this Agreement, the parties will first attempt in good faith to resolve through negotiation any such dispute, controversy or claim. Either party may initiate negotiations by providing written notice in letter form to the other party setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within five (5) business days with a statement of its position on, and recommended solution to, the dispute. If the dispute is not resolved by this exchange of correspondence, then senior management representatives of each party with full settlement authority will meet at a mutually agreeable time and place within fifteen (15) business days of the date of the initial notice in order to exchange relevant information and perspectives and to attempt to resolve the dispute. If the dispute is not resolved by these negotiations, the matter will be submitted to a mutually agreeable certified mediator. The mediation shall take place in Tampa, Florida.

Except as provided herein, no civil action with respect to any dispute, controversy or claim arising out of or relating to this Agreement may be commenced until the matter has been submitted for mediation. Either party may commence mediation by providing to the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties will cooperate in selecting a mediator and in scheduling the mediation proceedings. The parties will participate in the mediation in good faith and will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by either of the parties, their agents, employees, experts or attorneys, or by the mediator, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties; provided, however, that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may seek equitable relief prior to the mediation to preserve the *status quo* pending the completion of that process. Except for such an action to obtain equitable relief, neither party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session. Mediation may continue after the commencement of a civil action, if the parties so desire. The provisions of this clause may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all reasonable costs, fees and expenses, including legal fees, to be paid by the party against whom enforcement is ordered. In addition, should the dispute under this Agreement involve the failure to pay fees and/or Disbursements under Section III hereof, and the matter is not resolved through negotiation or mediation, Client shall pay all costs of collection, including, but not limited to, MGT's legal fees and costs should MGT prevail.

## **11) Assignment**

Neither party may assign any of its rights or delegate any of its duties or obligations under this Agreement without the express written consent of the other party. Notwithstanding the foregoing, MGT, or its permitted successive assignees or transferees, may assign or transfer this Agreement or delegate any rights or obligations hereunder without consent: (i) to any entity controlled by, or under common control with, MGT, or its permitted successive assignees or transferees; or (ii) in connection with a merger, reorganization, transfer, sale of assets or change of control or ownership of MGT, or its permitted successive assignees or transferees.



## **12) Non-Discrimination/Equal Employment Practices**

Neither party shall unlawfully discriminate or permit discrimination against any person or group of persons in any matter prohibited by federal, state or local laws. During the performance of this Agreement, neither party or their employees, agents or subcontractors, if any, shall discriminate against any employee or applicant for employment because of age, marital status, religion, gender, sexual orientation, gender identity, race, creed, color, national or ethnic origin, medical conditions, or physical disability, or any other classifications protected by local, state or federal laws or regulations. The parties further agree to be bound by applicable state and federal rules governing equal employment opportunity and non-discrimination.

## **13) Partial Invalidity**

In the event that any provision of this Agreement shall be declared illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions hereof, but such illegal or invalid provision shall be fully severable and this Agreement shall be interpreted and enforced as if such illegal or invalid provision had never been included herein.

## **14) Notices**

All notices required or permitted to be given pursuant to this Agreement shall be deemed given, if and when personally delivered, delivered by fax, with receipt confirmed, or courier or by overnight mail delivery, in writing to the party or its designated agent or representative at the address stated in the first paragraph of this Agreement or at another address designated by the party.

## **15) Counterparts and Execution**

This Agreement and any Annexes may be executed in counterparts, each of which when so executed shall be deemed an original and all of which together shall constitute one and the same instrument. The counterparts of this Agreement may be executed by electronic signature and delivered by facsimile, scanned signature, or other electronic means by any of the parties to any other party and the receiving party may rely on the receipt of this Agreement so executed and delivered as if the original had been received.

## **16) Survival**

Sections III, IV, and V of this Agreement and the payment obligations described in the Annex(es) shall continue notwithstanding the termination or expiration of the Agreement or any Annex(es).

## **17) Entire Agreement**

This Agreement and attached Annex(es) constitute the entire and only agreement between the parties respecting the subject matter hereof. Each party acknowledges that in entering into this Agreement it has not relied on any representation or undertaking, whether oral or in writing, save such as are expressly incorporated herein. Further, this Agreement may be changed or varied only by a written agreement signed by the parties. Any purchase order provided by the Client will be limited by, and subject to, the terms and conditions of this Agreement. Additional or contrary

terms, whether in the form of a purchase order, invoice, acknowledgement, confirmation or otherwise, will be inapplicable, and the terms of this Agreement will control in the event of any conflict between such terms and this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Master Engagement Agreement as of the date of the final signature below.

AGREED TO AND ACCEPTED:

MGT OF AMERICA CONSULTING, LLC

Signed: 

By: Patrick J. Dyer

Title: VP, Financial Solutions

FEIN: 81-0890071

Date: 11/18/2022

ALPENA COUNTY, MICHIGAN

Signed: 

By: Mary Catherine Hannah

Title: County Administrator

FEIN: \_\_\_\_\_

Date: 11/16/2022



**ANNEX NO. 1 TO MASTER ENGAGEMENT AGREEMENT  
DATED AS OF OCTOBER 12, 2022**

This **Annex No. 1** hereinafter referred to as ("Annex") to the **Master Engagement Agreement**, hereinafter referred to as the ("Agreement"), by and between **MGT of America Consulting, LLC.**, ("MGT"), and **Alpena County, Michigan** ("Client"), sets forth the parties' understanding pursuant to which MGT shall provide the below-specified Services to Client.

MGT shall provide the following services to Client:

- A Countywide 2 CFR Part 200 central services cost allocation plan based on actual costs for fiscal years 2022, 2023, 2024.
- Negotiation of the cost allocation plan with representatives of the federal cognizant agency and/or the State, as required.
- Explanations of calculations, methodologies, and assumptions used in the indirect cost plan. These explanations may be written or verbal as requested by the Client.
- Recommendations on methods to enhance indirect cost revenues.

Proposed services will be completed within 10 months after the fiscal year ends, depending on the availability of data from the County