

CITY OF ATLANTA

October 30, 1969



OFFICE OF MODEL CITIES PROGRAM
673 Capitol Avenue, S.W.
Atlanta, Ga. 30315
(404) 577-5200

Ivan Allen Jr., Mayor
J. C. Johnson, Director

M E M O R A N D U M

TO : Dan E. Sweat, Chief Administrative Officer

FROM : Johnny C. Johnson, Executive Director
Model Cities Program

SUBJECT: Model Cities Mass Convention, Inc., and QED
Consulting Firm

In response to your memorandum of October 28, an investigation has been made into your inquiry and the following is submitted for your consideration.

It has been determined that Model Cities Mass Convention, Inc. requested bids from three consultants that would provide management and personnel guidelines for their operation of the corporation. It appears that the low bidder for these services was a firm known as QED.

It seems that the firm of Quod Erat Demonstrandum was organized in February of 1964 and that the general purpose of the organization was to provide consultant services in the areas of marketing, management studies, and public relations. The firm has performed services for Radio Station WAOK and is involved in a project with several Emory University professors.

Upon examination of the contract between the City of Atlanta and Model Cities Mass Convention, Inc., it has been determined that under the allocation of funds, no provisions were made for consultant and contract services with third parties except for public information purposes. (See attached budget justifications). However, when combining the budget for HUD and OEO funds, all monies for training and technical assistance is to be paid out of the OEO grant and not out of the Model Cities supplemental funds. The

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hiring of a management consultant firm appears to be a legitimate expenditure out of the OEO funds since these funds are provided especially to assist in the development of greater management capabilities on the part of the directors of the corporation.

Further inquiry reveals that EOA had requested of the officers of the corporation to submit personnel and administrative policies as a requirement of their contract. It appears that EOA, and not Model Cities, would be the final determinant agency with regards to the sufficiency and qualifications of the consultants.

Item 14 of the contract between the City and Model Cities Mass Convention, Inc., stipulates that all services sub-contracted to third parties must have prior approval by this office. Our Program Management Division was knowledgeable of the negotiations and had informed the proper officer that these services were eligible only under the OEO grant.

I assure you that the staff is fully cognizant of its responsibility to assure that all monies which flow through the Model Cities Program are spent wisely and effectively, thus are committed to fulfilling that obligation

Attached for your perusal is a copy of our manual on accounting and fiscal management procedures. This manual is furnished all operating agencies as a guide.

I hope that the above information has been of some benefit to you.

JCJ:vlc

Attachments