



CITY COUNCIL STAFF REPORT

DATE: February 5, 2014 CONSENT CALENDAR

SUBJECT: APPROVE AN AGREEMENT WITH CAPITAL ACCOUNTING PARTNERS, LLC TO PROVIDE STUDIES TO CALCULATE THE COST OF USER FEES AND PREPARE AN INDIRECT COST ALLOCATION PLAN.

FROM: David H. Ready, City Manager

BY: Finance Department

SUMMARY

As fiscal limitations are imposed on local governments, it is becoming increasingly important that the City fully recover the actual cost of certain types of services that are provided to the community. This is handled through the City's Comprehensive Fee Schedule, which establishes fees for various services, and through an Indirect Cost Allocation Plan, which distributes the full cost of operating departments, divisions, programs and services. In order to properly identify and distribute costs so that the fees that are charged are well-documented, staff is recommending that a comprehensive User Fee Study and an Indirect Cost Allocation Plan be performed.

RECOMMENDATION:

1. Approve an Agreement with Capital Accounting Partners, Inc., in an amount not-to-exceed \$52,330, to prepare a User Fee Study and an Indirect Cost Allocation Plan for the City's various departments.
2. Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR FISCAL YEAR 2013-14 FOR A USER FEE STUDY AND COST ALLOCATION PLAN."
3. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

A user fee, or service fee, is a payment made by an individual for a service that primarily benefits the individual. The City's Comprehensive Fee Schedule has a myriad of fees ranging from parks and recreation fees to facility use charges to building, planning, and engineering fees. By law, these fees may not exceed the reasonable cost of the service for which they are collected.

New fees have been set on a case-by-case basis and periodically increased over the years as labor costs associated with a particular service have increased. Because most other fees are not adjusted annually, the fees currently being charged may not be recovering the City's actual cost of performing the services provided. Both labor cost increases and the increased complexity in the areas of Building, Engineering and Planning, have likely increased the costs of performing these services. Therefore, staff is recommending that a comprehensive User Fee Study be performed.

The proposed contract with Capital Accounting Partners estimates they will utilize an estimated 184 hours to prepare and complete a User Fee Study and 92 hours to prepare and complete an Indirect Cost Allocation Plan. Included in proposal are plans for numerous meetings as necessary: one-on-one interviews of the various City staff, meetings with a subcommittee of the City Council if requested by the City Council, meetings with stakeholders such as the Building Industry Association, local contractors, business representatives, and vendors, and one or more meetings with the full City Council to present their findings and recommendations.

The Procurement Division and Finance Department staff worked closely together to develop the formal Request for Proposals (RFP) 08-14 to solicit proposals from qualified firms to provide studies to calculate the cost of user fees and prepare an indirect cost allocation plan. The Procurement & Contracting Division conducted Request for Proposals that was issued on October 23rd, advertised on October 25th and November 1st, posted to the city's website, and sent to 28 potential vendors. Seven (7) prospective firms registered for the RFP, and five firms submitted proposals by the deadline: Capital Accounting Partners, LLC, Matrix, MGT, NBS, and Willdan.

An Evaluation Committee consisting of City Staff (Finance Director, Planning Director, Assistant City Engineer) carefully evaluated the proposals. After taking into consideration the qualifications, experience, and their base cost proposal of \$45,280 (the third lowest of the five submitted), the Evaluation Committee selected Capital Accounting Partners, LLC as the highest ranked company.

The two principle consultants at Capital Accounting Partners, LLC who will be working on this project have a combined 27 years of experience in the area of preparing user fee studies and cost allocation plans. Referenced clients for the firm include 35 California cities (including Indian Wells, Beverly Hills, Dublin, and Campbell) and 4 California Counties.

FISCAL IMPACT:

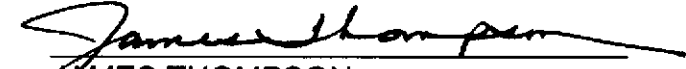
Upon approval of the recommendations of this agenda item, a budget amendment in the amount of \$52,330 will appropriate funds from the fund balance into account 001-1300-43200.

Once the Comprehensive Fee Schedule study has been completed and recommended changes to the schedule have been approved by the City Council and implemented no

earlier than sixty (60) days later, it is expected that revenues from various fee types will more closely offset the costs of the various services being performed.



GEOFFREY S. KIEHL
Director of Finance / City Treasurer



JAMES THOMPSON
Chief of Staff / City Clerk



DAVID H. READY, City Manager

Attachment:
Contract Services Agreement

**PROFESSIONAL SERVICES AGREEMENT
COMPREHENSIVE FEE AND RATE STUDY**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into, and effective on _____, 2014, between the CITY OF PALM SPRINGS, a California charter city and municipal corporation, ("City") and CAPITAL ACCOUNTING PARTNERS, a Limited Liability Company ("Consultant"). City and Consultant are individually referred to as "Party" and are collectively referred to as the "Parties".

RECITALS

- A. City has determined that there is a need for a Comprehensive Fee and Rate Study for the City of Palm Springs project ("Project").
- B. Consultant has submitted to City a proposal to provide a comprehensive review of the City's fee and rated structure for the Project under the terms of this Agreement.
- C. Consultant is qualified by virtue of its experience, training, education, reputation, and expertise to provide these services and has agreed to provide such services as provided in this Agreement.
- D. City desires to retain Consultant to provide such professional services.

In consideration of these promises and mutual obligations, covenants, and conditions, the Parties agree as follows:

AGREEMENT

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant agrees to perform the professional services set forth in the Scope of Services described in Exhibit "A" (the "Services" or "Work") , which is attached and incorporated by reference. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that Consultant is a provider of first class work and professional services and that Consultant is experienced in performing the Work and Services contemplated and, in light of such status and experience, Consultant covenants that it shall follow the highest professional standards in performing the Work and Services required in this Agreement. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized as high quality among well-qualified and experienced professionals performing similar work under similar circumstances.

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; (2) the Scope of Services; (3) the City's Request for Proposals; and, (4) the Consultant's signed, original proposal submitted to the City ("Consultant's Proposal"), (collectively referred to as the "Contract Documents"). The City's Request for Proposals and the Consultant's Proposal, which are both attached as Exhibits "B" and "C", respectively, are incorporated by reference and are made a part of this Agreement. The Scope of Services shall include the Consultant's Proposal. All provisions of the Scope of Services, the City's Request for Proposals and the Consultant's Proposal shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the provisions of the Scope of Services (Exhibit "A"); (2nd) the provisions of the City's Request for Proposal (Exhibit "B"); (3rd) the terms of this Agreement; and, (4th) the provisions of the Consultant's Proposal (Exhibit "C").

1.3 Compliance with Law. Consultant warrants that all Services rendered shall be performed in accordance with all applicable federal, state, and local laws, statutes, ordinances lawful orders, rules, and regulations.

1.4 Licenses, Permits, Fees, and Assessments. Consultant represents and warrants to City that it has obtained all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its

profession and perform the Work and Services required by this Agreement. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, qualification, or approval that is legally required for Consultant to perform the Work and Services under this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Work and Services required by this Agreement. Consultant shall indemnify, defend, and hold harmless City against any such fees, assessments, taxes penalties, or interest levied, assessed, or imposed against City to the fullest extent permitted by law.

1.5 Familiarity with Work. By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the Scope of Services to be performed, (b) has carefully considered how the Services should be performed, and (c) fully understands the facilities, difficulties, and restrictions attending performance of the Services under this Agreement. If the Services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of any Services. Should the Consultant discover any latent or unknown conditions that will materially affect the performance of the Services, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant's risk until written instructions are received from the City.

1.6 Care of Work. Consultant shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components to prevent losses or damages. Consultant shall be responsible for all such damages, to persons or property, until acceptance of the Work by the City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties. Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

1.8 Additional Services. City shall have the right at any time during the performance of the Services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to, or deducting from such Work. No such extra work may be undertaken unless a written order is first given by the City to the Consultant, incorporating any adjustment in (i) the Maximum Contract Amount, as defined below, and/or (ii) the time to perform this Agreement. Any adjustments must also be approved in writing by the Consultant. Any increase in compensation of up to twenty-five percent (25%) of the Maximum Contract Amount or \$25,000, whichever is less, or in the time to perform of up to thirty (30) days, may be approved by the City Manager, or his designee, as may be needed to perform any extra work. Any greater increases, occurring either separately or cumulatively, must be approved by the Palm Springs City Council. It is expressly understood by Consultant that the provisions of this section shall not apply to the services specifically set forth or reasonably contemplated within the Scope of Services.

2. COMPENSATION

2.1 Maximum Contract Amount. For the Services rendered under this Agreement, Consultant shall be compensated by City in accordance with the Schedule of Compensation, which is attached as Exhibit "D" and incorporated in this Agreement by reference. Compensation shall not exceed the maximum contract amount of FIFTY TWO THOUSAND THREE HUNDRED THIRTY Dollars, (\$52,330.00) ("Maximum Contract Amount"), except as may be provided under Section 1.8. The method of compensation shall be as set forth in Exhibit "D." Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated under Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation. The Maximum Contract Amount shall include the attendance of Consultant at all Project meetings reasonably deemed necessary by the City. Consultant shall not be entitled to any increase in the Maximum Contract Amount for attending these meetings. Consultant accepts the risk that the services identified in the Scope of Services may be more costly and/or time-consuming than Consultant anticipates, that Consultant shall not be entitled to additional compensation, and that the provisions of Section 1.8 shall not be applicable to the services identified in the Scope of Services. The maximum amount of city's payment

obligation under this section is the amount specified in this Agreement. If the City's maximum payment obligation is reached before the Consultant's Services under this Agreement are completed, Consultant shall complete the Work and City shall not be liable for payment beyond the Maximum Contract Amount.

2.2. Method of Payment. Unless another method of payment is specified in the Schedule of Compensation (Exhibit "D"), in any month in which Consultant wishes to receive payment, Consultant shall submit to the City an invoice for services rendered prior to the date of the invoice. The invoice shall be in a form approved by the City's Finance Director and must be submitted no later than the tenth (10) working day of such month. Such requests shall be based upon the amount and value of the services performed by Consultant and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the City. City shall use reasonable efforts to make payments to Consultant within forty-five (45) days after receipt of the invoice or as soon as is reasonably practical. There shall be a maximum of one payment per month.

2.3 Changes in Scope. In the event any change or changes in the Scope of Services is requested by City, Parties shall execute a written amendment to this Agreement, specifying all proposed amendments, including, but not limited to, any additional fees. An amendment may be entered into:

A. To provide for revisions or modifications to documents, work product, or work, when required by the enactment or revision of any subsequent law; or

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Consultant's profession.

2.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated by the City Council for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

3. SCHEDULE OF PERFORMANCE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the services to be performed by Consultant is an essential condition of this Agreement. Consultant shall prosecute regularly and diligently the Work of this Agreement according to the agreed upon attached Schedule of Performance (Exhibit "E"), incorporated by reference.

3.2 Schedule of Performance. Consultant shall commence the Services under this Agreement upon receipt of a written notice to proceed and shall perform all Services within the time period(s) established in the Schedule of Performance. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer, but such extensions shall not exceed one hundred eighty (180) days cumulatively; however, the City shall not be obligated to grant such an extension.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the Services rendered under this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant (financial inability excepted) if Consultant, within ten (10) days of the commencement of such delay, notifies the Contract Officer in writing of the causes of the delay. Unforeseeable causes include, but are not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City. The City Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the City Manager such delay is justified. The City Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement under this section.

3.4 Term. Unless earlier terminated under this Agreement, this Agreement shall commence upon the effective date of this Agreement and continue in full force and effect until completion of the Services. However, the

term shall not exceed one (1) year from the commencement date, except as otherwise provided in the Schedule of Performance described in Section 3.2 above. Any extension must be through mutual written agreement of the Parties.

3.5 Termination Prior to Expiration of Term. City may terminate this Agreement for its convenience at any time, without cause, in whole or in part, upon giving Consultant thirty (30) days written notice. Where termination is due to the fault of Consultant and constitutes an immediate danger to health, safety, and general welfare, the period of notice shall be such shorter time as may be determined by the City. Upon such notice, City shall pay Consultant for Services performed through the date of termination. Upon receipt of such notice, Consultant shall immediately cease all work under this Agreement, unless stated otherwise in the notice or by written authorization of the Contract Officer. After such notice, Consultant shall have no further claims against the City under this Agreement. Upon termination of the Agreement under this section, Consultant shall submit to the City an invoice for work and services performed prior to the date of termination. Consultant may terminate this Agreement, with or without cause, upon sixty (60) days written notice to the City, except that where termination is due to material default by the City, the period of notice may be such shorter time as the Consultant may determine.

4. COORDINATION OF WORK

4.1 Representative of Consultant. The following principal of Consultant is designated as being the principal and representative of Consultant authorized to act in its behalf and make all decisions with respect to the Services to be performed under this Agreement: Nicolie Cass Lettini, MBA, Partner. It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services performed hereunder. The foregoing principal may not be changed by Consultant without prior written approval of the Contract Officer.

4.2 Contract Officer. The Contract Officer shall be the City Manager or his/her designee ("Contract Officer"). Consultant shall be responsible for keeping the Contract Officer fully informed of the progress of the performance of the services. Consultant shall refer any decisions that must be made by City to the Contract Officer. Unless otherwise specified, any approval of City shall mean the approval of the Contract Officer.

4.3 Prohibition Against Subcontracting or Assignments. The experience, knowledge, capability, expertise, and reputation of Consultant, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Consultant shall not assign full or partial performance of this Agreement, nor any monies due, voluntarily or by operation of law, without the prior written consent of City. Consultant shall not contract with any other entity to perform the Services required under this Agreement without the prior written consent of City. If Consultant is permitted to subcontract any part of this Agreement by City, Consultant shall be responsible to City for the acts and omissions of its subcontractor(s) in the same manner as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and City. All persons engaged in the Work will be considered employees of Consultant. City will deal directly with and will make all payments to Consultant. In addition, neither this Agreement nor any interest in this Agreement may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written consent of City. Transfers restricted in this Agreement shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Consultant or any surety of Consultant from any liability under this Agreement without the express written consent of City.

4.4 Independent Contractor. The legal relationship between the Parties is that of an independent contractor, and nothing shall be deemed to make Consultant a City employee.

A. During the performance of this Agreement, Consultant and its officers, employees, and agents shall act in an independent capacity and shall not act or represent themselves as City officers or employees. The personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under

Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of its officers, employees, or agents, except as set forth in this Agreement. Consultant, its officers, employees, or agents shall not maintain an office or any other type of fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Consultant's employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service. Consultant shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of Consultant in its business or otherwise a joint venturer or a member of any joint enterprise with Consultant.

B. Consultant shall not have any authority to bind City in any manner. This includes the power to incur any debt, obligation, or liability against City.

C. No City benefits shall be available to Consultant, its officers, employees, or agents in connection with any performance under this Agreement. Except for professional fees paid to Consultant as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Consultant for the performance of Services under this Agreement. City shall not be liable for compensation or indemnification to Consultant, its officers, employees, or agents, for injury or sickness arising out of performing Services. If for any reason any court or governmental agency determines that the City has financial obligations, other than under Section 2 and Subsection 1.8 in this Agreement, of any nature relating to salary, taxes, or benefits of Consultant's officers, employees, servants, representatives, subcontractors, or agents, Consultant shall indemnify City for all such financial obligations.

5. INSURANCE

5.1 Types of Insurance. Consultant shall procure and maintain, at its sole cost and expense, the insurance described below. The insurance shall be for the duration of this Agreement and includes any extensions, unless otherwise specified in this Agreement. The insurance shall be procured in a form and content satisfactory to City. The insurance shall apply against claims which may arise from the Consultant's performance of Work under this Agreement, including Consultant's agents, representatives, or employees. In the event the City Manager determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City Manager or his designee. Consultant shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified in this Agreement. Except as otherwise authorized below for professional liability (errors and omissions) insurance, all insurance provided under this Agreement shall be on an occurrence basis. The minimum amount of insurance required shall be as follows:

A. Errors and Omissions Insurance. Consultant shall obtain and maintain in full force and effect throughout the term of this Agreement, standard industry form professional liability (errors and omissions) insurance coverage in an amount of not less than one million dollars (\$1,000,000.00) per occurrence and two-million dollars (\$2,000,000.00) annual aggregate, in accordance with the provisions of this section.

(1) Consultant shall either: (a) certify in writing to the City that Consultant is unaware of any professional liability claims made against Consultant and is unaware of any facts which may lead to such a claim against Consultant; or (b) if Consultant does not provide the certification under (a), Consultant shall procure from the professional liability insurer an endorsement providing that the required limits of the policy shall apply separately to claims arising from errors and omissions in the rendition of services under this Agreement.

(2) If the policy of insurance is written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of the Services provided hereunder. In the event of termination of the policy during this period, Consultant shall obtain continuing insurance coverage for the prior acts or omissions of Consultant during the course of performing Services under the terms of this Agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be

subject to the written approval by the City Manager.

(3) In the event the policy of insurance is written on an "occurrence" basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Services provided for in this Agreement, whichever is later. In the event of termination of the policy during this period, new coverage shall immediately be obtained to ensure coverage during the entire course of performing the Services under the terms of this Agreement.

B. Workers' Compensation Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, workers' compensation insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. Consultant agrees to waive and obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation policy against the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies. If Consultant has no employees, Consultant shall complete the City's Request for Waiver of Workers' Compensation Insurance Requirement form.

C. Commercial General Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of commercial general liability insurance written on a per occurrence basis with a combined single limit of at least one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000.00) general aggregate for bodily injury and property damage including coverages for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations.

D. Business Automobile Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of business automobile liability insurance written on a per occurrence basis with a single limit liability in the amount of one million dollars (\$1,000,000.00) bodily injury and property damage. The policy shall include coverage for owned, non-owned, leased, and hired cars.

E. Employer Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of employer liability insurance written on a per occurrence basis with a policy limit of at least one million dollars (\$1,000,000.00) for bodily injury or disease.

5.2 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City Manager or his/her designee prior to commencing any work or services under this Agreement. Consultant guarantees payment of all deductibles and self-insured retentions. City reserves the right to reject deductibles or self-insured retentions in excess of \$10,000, and the City Manager or his/her designee may require evidence of pending claims and claims history as well as evidence of Consultant's ability to pay claims for all deductible amounts and self-insured retentions proposed in excess of \$10,000.

5.3 Other Insurance Requirements. The following provisions shall apply to the insurance policies required of Consultant under this Agreement:

5.3.1 For any claims related to this Agreement, Consultant's coverage shall be primary insurance with respect to the City and its officers, council members, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City and its officers, council members, officials, employees, agents, and volunteers shall be in excess of Consultant's insurance and shall not contribute with it.

5.3.2 Any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to City and its officers, council members, officials, employees, agents, and volunteers.

5.3.3 All insurance coverage and limits provided by Consultant and available or applicable to this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations shall limit the application of such insurance coverage.

- 5.3.4 No required insurance coverages may include any limiting endorsement which substantially impairs the coverages set forth in this Agreement (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the City Manager and approved in writing.
- 5.3.5 Consultant agrees to require its insurer to modify insurance endorsements to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the endorsements. Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is Consultant's obligation to ensure timely compliance with all insurance submittal requirements as provided in this Agreement.
- 5.3.6 Consultant agrees to ensure that subcontractors, and any other parties involved with the Project who are brought onto or involved in the Project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.
- 5.3.7 Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on the City nor does it waive any rights in this or any other regard.
- 5.3.8 Consultant shall provide proof that policies of insurance required in this Agreement, expiring during the term of this Agreement, have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. Endorsements as required in this Agreement applicable to the renewing or new coverage shall be provided to City no later than ten (10) days prior to expiration of the lapsing coverage.
- 5.3.9 Requirements of specific insurance coverage features or limits contained in this section are not intended as limitations on coverage, limits, or other requirements, or as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
- 5.3.10 The requirements in this section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this section.
- 5.3.11 Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the Work performed under this Agreement and for any other claim or loss which may reduce the insurance available to pay claims arising out of this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City, or to reduce or dilute insurance available for payment of potential claims.
- 5.3.12 Consultant agrees that the provisions of this section shall not be construed as limiting in any way the extent to which the Consultant may be held responsible for the payment of damages resulting from the Consultant's activities or the activities of any person or person for which the Consultant is otherwise responsible.

5.4 Sufficiency of Insurers. Insurance required in this Agreement shall be provided by authorized insurers in good standing with the State of California. Coverage shall be provided by insurers admitted in the State of California with an A.M. Best's Key Rating of B++, Class VII, or better, unless such requirements are waived in writing by the City Manager or his designee due to unique circumstances.

5.5 Verification of Coverage. Consultant shall furnish City with both certificates of insurance and endorsements, including additional insured endorsements, affecting all of the coverages required by this Agreement. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is to be received and approved by the City before work commences. City reserves the right to require Consultant's insurers to provide complete, certified copies of all required insurance policies at any time. Additional insured endorsements are not required for Errors and Omissions and Workers' Compensation policies.

Verification of Insurance coverage may be provided by: (1) an approved General and/or Auto Liability Endorsement Form for the City of Palm Springs or (2) an acceptable Certificate of Liability Insurance Coverage with an approved Additional Insured Endorsement with the following endorsements stated on the certificate:

1. *"The City of Palm Springs, its officials, employees, and agents are named as an additional insured..." ("as respects City of Palm Springs Contract No. ____" or "for any and all work performed with the City" may be included in this statement).*

2. *"This insurance is primary and non-contributory over any insurance or self-insurance the City may have..." ("as respects City of Palm Springs Contract No. ____" or "for any and all work performed with the City" may be included in this statement).*

3. *"Should any of the above described policies be canceled before the expiration date thereof, the issuing company will mail 30 days written notice to the Certificate Holder named." Language such as, "endeavor to" mail and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative" is not acceptable and must be crossed out.*

4. Both the Workers' Compensation and Employers' Liability policies shall contain the insurer's waiver of subrogation in favor of City, its elected officials, officers, employees, agents, and volunteers.

In addition to the endorsements listed above, the City of Palm Springs shall be named the certificate holder on the policies. All certificates of insurance and endorsements are to be received and approved by the City before work commences. All certificates of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter. Failure to obtain the required documents prior to the commencement of work shall not waive the Consultant's obligation to provide them.

6. INDEMNIFICATION

6.1 Indemnification and Reimbursement. To the fullest extent permitted by law, Consultant shall defend (at Consultant's sole cost and expense), indemnify, protect, and hold harmless City, its elected officials, officers, employees, agents, and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (Consultant's employees included), for damage to property, including property owned by City, from any violation of any federal, state, or local law or ordinance, and from errors and omissions committed by Consultant, its officers, employees, representatives, and agents, that arise out of or relate to Consultant's performance under this Agreement. This indemnification clause excludes Claims arising from the sole negligence or willful misconduct of the City, its elected officials, officers, employees, agents, and volunteers. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Consultant's indemnification obligation or other liability under this Agreement. Consultant's indemnification obligation shall survive the expiration or earlier termination of this Agreement until all actions against the Indemnified Parties for such matters indemnified are fully and finally barred by the applicable

statute of limitations or, if an action is timely filed, until such action is final. This provision is intended for the benefit of third party Indemnified Parties not otherwise a party to this Agreement.

6.2 Design Professional Services Indemnification and Reimbursement. If the Agreement is determined to be a "design professional services agreement" and Consultant is a "design professional" under California Civil Code Section 2782.8, then:

A. To the fullest extent permitted by law, Consultant shall indemnify, defend (at Consultant's sole cost and expense), protect and hold harmless City and its elected officials, officers, employees, agents and volunteers and all other public agencies whose approval of the project is required, (individually "Indemnified Party"; collectively "Indemnified Parties") against any and all liabilities, claims, judgments, arbitration awards, settlements, costs, demands, orders and penalties (collectively "Claims"), including but not limited to Claims arising out of, in injury to, or are related to the negligence, recklessness or willful misconduct of Consultant, its agents, employees, or subcontractors, or arise from Consultant's negligent, reckless or willful performance of or failure to perform any term, provision, covenant or condition of this Agreement ("Indemnified Claims"), but Consultant's liability for Indemnified Claims shall be reduced to the extent such Claims arise from the negligence, recklessness or willful misconduct of the City and its elected officials, officers, employees, agents and volunteers.

B. The Consultant shall require all non-design-professional sub-contractors, used or sub-contracted by Consultant to perform the Services or Work required under this Agreement, to execute an Indemnification Agreement adopting the indemnity provisions in sub-section 6.1 in favor of the Indemnified Parties. In addition, Consultant shall require all non-design-professional sub-contractors, used or sub-contracted by Consultant to perform the Services or Work required under this Agreement, to obtain insurance that is consistent with the Insurance provisions as set forth in this Agreement, as well as any other insurance that may be required by Contract Officer.

7. REPORTS AND RECORDS

7.1 Accounting Records. Consultant shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Consultant shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and to enable the Contract Officer to evaluate the performance of such Services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement, or as the Contract Officer shall require. Consultant acknowledges that the City is greatly concerned about the cost of the Work and Services to be performed under this Agreement. For this reason, Consultant agrees that Consultant shall promptly notify the Contract Officer the estimated increased or decreased cost if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the contemplated Work or Services. If Consultant is providing design services, Consultant shall promptly notify the Contract Officer the estimated increased or decreased cost for the project being designed if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the design services.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subcontractors, and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement. Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials. Any use of such completed documents for other projects and/or use of incomplete documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant, and the City shall indemnify the Consultant for all resulting damages. Consultant may retain copies of such documents for their own use. Consultant shall have an unrestricted right to use the concepts embodied in this Agreement. Consultant shall ensure that all its subcontractors shall provide for

assignment to City of any documents or materials prepared by them. In the event Consultant fails to secure such assignment, Consultant shall indemnify City for all resulting damages.

7.4 Release of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Consultant in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer. All information gained by Consultant in the performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization.

7.5 Audit and Inspection of Records. After receipt of reasonable notice and during the regular business hours of City, Consultant shall provide City, or other agents of City, such access to Consultant's books, records, payroll documents, and facilities as City deems necessary to examine, copy, audit, and inspect all accounting books, records, work data, documents, and activities directly related to Consultant's performance under this Agreement. Consultant shall maintain such books, records, data, and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during the term of this Agreement and for a period of three (3) years from the date of final payment by City hereunder.

8. ENFORCEMENT OF AGREEMENT

8.1 California Law and Venue. This Agreement shall be construed and interpreted both as to validity and as to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such County, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

8.3 Default of Consultant. Consultant's failure to comply with any provision of this Agreement shall constitute a default.

A. If the City Manager, or his designee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall notify Consultant in writing of such default. Consultant shall have ten (10) days, or such longer period as City may designate, to cure the default by rendering satisfactory performance. In the event Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice of any remedy to which City may be entitled at law, in equity, or under this Agreement. Consultant shall be liable for all reasonable costs incurred by City as a result of such default. Compliance with the provisions of this section shall not constitute a waiver of any City right to take legal action in the event that the dispute is not cured, provided that nothing shall limit City's right to terminate this Agreement without cause under Section 3.5.

B. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 8.3A, take over the work and prosecute the same to completion by contract or otherwise. The Consultant shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the Maximum Contract Amount (provided that the City shall use reasonable efforts to mitigate such damages). The City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated. The withholding or failure to withhold payments to Consultant shall not limit Consultant's liability for completion of the Services as provided in this Agreement.

8.4 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions.

8.5 Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

8.6 Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct, remedy or recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.7 Attorney Fees. In the event any dispute between the Parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing Party all reasonable costs and expenses. These include but are not limited to reasonable attorney fees, expert consultant fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding. To the extent authorized by law, in the event of a dismissal by the plaintiff or petitioner of the litigation or non-judicial proceeding within thirty (30) days of the date set for trial or hearing, the other Party shall be deemed to be the prevailing Party in such litigation or proceeding.

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

9.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor-in-interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

9.2 Conflict of Interest. No officer or employee of the City shall have any direct or indirect financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects their financial interest or the financial interest of any corporation, partnership, or association in which he/she is, directly or indirectly, interested in violation of any state statute or regulation. Consultant warrants that Consultant has not paid or given, and will not pay or give, any third party any money or other consideration in exchange for obtaining this Agreement.

9.3 Covenant Against Discrimination. In connection with its performance under this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, marital status, ancestry, or national origin. Consultant shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, age, marital status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

10. MISCELLANEOUS PROVISIONS

10.1 Patent and Copyright Infringement. To the fullest extent permissible under law, and in lieu of any other warranty by City or Consultant against patent or copyright infringement, statutory or otherwise:

- A. It is agreed that Consultant shall defend at its expense any claim or suit against City on

account of any allegation that any item furnished under this Agreement, or the normal use or sale arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright and Consultant shall pay all costs and damages finally awarded in any such suit or claim, provided that Consultant is promptly notified in writing of the suit or claim and given authority, information and assistance at Consultant's expense for the defense of same, and provided such suit or claim arises out of, pertains to, or is related to the negligence, recklessness or willful misconduct of Consultant. However, Consultant will not indemnify City if the suit or claim results from: (1) City's alteration of a deliverable, such that City's alteration of such deliverable created the infringement upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by Consultant when it is such use in combination which infringes upon an existing U.S. letters patent or copyright.

B. Consultant shall have sole control of the defense of any such claim or suit and all negotiations for settlement in the event City fails to cooperate in the defense of any suit or claim, provided, however, that such defense shall be at Consultant's expense. Consultant shall not be obligated to indemnify City under any settlement that is made without Consultant's consent, which shall not be unreasonably withheld. If the use or sale of such item is enjoined as a result of the suit or claim, Consultant, at no expense to City, shall obtain for City the right to use and sell the item, or shall substitute an equivalent item acceptable to City and extend this patent and copyright indemnity thereto.

10.2 Notice. Any notice, demand, request, consent, approval, or communication that either party desires, or is required to give to the other party or any other person shall be in writing. All notices shall be personally delivered, sent by pre-paid First Class U.S. Mail, registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by facsimile with attached evidence of completed transmission. All notices shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) five (5) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Any notice, request, demand, direction, or other communication sent by facsimile must be confirmed within forty-eight (48) hours by letter mailed or delivered. Other forms of electronic transmission such as e-mails, text messages, and instant messages are not acceptable manners of notice required hereunder. Notices or other communications shall be addressed as follows:

To City: City of Palm springs
Attention: City Manager & City Clerk
3200 E. Tahquitz Canyon Way
Palm springs, California 92262
Telephone: (760) 323-8204
Facsimile: (760) 323-8332

To Consultant: Capital Accounting Partners, LLC
3570 Buena Vista Drive
Sacramento, CA 95864
Attention: Nicolie Cass Lettini
Telephone: 916-670-0001
Facsimile: 309-404-0697

10.3 Integrated Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior negotiations, arrangements, agreements, representations, and understandings, if any, made by or among the Parties with respect to the subject matter in this Agreement.

10.4 Amendment. No amendments or other modifications of this Agreement shall be binding unless through written agreement by all Parties.

10.5 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining

provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

10.5 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

10.6 Third Party Beneficiary. Except as may be expressly provided for in this Agreement, nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party to this Agreement.

10.7 Recitals. The above-referenced Recitals are hereby incorporated into the Agreement as though fully set forth in this Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

10.8 Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he or she is executing this Agreement is duly authorized and existing, (ii) he or she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he or she is signing, (iii) by so executing this Agreement, the Party for which he or she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he or she is signing is bound.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates stated below.

"CITY"
City of Palm Springs

Date: _____

By: _____
David H. Ready
City Manager

APPROVED AS TO FORM:

ATTEST

By: _____
Douglas C. Holland,
City Attorney

By: _____
James Thompson,
City Clerk

APPROVED BY CITY COUNCIL:

Date: _____ **Agreement No.** _____

Corporations require two notarized signatures. One signature must be from Chairman of Board, President, or any Vice President. The second signature must be from the Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.

CONSULTANT NAME:

Check one Individual Partnership Corporation

Address

By _____
Signature (Notarized)

By _____
Signature (Notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of _____ }

On _____ before me, _____
Date Here Insert Name and Title of the Officer
 personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature _____
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

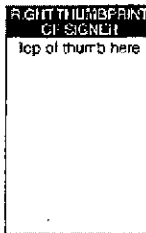
Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

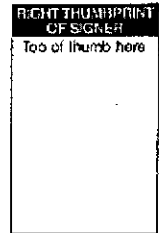
Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____



Signer Is Representing: _____

Signer's Name: _____
 Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____



Signer Is Representing: _____

EXHIBIT "A"

SCOPE OF SERVICES

The scope of work consists of, but is not limited to a plan that contains the following information:

- A comprehensive review of the City's fee and rate structure with the goal of establishing a consistent and objectively based fee and rate structure that meets the needs of the City and its citizenry, along with meeting the various requirements set forth in state law.
- Consultant will work with selected staff to define the purpose, uses, and goals for an overhead cost allocation plan ensuring that the development of the plan will be both accurate and appropriate for the City's current needs.
- Consultant shall conduct a review of the documentation supporting the current fee and rate structures for all departments and services and recommend a new methodology for preparing the City's internal charge allocations for a variety of departments.
- Develop an Overhead Cost Allocation Model for calculating the full costs of providing each City service. The requirements of the model shall allow for:
 - The addition or removal of direct and overhead costs so that the overhead cost allocation plan can be developed from a simple plan to a progressively more inclusive plan.
 - The ability to continuously update the model and overhead cost allocation plan from year-to-year as the organizational structure changes and the costs change.
 - The addition of hypothetical service area information for future services enhancements, and the ability to calculate the estimated costs of providing the service under consideration.
- Work with the Finance Department in developing service provisions, cost categories, and allocation criteria for current and future programs.
- Provide hourly rates for any additional services including but not limited to professional fees, hourly rates, travel costs, clerical & communications costs, and any other "special" costs that may be performed on an as needed basis outside of the initial scope of work.
- Participate in the presentation of the Draft Overhead Cost Allocation Plan to select City staff and City Council. Collect and document comments and concerns from staff and Council members.
- The consultant shall prepare a final study and comprehensive fee schedule and provide 5 bound copies and one unbound copy (or file copy in PDF format) to the City.

The City staff will provide the consultant with all relevant information it has pertaining to the City and its operations including employee hourly cost rates, operating and capital budgets, the existing cost allocation plan, current fee resolutions and related documents.

EXHIBIT "B"

CITY'S REQUEST FOR PROPOSALS

CITY OF PALM SPRINGS, CA
NOTICE INVITING PROPOSALS FOR RFP #08-14
COMPREHENSIVE FEE AND RATE STUDY

NOTICE IS HEREBY GIVEN that the City of Palm Springs is requesting proposals from qualified firms to provide the City with a Comprehensive Fee and Rate Study.

SCOPE OF SERVICES: The scope of work will consist of providing professional Consultant Services to ensure that the City of Palm Springs is utilizing comprehensive overhead rates and accurately accounting for the true cost of providing various services within the City operations.

OBTAINING RFP DOCUMENTS AND ADDENDA: The RFP document may be downloaded via the internet at www.palmspringsca.gov (go to Departments, Procurement, Open Bids & Proposals), or by calling the Office of Procurement and Contracting, (760) 322-8374. Upon downloading the RFP via the internet, contact Leigh Gileno, Procurement Specialist II, via email at Leigh.Gileno@palmspringsca.gov to register as a firm interested in this project. Failure to register may result in not receiving addenda to the RFP. Failure to acknowledge Addenda may render a proposal as being non-responsive. We **strongly advise** that interested firms officially register per the instructions.

EVALUATION OF PROPOSALS AND AWARD OF CONTRACT: This solicitation has been developed in the Request for Proposals (RFP) format. Accordingly, firms should take note that multiple factors as identified in the RFP will be considered by the Evaluation Committee to determine which proposal best meets the requirements set forth in the RFP document. **PRICE ALONE WILL NOT BE THE SOLE DETERMINING CRITERIA.** The City reserves the right to negotiate the terms and conditions of any resulting contract. Final contract award, if any, will be made by the Palm Springs City Council. The selected firm will be required to comply with all insurance and license requirements of the City.

DEADLINE: All proposals must be received in the Procurement and Contracting Office, 3200 E. Tahquitz Canyon Way, Palm Springs, CA, 92262 by **3:00 P.M., LOCAL TIME, TUESDAY, NOVEMBER 26, 2013.** The receiving time in the Procurement Office will be the governing time for acceptability of Proposals. Telegraphic and telephonic Proposals will not be accepted. Reference the RFP document for additional dates and deadlines. Late proposals will not be accepted and shall be returned unopened.

PROPOSALS TO REMAIN OPEN: The Proposer shall guarantee that all contents of their proposal shall be valid for a period of 120 calendar days from the due date of proposals.

Leigh Gileno

Leigh Gileno, Procurement Specialist II
October 23, 2013



**CITY OF PALM SPRINGS, CA
REQUEST FOR PROPOSALS (RFP) #08-14
COMPREHENSIVE FEE AND RATE STUDY**

Requests for Proposals (RFP #08-14), for Comprehensive Fee And Rate Study services for the City of Palm Springs, CA, (hereinafter the "RFP") will be received at the Office of Procurement & Contracting, 3200 East Tahquitz Canyon Way, Palm Springs, California, until **3:00 P.M. LOCAL TIME, TUESDAY, NOVEMBER 26, 2013**. It is the responsibility of the respondent to see that any proposal sent through the mail, or by any other delivery method, shall have sufficient time to be received by this specified date and time. The receiving time in the Procurement Office will be the governing time for acceptability of proposals. Telegraphic, telephonic, faxed or emailed proposals will not be accepted. Late proposals will be returned unopened. Failure to register as a Proposer to this RFP process per the instructions in the Notice Inviting Requests for Proposals (under "Obtaining RFP Documents") may result in not receiving Addenda or other important information pertaining to this process. Failure to acknowledge Addenda may render a proposal as being non-responsive. We **strongly advise** that interested firms officially register per the instructions.

1. PURPOSE AND SCHEDULE: The City of Palm Springs is requesting proposals from qualified firms to provide the City with a Comprehensive Fee and Rate Study (hereinafter the "Project"). The selected firm will be expected to provide the required services to ensure that the City of Palm Springs is accurately accounting for the true cost of providing services within the City operations and that the fees for services are reflected in those costs.

SCHEDULE:

Notice requesting Proposals posted and issued October 23, 2013
Deadline for receipt of Questions **Tuesday, November 19, 2013, 3:00 P.M.**
Deadline for receipt of Proposals **Tuesday, November 26, 2013, 3:00 P.M.**
Short List / Interviews/, **if desired by City* to be determined
Contract awarded by City Council to be determined

NOTE: There will NOT be a pre-proposal conference for this procurement. *Dates above are subject to change.

"KEY" TO RFP ATTACHMENTS:

- ATTACHMENT "A"- Signature Authorization Form, including Addenda acknowledgment. *Must be completed and included with Technical Proposal envelope.**
- ATTACHMENT "B" – Non Collusion Affidavit Form. *Must be completed and included with Technical Proposal envelope.**
- ATTACHMENT "C" – Cost Proposal Form. *Must be completed and included in a separately sealed envelope – do NOT include this with your Technical Proposal.**
- ATTACHMENT "D" – General Fund Revenues Versus Expenses for City.**
- ATTACHMENT "E" – Sample boilerplate Contract Services Agreement (for reference only)**

2. BACKGROUND: The City of Palm Springs, California is requesting proposals from qualified firms or individuals to provide a Comprehensive Fee and Rate Study. The purpose of this study is to ensure that the City of Palm Springs is utilizing comprehensive overhead rates

and accurately accounting for the true cost of providing various services within the City operations

The City of Palm Springs is a full-service City that is governed by a Council – Administrator form of government and provides a full range of municipal services. The City employs approximately 402 full-time employees and was incorporated in 1938 and has a population of 47,601 permanent residents. In the peak season from October thru May the City has an increase of approximately 30,000 residents. The City is noted as a vacation/resort destination.

The City of Palm Springs total budget for 2012-2013 FY was \$180,609,844, the operations representing approximately \$68,126,414 with a capital budget of \$6,989,999. The General Fund's appropriations of \$68 million support the main operations of the City including public safety, public works, engineering, recreation, parks, library, airport, community services and general administration.

The Citywide User Fees currently being used were developed over 7 years ago. The City is interested in identifying common and unusual fees for services that are currently not being assessed.

3. SCOPE OF WORK, SERVICES, OBJECTIVES AND SPECIFICATIONS:

Generally, the scope of work consists of, but is not limited to a plan that contains the following information:

- A comprehensive review of the City's fee and rate structure with the goal of establishing a consistent and objectively based fee and rate structure that meets the needs of the City and its citizenry, along with meeting the various requirements set forth in state law.
- Consultant will work with selected staff to define the purpose, uses, and goals for an overhead cost allocation plan ensuring that the development of the plan will be both accurate and appropriate for the City's current needs.
- Consultant shall conduct a review of the documentation supporting the current fee and rate structures for all departments and services and recommend a new methodology for preparing the City's internal charge allocations for a variety of departments.
- Develop an Overhead Cost Allocation Model for calculating the full costs of providing each City service. The requirements of the model shall allow for:
 - The addition or removal of direct and overhead costs so that the overhead cost allocation plan can be developed from a simple plan to a progressively more inclusive plan.
 - The ability to continuously update the model and overhead cost allocation plan from year-to-year as the organizational structure changes and the costs change.
 - The addition of hypothetical service area information for future services enhancements, and the ability to calculate the estimated costs of providing the service under consideration.
- Work with the Finance Department in developing service provisions, cost categories, and allocation criteria for current and future programs.
- Provide hourly rates for any additional services including but not limited to professional fees, hourly rates, travel costs, clerical & communications costs, and any other "special" costs that may be performed on an as needed basis outside of the initial scope of work.
- Participate in the presentation of the Draft Overhead Cost Allocation Plan to select City staff and City Council. Collect and document comments and concerns from staff and Council members.
- The consultant shall prepare a final study and comprehensive fee schedule and provide 5 bound copies and one unbound copy (or file copy in PDF format) to the City.

The City staff will provide the consultant with all relevant information it has pertaining to the City and its operations including employee hourly cost rates, operating and capital budgets, the existing cost allocation plan, current fee resolutions and related documents.

4. PROPOSAL REQUIREMENTS:

The firm's proposal should describe the methodology to be used to accomplish each of the project tasks. The proposal should also describe the work which shall be necessary in order to satisfactorily complete the task requirements.

Please note: this RFP cannot identify each specific, individual task required to successfully and completely implement this project. The City of Palm Springs relies on the professionalism and competence of the selected firm to be knowledgeable of the general areas identified in the scope of work and to include in its proposal all required tasks and subtasks, personnel commitments, man-hours, direct and indirect costs, etc. The City of Palm Springs will not approve addenda to the selected firm's agreement which involve a substantial change from the general scope of work identified in this RFP. The City's final selection will not be dictated on any single factor, including price. The relative importance of these factors involves judgment on the part of the City's RFP evaluation committee and will include both objective and subjective analysis. A vendor may be eliminated from consideration for failure to comply with any of the requirements, depending upon the critical nature of such requirements.

5. SELECTION PROCESS: This solicitation has been developed in the Request for Proposals (RFP) format. Accordingly, proposers should take note that multiple factors as identified in the RFP will be considered by the Evaluation Committee to determine which proposal best meets the requirements set forth in the RFP document. **PRICE ALONE WILL NOT BE THE SOLE DETERMINING CRITERIA.** The City shall review the proposals submitted in reply to this RFP, and a limited number of firms may be invited to make a formal presentation at a future date if desired by the City. The format, selection criteria and date of the presentation will be established at the time of short listing, if conducted.

6. PROPOSAL EVALUATION CRITERIA: An Evaluation Committee, using the following evaluation criteria for this RFP, will evaluate all responsive proposals to this RFP. Firms are requested to submit their proposals so that they correspond to and are identified with the following specific evaluation criteria (100 total points possible):

- A. Firm / Staff / Team (including any subcontractors) Qualifications and experience in providing similar services as defined in the RFP, including References (15 POINTS)
- B. Proposal Organization, conformance with the RFP instructions, and demonstrated Understanding of the overall project and requested Scope of Work (10 POINTS)
- C. Work Proposal, including detailed proposed methodology and approach, used to provide a comprehensive fee and rate study for the requested Scope of Work (25 POINTS)
- D. Detailed Project Schedule to fully complete the scope of work as defined herein, including developing an overhead Cost Allocation Model for calculating the full costs of providing each City service. (15 POINTS)
- E. Local Preference (5 POINTS)
Firms that qualify as a Local Business, or employ local sub-consultants, and submit a valid business license as more fully set forth in Section F.1 below, pursuant to the City of Palm Springs Local Preference Ordinance 1756). The full local preference, five (5) points, may be awarded to those that qualify as a Local Business. Two (2) points may be awarded to

a non-local business that employs or retains local residents and/or firms for this project. Non-local firms that do not employ or retain any local residents and/or firms for this project shall earn zero (0) points for this criteria.

F. Cost Proposal (30 POINTS)

PRIOR CITY WORK: If your firm has prior experience working with the City **DO NOT** assume this prior work is known to the evaluation committee. All firms are evaluated solely on the information contained in their proposal, information obtained from references, and presentations if requested. All proposals must be prepared as if the evaluation committee has no knowledge of the firm, their qualifications or past projects.

7. PROPOSAL CONTENTS: Firms are requested to format their proposals so that responses correspond directly to, and are identified with, the specific evaluation criteria stated in Section 6 above. **The proposals must be in an 8 ½ X 11 format, may be no more than a total of Twenty Five (25) sheets of paper (double sided is OK),** including a cover letter. **NOTE:** Dividers, Attachments included in this RFP that are to be submitted with the proposal, Addenda acknowledgments and the separately sealed Cost Proposal do **NOT** count toward the page limit. Interested firms shall **submit SIX (6) copies (one marked "Original" plus five (5) copies)** of its proposal by the deadline.

All proposals shall be sealed within one package and be clearly marked, "RFP #08-14, REQUESTS FOR PROPOSALS FOR COMPREHENSIVE FEE AND RATE STUDY. Within the sealed proposal package, the Cost Proposal shall be separately sealed from the Technical/Work Proposal. **Proposals not meeting the above criteria may be found to be non-responsive.**

EACH PROPOSAL PACKAGE MUST INCLUDE TWO (2) SEPARATELY SEALED ENVELOPES:

Envelope #1, clearly marked "Technical/Work Proposal", shall include the following items:

- Completed Signature authorization and Addenda Acknowledgment (see Attachment A)
- If applicable, your specific request for Local Preference (see Attachment A) and a copy of a valid business license from a jurisdiction in the Coachella Valley.
- Completed, and notarized, Affidavit of Non-Collusion (see Attachment B)

In addition to the items above, at a minimum, firms must provide the information identified below. All such information shall be presented in a format that directly corresponds to the numbering scheme identified here.

TECHNICAL/WORK PROPOSAL: The Technical/Work Proposal (Envelope #1) shall be clearly marked and shall include the Sections A, B, C, D and E (*if Local Preference is applicable) below:

SECTION A:

FIRM, STAFF, TEAM (including any subcontractors) QUALIFICATIONS AND EXPERIENCE, INCLUDING REFERENCES

A.1 Follow the instructions and properly complete and execute both **Attachment "A" and Attachment "B"** that are provided in the RFP and include them here in your proposal. If applicable, your specific request for Local Preference (reference Attachment A) and a copy of a valid business license from a jurisdiction in the Coachella Valley is to also be included here.

A.2 Describe the firm's background and qualifications in the type of effort that this project will require, specifically identifying experience with relevant projects successfully completed of similar size and scope.

A.3 Indicate the name of any sub-contractor firms that will be utilized to make up your team. Describe each sub-contractor's qualifications, background and specific expertise that they bring to the Project.

A.4 List the name and qualifications of the key staff/team members that will be assigned to the Project. Provide detailed qualifications of the Project Manager that will be assigned to the Project.

A.5 Include a minimum of three (3) references of recent customers for who your firm has provided similar study completed for another jurisdiction within the state of California and include a sample copy from one (1) of these firms as contemplated herein. You must include the name of the key contact person, their title, and a current phone number, fax number, email address and business address along with a brief description of the scope of work and cost for each successfully completed referenced project.

**SECTION B:
PROPOSAL ORGANIZATION, CONFORMANCE WITH RFP INSTRUCTIONS, AND
DEMONSTRATED UNDERSTANDING OF THE OVERALL PROJECT AND REQUESTED
SCOPE OF WORK**

B.1 Carefully review and verify that your proposal is well organized and follows ALL OF THE INSTRUCTIONS on proper organization, format, order, and conformance with all requirements, including any and all required signatures, attachments, acknowledgements, or other documents that are required to be submitted. Failure to follow the instructions may result in your proposal being non-responsive and rejected from consideration.

B.2 Without reciting the information regarding the Project verbatim as contained in this RFP, convey your overall understanding of the Project and an understanding of the City's expectations upon implementation of the Project.

B.3 Identify any "key" or "critical" issues that you believe may be encountered on the Project based on the firm's prior experiences; and provide steps to be taken to ensure the issues identified do not affect the successful delivery of the Project.

**SECTION C:
WORK PROPOSAL**

C.1 Proposer should refine and/or expand the Scope of Work to reflect their understanding of the tasks and services requested and provide a detailed Work Proposal/Approach to accomplish the tasks. Identify all tasks and sub-tasks required to successfully implement all phases of the project.

**SECTION D:
PROJECT SCHEDULE**

D.1 Proposer shall provide a detailed Project Schedule/Timeline, including all tasks and sub-tasks, as well as an Overhead Cost Allocation Model that can be developed from a simple plan to a progressively more inclusive plan, and to fully execute the scope of work as defined herein.

D.2 Discuss lines of communication necessary to maintain the project schedule/timeline. Discuss the key issues that could impact the schedule and ways to minimize or eliminate them.

D.3 Discuss your quality control methods to ensure consistent and accurate final results.

**SECTION E:
LOCAL PREFERENCE**

E.1 Pursuant to the City of Palm Springs Local Preference Ordinance 1756, in awarding contracts for services, including consultant services, preference to a Local Business shall be given whenever practicable and to the extent consistent with the law and interests of the public. The term "Local Business" is defined as a vendor, contractor, or consultant who has a valid physical business address located within the Coachella Valley, at least six months prior to bid or proposal opening date, from which the vendor, contractor, or consultant operates or performs business on a day-to-day basis, and holds a valid business license by a jurisdiction located in the Coachella Valley. "Coachella Valley" is defined as the area between the Salton Sea on the south, the San Jacinto and Santa Rosa Mountains on the west, and the Little San Bernardino Mountains on the east and north. For the purposes of this definition, "Coachella Valley" includes the cities of Beaumont and Banning and the unincorporated areas between Banning and the City of Palm Springs. Post office boxes are not verifiable and shall not be used for the purpose of establishing such physical address.

The consultant will also, to the extent legally possible, solicit applications for employment and proposals for subcontractors and sub-consultants for work associated with the proposed contract from local residents and firms as opportunities occur and hire qualified local residents and firms whenever feasible.

In order for a business to be eligible to claim the preference, the business **MUST request the preference in the Solicitation response (see Attachment A)** and provide a copy of its current business license (or of those it employs for this project) from a jurisdiction in the Coachella Valley. A non-local business that requests the preference based on employing local residents must provide proof of full-time primary residency from a jurisdiction in the Coachella Valley with the proposal. The City reserves the right to determine eligibility.

E.2 List all team members with local expertise. Clearly define their role in the overall project.

COST PROPOSAL; The Cost Proposal (Envelope #2) shall be clearly marked in a **separately sealed envelope** and shall include Section F below:

**SECTION F:
COST PROPOSAL (*see instructions in Section 6 above and Attachment "C")**

F.1 The cost proposal (in a separate sealed envelope) shall include a detailed cost estimate for completion of the scope of services with cost breakdowns by scope element. All professional fees, hourly rates, travel costs, clerical and communications costs, and any other "special" costs must be clearly identified and defined. In addition, an hourly rate for any additional services that were not originally requested in the Scope of Work, but may be added at the discretion of the City, shall also be included. Note that the Cost Proposal, including all fees and compensation shall remain firm for a minimum of 90 days from the proposal submission deadline. **PROPOSERS MUST USE THE COST PROPOSAL FORM, ATTACHMENT "C", PROVIDED BY THE CITY IN THE RFP DOCUMENTS.** Failure to use the Cost Proposal form Attachment "C" provided by the City **WILL** be cause for rejection of a proposal. **Do NOT include Attachment "A" or Attachment "B" in the Cost Proposal, Envelope #2.** Attachments "A" and "B" are to be included in Envelope #1, "Technical/Work Proposal".

8. GENERAL AND SPECIAL CONDITIONS:

DEADLINE FOR SUBMISSION OF PROPOSALS: Proposals will be received in the City of Palm Springs, Office of Procurement and Contracting until **3:00 P.M., LOCAL TIME,**

TUESDAY, NOVEMBER 26, 2013. Proof of receipt before the deadline is a City of Palm Springs, Office of Procurement and Contracting time/date stamp. It is the responsibility of the firms replying to this RFP to see that any proposal sent through the mail, or via any other delivery method, shall have sufficient time to be received by the Procurement Office prior to the proposal due date and time. Late proposals will be returned to the firm unopened. **Proposals shall be clearly marked and identified and must be submitted to:**

**City of Palm Springs
Procurement and Contracting Department
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262
Attn: Leigh Gileno Procurement Specialist II**

QUESTIONS: Firms, their representatives, agents or anyone else acting on their behalf are specifically directed **NOT** to contact any city employee, commission member, committee member, council member, or other agency employee or associate for any purpose related to this RFP other than as directed below. **Contact with anyone other than as directed below WILL be cause for rejection of a proposal.**

Any questions, technical or otherwise, pertaining to this RFP must be submitted IN WRITING and directed ONLY to:

Leigh Gileno
Procurement Specialist II
3200 East Tahquitz Canyon Way, Palm Springs, CA 92262
via FAX (760) 323-8238
or **via EMAIL:** Leigh.Gileno@palmspringsca.gov

Interpretations or clarifications considered necessary in response to such questions will be resolved by the issuance of formal Addenda to the RFP. **The deadline for all questions is 3:00 P.M., Local Time, Tuesday, November 19, 2013.** Questions received after this date and time may not be answered. Only questions that have been resolved by formal written Addenda via the Division of Procurement and Contracting will be binding. Oral and other interpretations or clarifications will be without legal or contractual effect.

FORM OF AGREEMENT: The selected firm will be required to enter into a contractual agreement, inclusive of insurance requirements, with the City of Palm Springs in accordance with the standard Contract Services Agreement (**see Attachment "E"**). Please note that the Exhibits are intentionally not complete in the attached sample standard document. These exhibits will be negotiated with the selected firm, and will appear in the final Contract Services Agreement executed between the parties.

The term of the agreement that is awarded as a result of this RFP will be negotiated and agreed between the City and the awarded Consultant. Upon the completion of the Scope of Work as defined herein, the City reserves the right to extend the term of the agreement with the Consultant for the purposes of performing additional services as maybe needed.

Failure or refusal to enter into an Agreement as herein provided or to conform to any of the stipulated requirements in connection therewith shall be just cause for an annulment of the award. If the highest ranked Proposer refuses or fails to execute the Agreement, or negotiations are not successful, or the agreement is terminated, the City may, at its sole discretion, enter negotiations with and award the Contract to the second highest ranked Proposer, and so on.

AWARD OF CONTRACT: It is the City's intent to award a contract to the firm that can provide all of the scope of work, equipment and services identified in the RFP document. However, the

City reserves the right to award a contract, or to make no award, whichever is in the best interest of the City. It is anticipated that award of the contract will occur at the next regularly scheduled City Council meeting after the evaluation committee has made its final selection of the firm to be recommended for award and a contract has been negotiated and agendized for consideration. The decision of the City Council will be final.

RIGHT TO ACCEPT OR REJECT PROPOSALS: The City of Palm Springs reserves the right to waive any informality or technical defect in a proposal and to accept or reject, in whole or in part, any or all proposals and to cancel all or part of this RFP and seek new proposals, as best serves the interests of the City. The City furthermore reserves the right to contract separately with others certain tasks if deemed in the best interest of the City.

INSURANCE: Insurance provisions are contained in the Standard Contract Services sample agreement included in the RFP. The successful Proposer will be required to comply with these provisions. It is recommended that Proposers have their insurance provider review the insurance provisions BEFORE they submit their proposal.

RESPONSIBILITY OF PROPOSER: All firms responding to this RFP shall be responsible. If it is found that a firm is irresponsible (e.g., has not paid taxes, is not a legal entity, submitted an RFP without an authorized signature, falsified any information in the proposal package, etc.), the proposal shall be rejected.

PUBLIC RECORD: All documents submitted in response to this solicitation will become the property of the City of Palm Springs and are subject to the California Code Section 6250 et seq., commonly known as the Public Records Act. Information contained in the documents, or any other materials associated with the solicitation, may be made public after award of contract to a specific firm, if any, by the City Council.

COST RELATED TO PROPOSAL PREPARATION: The City will NOT be responsible for any costs incurred by any firm responding to this RFP in the preparation of their proposal or participation in any presentation if requested, or any other aspects of the entire RFP process.

BUSINESS LICENSE: The selected firm will be required to be licensed in accordance with the City of Palm Springs Business License Ordinance, Municipal Code Chapter 3.40 through 3.96, entitled "Business Tax".

INVESTIGATIONS: The City reserves the right to make such investigations as it deems necessary to determine the ability of the firms responding to this RFP to perform the Work and the firm shall furnish to the City all such information and data for this purpose as the City may request. The City reserves the right to reject any proposal if the evidence submitted by or investigation of such firm fails to satisfy the City that such firm is properly qualified to carry out the obligations of the Contract and to complete the Work contemplated therein.

NONCOLLUSION: The undersigned, by submission of this Proposal Form, hereby declares that this Proposal is made without collusion with any other business making any other Proposal, or which otherwise would make a Proposal. Proposer must execute an Affidavit of Non-Collusion provided as **Attachment "B"** in the RFP and include it with their proposal.

PROPOSALS TO REMAIN OPEN: The Proposer shall guarantee that all contents of their proposal shall be valid for a period of 120 calendar days from the due date of proposals.

SIGNED PROPOSAL AND EXCEPTIONS: Submission of a signed proposal will be interpreted to mean that the firm responding to this RFP has hereby agreed to all the terms and conditions set forth in all of the sheets which make up this Request for Proposals, and any attached sample agreement. Exceptions to any of the language in either the RFP documents or attached sample agreement, including the insurance requirements, must be included in the

proposal and clearly defined. Exceptions to the City's RFP document or standard boilerplate language, insurance requirements, terms or conditions may be considered in the evaluation process; however, the City makes no guarantee that any exceptions will be approved.

ATTACHMENT "A"

***THIS FORM MUST BE COMPLETED AND SUBMITTED WITH YOUR TECHNICAL/WORK PROPOSAL
(Envelope #1)*
REQUESTS FOR PROPOSALS (RFP) # 08-14
COMPREHENSIVE FEE AND RATE STUDY**

SIGNATURE AUTHORIZATION

NAME OF COMPANY(PROPOSER):

BUSINESS ADDRESS: _____

TELEPHONE: _____ CELL PHONE _____ FAX _____

CONTACT PERSON _____ EMAIL ADDRESS _____

A. I hereby certify that I have the authority to submit this Proposal to the City of Palm Springs for the above listed individual or company. I certify that I have the authority to **bind** myself/this company in a contract should I be successful in my proposal.

PRINTED NAME AND TITLE

SIGNATURE AND DATE

B. The following information relates to the legal contractor listed above, whether an individual or a company. Place check marks as appropriate:

1. If successful, the contract language should refer to me/my company as:

An individual;
 A partnership, Partners' names: _____

A company;
 A corporation If a corporation, organized in the state of: _____
 A Local Business (Licensed within the jurisdiction of the Coachella Valley).
Copy of current business license is required to be attached to this document. (include this only if applicable*)

2. My tax identification number is: _____

ADDENDA ACKNOWLEDGMENT:

Acknowledgment of Receipt of any Addenda issued by the City for this RFP is required by including the acknowledgment with your proposal. Failure to acknowledge the Addenda issued may result in your proposal being deemed non-responsive.

In the space provided below, please acknowledge receipt of each Addenda:

Addendum(s) # _____ is/are hereby acknowledged.

ATTACHMENT "B"

***THIS FORM MUST BE COMPLETED AND SUBMITTED WITH YOUR TECHNICAL/WORK
PROPOSAL (Envelope #1)*
NON-COLLUSION AFFIDAVIT TO BE EXECUTED BY
PROPOSER AND SUBMITTED WITH PROPOSAL**

STATE OF CALIFORNIA) ss
COUNTY OF RIVERSIDE)

The undersigned, being first duly sworn, deposes and says that he or she is _____ of _____, the party making the foregoing Proposal. That the Proposal is not made in the interests of, or on the behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the Proposal is genuine and not collusive or sham; that the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a false or sham Proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any Proposer or anyone else to put in a sham Proposal, or that anyone shall refrain from Proposing; that the Proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Proposal price of the Proposer or any other Proposer, or to fix any overhead, profit, or cost element of the Proposal price, or of that of any other Proposer, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the Proposal are true; and, further, that the Proposer has not, directly or indirectly, submitted his or her Proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereof, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, Proposal depository, or any other member or agent thereof to effectuate a collusive or sham Proposal.

By: _____

Title: _____

Subscribed and sworn to before me this _____ day of _____, 2013.

ATTACHMENT "C"

***THIS FORM MUST BE COMPLETED AND SUBMITTED IN A SEPERATELY SEALED ENVELOPE#2 "Cost Proposal", NOT with Envelope #1, Technical/Work Proposal*)**

**REQUEST FOR PROPOSAL (RFP #08-14)
COMPREHENSIVE FEE AND RATE STUDY**

COST PROPOSAL

Responding to Request for Proposal No. 08-14 Comprehensive Fee and Rate Study , I/WE will accept as full payment the following "not-to-exceed" fixed fee including all associated fees (i.e. printing costs, attendance at meetings, etc.) and be based on achievement of deliverables, which should be outlined on the consultant's proposed timeline for providing all services to complete the Comprehensive Fee and Rate Study. The undersigned Proposer proposes and agrees to provide all work and services necessary to deliver a comprehensive fee and rate study as defined in the Scope of Work herein.

TOTAL NOT-TO-EXCEED AMOUNT:

\$ _____
(PRICE IN FIGURES)

(PRICE IN WORDS)

In the event that additional services are required beyond the scope of work as defined in this document, please provide your hourly rate (regular business hours only)*

Hourly rate for additional services not covered in RFP document. \$ _____

Hourly rates for all Project Team members: \$ _____

Administrative Rates for additional services not covered in RFP document. \$ _____

Hourly rate for any sub-consultant used in this Fee Study not covered in this RFP document. \$ _____

Indicate time in calendar days, for completion after receipt of notice to proceed: _____
DAYS (NTP).

Planning, Building, and Engineering Department
 General Fund Revenues Versus Expenses
 City of Palm Springs

	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Projected 2012-2013</u>	<u>Projected 2013-2014</u>
<i>Planning:</i>								
Revenues	\$1,200,465	\$817,613	\$327,761	\$299,868	\$363,378	\$279,661	\$350,000	\$350,000
Expenses	\$1,376,287	\$1,459,347	\$1,306,959	\$1,087,336	\$976,532	\$1,026,887	\$1,080,181	\$1,189,861
Rev as % of Exp	87%	56%	25%	28%	37%	27%	32%	29%
<i>Building:</i>								
Revenues	\$2,933,336	\$2,283,961	\$1,461,219	\$1,182,148	\$1,498,765	\$1,460,689	\$1,825,028	\$1,825,028
Expenses	\$2,389,717	\$2,502,496	\$2,395,504	\$1,950,198	\$1,628,577	\$1,688,842	\$1,931,162	\$2,045,709
Rev as % of Exp	123%	91%	61%	61%	92%	86%	95%	89%
<i>Engineering:</i>								
Revenues	\$736,907	\$359,874	\$207,230	\$146,072	\$241,053	\$147,605	\$185,000	\$185,000
Expenses	\$1,785,077	\$1,895,923	\$1,703,172	\$1,356,993	\$1,467,774	\$1,581,405	\$1,777,869	\$1,944,990
Rev as % of Exp	41%	19%	12%	11%	16%	9%	10%	10%
<i>Combined Totals:</i>								
Revenues	\$4,870,708	\$3,461,448	\$1,996,210	\$1,628,088	\$2,103,196	\$1,887,955	\$2,360,028	\$2,360,028
Expenses	\$5,551,081	\$5,857,766	\$5,405,635	\$4,394,527	\$4,072,883	\$4,297,134	\$4,789,212	\$5,180,560
Rev as % of Exp	88%	59%	37%	37%	52%	44%	49%	46%

ATTACHMENT "D"



REQUEST FOR PROPOSAL (RFP 08-14)
FOR
COMPREHENSIVE FEE AND RATE STUDY

ADDENDUM NO. 1

This Addendum is being issued for the following changes and informational items:

THE FOLLOWING REVISIONS AND/OR ADDITIONS TO THE RFP DOCUMENT AND INSTRUCTIONS ARE TO BE INCLUDED AND SHALL TAKE PRECEDENCE OVER ANYTHING CONTRARY ON THE PREVIOUSLY ISSUED SPECIFICATIONS AND INSTRUCTIONS AND SHALL BE REFERRED TO HEREINAFTER AS PART OF THE CONTRACT DOCUMENTS.

The City has received the following questions and is hereby providing answers thereto:

Q 1: Can you please send the current list of the Citywide user fees that will be included in the review of this scope of work?

A 1: ***The city's current Comprehensive Fee Schedule can be found on the City's website by going to: www.palmspringsca.gov, and selecting the link "Government", and go to "City Clerk" link and there you will find the "comprehensive Fee Schedule' Link under Publications and Reports for you to down load.***

Q 2: Under section 2 of the RFP, it lists the scope of work and tasks to be completed in the project. The term "overhead Cost Allocation Plan" is used in several bullet points. A Cost Allocation Plan (CAP) is a separate type of cost analysis from a User Fee and Rate Study. A CAP analysis identifies the appropriate overhead allocations to the benefiting organizational units within Citywide operations. A User Fee and Rate study focuses on determining the full cost of providing user fee services to the public. Is it the City's intent to have us conduct, through this RFP, a User Fee and Rate Study as well as an Overhead Cost Allocation Plan study, or just the User Fee and Rate Study?

A 2: ***Yes, it is the intent of the City for the selected firm and contract to prepare the Overhead Cost Allocation Plan, as it is the City's intent to adopt a new comprehensive fee schedule that captures all allowable costs including 1) direct labor and materials; 2) departmental overhead; and 3) central services overhead such as City Manager, Attorney, Clerk, Finance, HR, Procurement, IT, etc.***

BY ORDER OF THE CITY OF PALM SPRINGS, CALIFORNIA

Leigh Gileno
Procurement Specialist II
DATE: October 28, 2013
ADDENDUM ACKNOWLEDGMENT:

Proposer Firm Name: _____

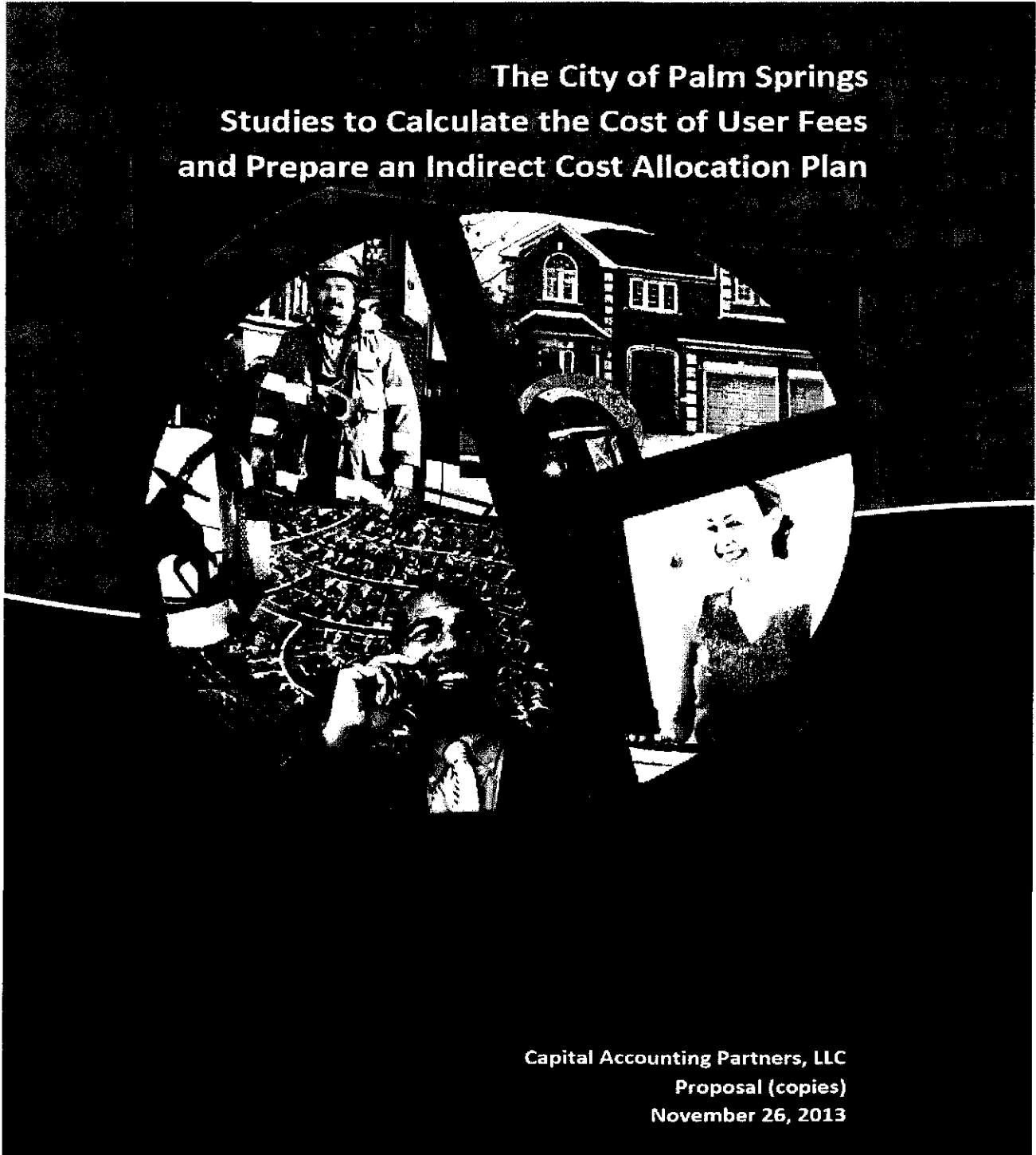
Authorized Signature: _____ Date: _____

Acknowledgment of Receipt of Addendum 1 is required by signing and including the acknowledgment with your submittal, or you may also acknowledge the Addenda on the bottom of Attachment A. Failure to acknowledge this Addendum may result in your submittal being deemed non-responsive.

EXHIBIT "C"

CONSULTANT'S PROPOSAL

**The City of Palm Springs
Studies to Calculate the Cost of User Fees
and Prepare an Indirect Cost Allocation Plan**



**Capital Accounting Partners, LLC
Proposal (copies)
November 26, 2013**



CONTENTS

Cover Letter	2
Section A: Firm, Staff, Qualifications, and References.....	4
Consultant Qualifications and Experience	4
Summary of Experience and Project Team.....	4
References	8
Indirect Cost Allocation Plans	8
User Fee Studies.....	9
Addendum(s) #all _____ is/are hereby acknowledged.	11
Subscribed and sworn to before me this day of , 2013	12
Section B: Our Understanding of This Project	13
Section C: Work Proposal.....	15
Annual Update of Cost Allocation Plan:.....	16
Section D: Schedule Proposal	23
Schedule.....	23
Attachment A:	24
Nicolie (Nicky) Cass Lettini, MBA- Owner/Partner	24
Daniel B. Edds, MBA, PMP - Project Consultant	25



COVER LETTER

November 26, 2013

City of Palm Springs
Attention: Leigh Gileno
Procurement and Contracting Office
3200 E Tahquitz Canyon Way
Palm Springs, CA 92262

Reference: Comprehensive User Fee Study and Cost Allocation Plan

Capital Accounting Partners, LLC (CAP) is submitting for your consideration our proposal to develop the City of Palm Springs indirect cost allocation plan and the preparation of a Comprehensive Fee and Rate Study. CAP has extensive expertise in both of these services. This proposal is valid for one-hundred twenty (120) days from November 26, 2013.

Capital Accounting Partners understands that the City of Palm Springs is taking an important step by a review of its user fees, charges, and cost recovery. We understand that the City desires to be fiscally responsible with the services it provides while maintaining a high level of customer service. To accomplish these important goals it desires to have a thorough and professional review of its user fees and indirect cost. During this time of economic uncertainty this is an important goal.

Our designed processes are structured to produce your cost allocation plan and user fee study – as fast as the City can provide data and access to those we need to interview. Our process for user fee studies calls for us to collect 75%-80% of our data onsite, working directly with staff. This process allows us to complete our costing models faster, with greater accuracy of results, and spend more time consulting over the policy and operational impacts.

Our goal is to put senior level consultants on these projects. Nicolie Cass Lettini, MBA (Nicky), is an experienced expert who understands the value and nuances of how accurate cost allocation plans impact a city's revenue sources and the proper allocation of costs for each individual department. Nicky not only has extensive experience working with cities preparing cost plans, she has also completed full cost plans, OMB-87 cost allocation plans and rate studies for a number of counties and special districts. In all, Nicky has prepared over 300 cost plans in her twelve (12) years in the business with Maximus, Public Resource Management Group (now MGT) and now with her own company.

Dan Edds will be lead consultant for the user fee. He brings 15 years of experience as a public sector consultant. Dan has direct experience with many Cities in the Los Angeles area. He is recognized for his expertise in user fee study. The GFOA published two of his articles in the national publication - *Government Finance Review*. In addition, the GFOA has tasked him to teach some of their national and regional trainings on performance management.

This combination of experience and skills gives the CAP consultants the ability to provide clients accurate, complete, and on-time cost plans and user fees studies, using custom designed software which was developed based on their knowledge. All of this know-how is provided by a team that prides itself in offering exceptional customer service.



We are very proud of our work product. Our commitment is to bring to the City of Palm Springs the best methodology and the best trained and experienced staff possible. Additional factors to take into consideration during your evaluation of the proposal are:

Small Business Certification (#0046082) – Capital Accounting Partners, LLC has received certification from the Office of Small Business and DVBE Services, Procurement Division, Department of General Services, State of California.

Capital Accounting Partners, LLC is a **majority woman-owned business**.

As you review the enclosed proposal, you will see that CAP has the experience, skills, talent, and capacity. By relying on CAP's expertise to meet your requirements, your staff can focus on other important responsibilities and tasks. In addition, CAP is available to present any necessary reports or studies to elected officials and/or the general public if necessary.

Thank you for the opportunity to submit this proposal. We look forward to working with you.

Sincerely,

Nicolie Cass Lettini
Capital Accounting Partners, LLC
3570 Buena Vista Drive
Sacramento, CA 95864



SECTION A: FIRM, STAFF, QUALIFICATIONS, AND REFERENCES

Legal name of firm	Capital Accounting Partners, LLC (CAP)
Address	3570 Buena Vista Drive, Sacramento, CA 95864
Legal form of company	Limited Liability Company
Telephone	916.670.0001
Fax	309.404.0697
Years in business	6 ½ years
Full-time personnel	Nicolie Cass Lettini, MBA Dan Edds, MBA, PMP

CONSULTANT QUALIFICATIONS AND EXPERIENCE

SUMMARY OF EXPERIENCE AND PROJECT TEAM

Capital Accounting Partners is exclusively focused on providing cost of service studies for municipal government. We do this through the preparation of indirect cost allocation plans and user fee studies. This focus provides a level of experience that we feel is unmatched in our industry. For example, our principle consultant for indirect cost allocation plans, (Nicky Lettini) has personally prepared over 300 of these plans and is one of the few cost plan consultants that has actually negotiated directly with the Federal Government in preparing indirect cost rates. For user fee studies, our principle is Dan Edds and he has personally prepared nearly 70 such plans. In addition, the Government Finance Office Association (GFOA) has published his articles on user fees and performance management in their national publication – Government Finance Review.

Summary of Qualifications for Nicky Lettini, MBA

Education	Bachelor of Science in Managerial Economics from University of California, Davis and has her MBA in Accounting from California State University, Sacramento.
Training and Certifications:	OMB A-87 specialized training, provided by Management Concepts. This is a state approved course to learn the ins and outs of the Circular. This course gives you continuing education credits and gives me a special insight in to the circular OMB A-87 guidelines that I will be able to share with you.



Summary of Experience for Nicky Lettini, MBA

Nicolie Cass Lettini, MBA (Nicky), is an experienced expert who understands the value and nuances of how accurate cost allocation plans impact a city's revenue sources and the proper allocation of costs for each individual department. Nicky has solely worked on cost plans for her whole career. In all, Nicky has prepared over 300 cost plans in her twelve (12) years in the business with Maximus, Public Resource Management Group (now MGT) and now with her own company

Summary of Qualifications for Daniel B. Edds, MBA, PMP

Education	Master Degree in Business Administration, International Business, Albers School of Business and Economics, Seattle University
Certifications:	Project Manager Professional (PMP) Strategic Planning Group Facilitation Lean Practitioner Balanced Scorecard
Other	Baldrige Quality Criteria - Examiner
Publications and Training Provided	Author: Transformation Management, Spire Press, London England Government Finance Review (GFOA) articles on user fees and performance management in the public sector Regional trainings (OMFOA, WFOA, etc) User Fee Studies Calculating full cost Performance management Introduction to Activity Based Costing Government Finance Officers Association: Performance management (both national and regional trainings)

Summary of Experience for Daniel B. Edds, MBA, PMP

Dan Edds brings more than fifteen years of public sector consulting. His consulting work has focused on providing high end cost analysis as well as operations improvement work. Recently his operations improvement work has focused on the application of lean principles and Balanced Scorecard work.

A partial list of user fee projects that Dan Edds has personally led include:



Cost Allocation and Master Fee Professional Services – City of Palm Springs

California Municipal Agencies	Building	Planning	Engineering	Fire Prev	Police	Recreation
City of Beverly Hills		*	*	*	*	*
City of Fremont	*	*	*	*	*	*
City of Dublin	*	*	*		*	
Town of Atherton	*	*	*		*	
City of Pasadena	*	*	*		*	*
City of Napa	*	*	*	*	*	*
City of Ontario	*	*	*	*	*	
City of Alameda	*	*		*	*	
City of Vacaville	*	*	*	*	*	*
City of Dana Point	*	*				
City of Tulare	*	*	*	*	*	
City of Los Gatos	*	*	*		*	
City of Paso Robles	*	*	*			*
City of Martinez	*	*	*			*
City of Lakeport	*	*	*			
City of Pomona	*	*				
City of Woodland	*	*	*	*	*	
City of Hercules	*	*	*		*	
City of San Luis Obispo	*	*	*	*	*	
City of Lathrop	*	*	*			
City of Moreno Valley	*	*	*	*	*	*
City of Indian Wells	*	*	*	*	*	*
City of Rancho Cucamonga			*	*	*	*
City of Mountain View	*	*	*	*	*	*
City of Del Mar		*				
City of Campbell	*	*	*			*



Cost Allocation and Master Fee Professional Services – City of Palm Springs

California Municipal Agencies	Building	Planning	Engineering	Fire Prev	Police	Recreation
City of Porterville	★	★	★			
City of Half Moon Bay	★	★	★			★
City of Imperial Beach	★	★	★		★	
City of Irvine	★	★				
City of Placentia	★	★	★			
Imperial County	★	★	★			
Butte County	★	★	★			
Yuba County	★	★	★			
Napa County	★	★	★			
Oregon Municipal Agencies	Building	Planning	Engineering	Fire Prev	Police	Recreation
City of Redmond	★	★	★			
City of Springfield		★				
City of Bend	★	★	★			
City of Happy Valley	★	★	★			
City of Newport	★	★	★	★		
County of Clatsop	★	★	★			
Klamath County	★	★	★			
Lane County	★	★	★			



REFERENCES

CAP suggests you contact our previous clients to discuss our work. CAP is proud of our reputation within the industry and would like you to hear it for yourself.

"(Nicky) is by far, one of the best consultants I have ever worked with. Nicky is extremely professional, thorough, knowledgeable and unbelievably customer service focused."

*A. Ng, Financial Management & Business Process Manager,
Golden Gate Bridge, Highway and Transportation District*

"...the excellent support and service you provided...helped to increase our productivity and responsiveness to any and all questions arising from the cost plan process." D. Sellers, Auditor-Controller, County of Yuba

"It has always been a pleasure to work with Nicky due to her can-do attitude, attention to detail, unparalleled level of service, and most importantly, her knowledge of Cost Allocation Plans and OMB A-87 requirements."

B. Torrez, Finance Director, City of Burbank











*"...with [her] expertise in Cost Plan preparation, [Nicky has] brought accuracy, consistency and accountability to the preparation of our Cost Plan..."
R. Adler, Assistant Controller, County of San Mateo*

INDIRECT COST ALLOCATION PLANS

Capital Accounting Partners (CAP) prepares numerous indirect cost allocation plans every year. Our Principal, Nicky Cass Lettini has prepared nearly 300 indirect cost allocation plans in her career. Many of our clients contract with CAP annually for preparation of their OMB compliant and Full Cost indirect cost allocation plans. The following is a list of agencies that contact with CAP for annual updates to their cost plans.

The following is a partial list of her clients that are available for referral.








 <p>The City of Burbank, Full Cost Allocation Plan Jennifer Becker, Deputy Financial Services Director 275 East Olive Avenue, PO Box 6459 Burbank, CA 91510 818.238.5507</p>	 <p>County of Contra Costa, OMB A-87 Cost Allocation and Full-Cost Allocation Plans Marie Rulloda, Assistant Auditor-Controller 625 Court Street, Room 103 Martinez, CA 94553 925.646-2186</p>
 <p>City of Burbank, Cost of Service Analysis for Information Technology Penny Forbes 275 East Olive Avenue, PO Box 6459 Burbank, CA 91510 818.238.5087</p>	 <p>Golden Gate Bridge, Highway & Transportation District, OMB A-87 Cost Allocation Plan and Indirect Cost Rate Plans Alice Ng, Financial Management and Business Process Analyst Toll Plaza Administration Building, Golden Gate Bridge PO Box 9000, Presidio Station San Francisco, CA 94129 415.923.2339</p>
 <p>City of Glendale, Full Cost Allocation Plan Bob Elliot, Finance Director 141 North Glendale Avenue Glendale, CA 91206 818.548.2085</p>	 <p>County of Riverside, OMB A-87 Cost Allocation Plan Tess Soriano, Chief Accountant 4080 Lemon Street, 3rd Floor Riverside, CA 92502 951.955.8138</p>
 <p>City of Glendale, Information Services Department Cost Rates Ed Fraga, Information Services Director 141 North Glendale Avenue Glendale, CA 91206 818.548.3957</p>	 <p>County of San Benito, OMB A-87 Cost Allocation Plan Larry Chapin, Assistant Auditor 481 4th Street, 2nd Floor Hollister, CA 95023 831.636.4090</p>
<p>City of Stockton, Full Cost & OMB A-87 Cost Allocation Plan and ICRP's Ryan Pham, Finance Stockton, CA 209.937.8215</p> 	 <p>City of Santa Barbara, Full Cost & OMB A-87 Cost Allocation Plan Michael Pease 735 Anacapa St Santa Barbara, CA 93101 805.564.5337</p>

USER FEE STUDIES

Dan Edds will be our primary consultant on this project. He has prepared numerous similar studies. These California Cities can be contacted for reference purposes. (Some of these projects were completed while Dan was with his previous firm.)



Cost Allocation and Master Fee Professional Services – City of Palm Springs

<p>City of Dublin The city engaged CAP to prepare an indirect cost allocation plan and comprehensive user fee study. Nicky Cass Lettini is preparing the indirect cost allocation plan and Dan Edds is preparing the user fee study. Areas of study include planning, building, development engineering, police, fire prevention and business license costs.</p>  <p>CITY OF DUBLIN</p> <p>Or Laura Jammal Administrative Technician – Administrative Services City of Dublin (925) 556-4574 laura.jammal@dublin.ca.gov</p>	 <p>Town of Atherton The City engaged Capital Accounting Partners to prepare an indirect cost allocation plan and conduct a comprehensive user fee study. This project is nearing completion.</p> <p>Robert Barron Finance Director (650) 752-0552 This project is nearing completion.</p>
<p>City of Indian Wells The City engaged Dan Edds, (while with another firm) to conduct several user fee and business license studies.</p> <p>Mr. Kevin McCarthy Finance Director (760) 346-2489 kmccarthy@cityofindianwells.org</p>	 <p>City of Vernon The city engaged CAP to prepare an indirect cost allocation plan and comprehensive user fee study. Nicky Cass Lettini is preparing the indirect cost allocation plan and Dan Edds is preparing the user fee study. Areas of study include planning, building, development engineering, police, fire prevention and environmental controls.</p> <p>Masami Higa Assistant Finance Director (323) 583-8811 x254</p>
 <p>City of Beverly Hills The city engaged CAP to prepare an indirect cost allocation plan and comprehensive user fee study. Nicky Cass Lettini prepared the indirect cost allocation plan and Dan Edds prepared the user fee study. Areas of study include planning, building, development engineering, police, fire prevention, and recreation.</p> <p>Mr. Don Harrison Budget and Revenue Officer (310) 285-2445</p>	<p>City of Campbell Mr. Edds and an associate prepared both an indirect cost allocation plan and a comprehensive user fee study. Mr. Edds prepared the user fee study. Areas of the user fee study included planning, building, development engineering, police, and business license.</p>  <p>Mr. Mike Wright Budget Manager City of Campbell (408) 866-2112 mikew@cityofcampbell.com</p>



ATTACHMENT "A"
THIS FORM MUST BE COMPLETED AND SUBMITTED WITH YOUR TECHNICAL/WORK PROPOSAL (Envelope #1)
REQUESTS FOR PROPOSALS (RFP) # 08-14
COMPREHENSIVE FEE AND RATE STUDY
SIGNATURE AUTHORIZATION

NAME OF COMPANY(PROPOSER):

Capital Accounting Partners

BUSINESS ADDRESS: 3570 Buena Vista Driver, Sacramento, CA 95864

TELEPHONE: (916)670-0001 _____ CELL PHONE (916) 670- 0001

FAX _____

CONTACT PERSON Nicolie Lettini EMAIL ADDRESS same as above

A. I hereby certify that I have the authority to submit this Proposal to the City of Palm Springs for the above listed individual or company. I certify that I have the authority to bind myself/this company in a contract should I be successful in my proposal.

Nicolie Lettini, MBA. Owner/Partner

PRINTED NAME AND TITLE

 1/27/14
SIGNATURE AND DATE

B. The following information relates to the legal contractor listed above, whether an individual or a company. Place check marks as appropriate:

1. If successful, the contract language should refer to me/my company as:

An individual;

A partnership, Partners' names:

A company;

A corporation If a corporation, organized in the state of: _____

A Local Business (Licensed within the jurisdiction of the Coachella Valley).

Copy of current business license is required to be attached to this document. (include this only if applicable*)

2. My tax identification number is: _____

ADDENDA ACKNOWLEDGMENT:

Acknowledgment of Receipt of any Addenda issued by the City for this RFP is required by including the acknowledgment with your proposal. Failure to acknowledge the Addenda issued may result in your proposal being deemed non-responsive.

In the space provided below, please acknowledge receipt of each Addenda:

ADDENDUM(S) #ALL 1 IS/ARE HEREBY ACKNOWLEDGED.



ATTACHMENT "B"
THIS FORM MUST BE COMPLETED AND SUBMITTED WITH YOUR TECHNICAL/WORK PROPOSAL (Envelope #1)
NON-COLLUSION AFFIDAVIT TO BE EXECUTED BY PROPOSER AND SUBMITTED WITH PROPOSAL

STATE OF CALIFORNIA) ss
COUNTY OF RIVERSIDE)

The undersigned, being first duly sworn, deposes and says that he or she is of , the party making the foregoing Proposal. That the Proposal is not made in the interests of, or on the behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the Proposal is genuine and not collusive or sham; that the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a false or sham Proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any Proposer or anyone else to put in a sham Proposal, or that anyone shall refrain from Proposing; that the Proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Proposal price of the Proposer or any other Proposer, or to fix any overhead, profit, or cost element of the Proposal price, or of that of any other Proposer, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the Proposal are true; and, further, that the Proposer has not, directly or indirectly, submitted his or her Proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereof, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, Proposal depository, or any other member or agent thereof to effectuate a collusive or sham Proposal.

By: Daniel B Edds
Title: Partner

SUBSCRIBED AND SWORN TO BEFORE ME THIS DAY OF , 2013

Subscribed and sworn to before me
Daniel B Edds
This 25 day of November, 2013
Notary Public in and for the State of WA
residing at Mill Creek





SECTION B: OUR UNDERSTANDING OF THIS PROJECT

From our reading of the RFP, we understand that the City of Palm Springs is taking an important step in its revenue management program. This step is to calculate the full cost of fee generating services. Furthermore, the City is looking for an independent analysis that includes both the preparation of an indirect cost allocation plan as well as a user fee study. The objective of the project is to calculate the full cost of services but also be in compliance with all State requirements concerning the pricing of user fees by local government agencies.

Critical Issues to Consider

Based on our experience of preparing over 300 cost allocation plans and nearly 70 user fee studies, we have found that there are three critical issues our clients are looking for.

Experience Beyond Calculating a Number

- ◆ Nicky has specialized as a Cost Allocation Consultant her whole career. In all, Nicky has prepared over 300 cost plans in her career. She not only has extensive experience working with cities preparing cost plans, she has also completed full cost plans, OMB-87 cost allocation plans and rate studies for a number of counties and special districts.
- ◆ Dan brings substantial user fee study experience to the Palm Springs. He has prepared over 60 user fee studies and brings the credentials of a certified Project Manager Professional (PMP). This means he is formally trained in managing projects that are completed on time and on budget. In addition, he brings the perspective of a Baldrige Quality Examiner, a certified facilitator, and a certified LEAN practitioner. We are proud of the fact that no other firm can match these qualifications.

Approach that maximizes value minimal staff disruption

Our data collection methods require us to collect 70%-80% of the data while on-site for the user fee. This approach results in more accurate data, faster project completion times, and less impact on staff. Many firms will produce worksheets and then ask staff to complete them. We have found that this approach results in costly errors, excessive staff time, slower response to project completion, and lower quality data. In addition, this transfers the responsibility of keeping project timelines fully onto the shoulders of City staff.

Confidence from diligent quality controls

Within our process we have several tests for quality data. We do not move forward until each of our tests indicates we have quality results. We utilized both qualitative and quantitative tests for accuracy. A qualitative test might be a review by the Community Development Director looking for results that don't "feel" right. Our quantitative tests include:



BY COLLECTING 70%-80% OF THE DATA WHILE WORKING WITH STAFF, WE SECURE BETTER RESULTS, FASTER, AND WITH LESS STAFF DISRUPTION.



*Cost Allocation and Master Fee Professional
Services – City of Palm Springs*

- ◆ Measuring total time assigned vs. total time available;
- ◆ Measuring our projection of current revenue against actual revenue; and
- ◆ Measuring our projection of revenue at full cost against actual full cost.



SECTION C: WORK PROPOSAL

Preparing the Indirect Cost Allocation Plan

The methodology in preparing an indirect cost allocation plan is fairly universal. With the standards established by the Federal Office of Management and Budget the method becomes widespread. Where CAP adds value is in the process and experience that Nicky will bring to the City of Palm Springs. She is one of a select group of cost plan preparers who have actually negotiated directly with Federal or State Auditors in the setting of overhead rates and cost allocation plans. In addition, she has experience of preparing indirect cost allocation plans at a state level, which are the most complex plans in existence. In addition, we utilize a database program to build the allocation model. This tool is significantly superior over a simple spreadsheet model. Spreadsheets cannot handle the complex “double step down” that is required by OMB A-87. See Attachment C for Sample Cost Plan Sheets.

Scope of Services Required – Overhead Cost Allocation Plan:

Below are the basic steps the consultant will complete to meet requirements to prepare the City of Palm Springs’s Full Cost Allocation Plan and OMB A-87 Cost Allocation Plan which will be done in conjunction with each other:

Task 1: Project initiation

Preliminary phone conference to review requirements, current allocation plan methods, means for consultant to obtain copies of current City documentation of cost allocation plan, and to schedule initial meeting with staff.

Task 2: Interview various departmental staff

Schedule and hold individual interviews with the necessary staff to discuss information needed by the consultant to complete the cost plan. These meetings are held to get a thorough understanding of the department’s major functions and how CAP can best allocate the costs to all departments that receive their services. CAP will work with the City to establish the goals for overhead cost allocation ensuring that the development of the plan will be accurate, fair, and defensible.

Task 3: Data collection and preparation of draft plan

Collection of all necessary information from the client to prepare the draft cost allocation plans, such as revenue and expenditure reports, functional information and statistical data.

Task 4: Prepare cost allocation plans

Develop a draft of the cost allocation plans.

Task 5: Review draft plan with staff and make changes as required

Work with client to go over draft and explain what the draft means. Talk about questions and come up with any necessary changes.



Task 6: Review plan with staff for clarity and understanding

Meet with client to present and discuss the plans so there is a clear understanding by the client of the content and assurance of accuracy.

Task 7: Develop allocation measures and statistics

Work with city in developing service provisions, cost categories, and allocation criteria for future programs.

Task 8: Meet with impacted staff for questions and clarity

Meet with any additional staff from other departments to answer questions and go over the cost plan to ensure the most accurate plan will be prepared.

Task 9: Finalize cost plans

Finalize updated cost allocation plan to incorporate changes from departments during review process.

Task 10: Prepare and present Cost Allocation Plans to Select City Staff as required

Participate in presentation to City Finance staff and other select City Staff.

ANNUAL UPDATE OF COST ALLOCATION PLAN:

We understand the City is looking for a cost plan system that it can maintain the cost plan in house. We are pleased to report that we are utilizing a web based cost plan system developed by CostTree Systems and our team that can be updated by the City in subsequent years.

The initial year of your plan's preparation will be done by us which will build the structure into the system. Beyond the first year, the City will have access to update their plan with CAP by CostTree which is a web based application that can be accessed through any web browser for an annual licensing fee which is a fraction of the consulting cost.

This system is a highly effective tool for us and our clients. One of the advantages of a web based solution is that we can provide support and assistance to the City as the cost plan grows and matures with City government. Other excel based systems do not allow for change and growth easily, while this web based system grows and changes as your city does.

We will be happy to introduce the solution to the City and train staff on the maintenance and updating of your cost plan. One additional benefit is that the management team of Capital Accounting Partners is also the management team of CostTree Systems and will commit to the successful implementation for the City.

The many improvements that you will experience with the new system include:

- ◆ Spreadsheet upload functionality – Improves the efficiency of loading supporting data into the System and populating the current Allocations, Budgets, Expenditures, and Departments. And takes user error out of the equation.
- ◆ Document Repository for Audit Support – CAP by CostTree includes a document storage area for you to load your plan's support for easy review of your plan and its' support.



- ◆ User Role Enhancement – The system will allow for unique user roles that enable certain users to access and modify data based on the appropriate user functions. i.e. the Reviewer/Auditor can only review supporting documentation and data without the ability to change any of the inputs. There are three user roles within the system, Account Administrator(full access), Regular User(data input), and Reviewer/Auditor(No ability to make changes)
- ◆ Smart Copy and Paste – Allows users the ability to accurately copy and paste values while maintaining their associated department or line item no matter how you have sorted or arranged your list of departments.
- ◆ Error Checking – System has the functionality to run an error-check that verifies that you haven't made any significant mechanical errors in the plan.
- ◆ Report formatting and Output – You can choose to export your final plan to either PDF or Excel depending on the preference of your end user.
- ◆ Backup/Restore – At any given point, you can create a backup file that can be restored at any given time. The Backup/ Restore functionality not only saves the data points in your plan, but also creates a backup of all supporting documentation that has been uploaded to the document repository.

CAP by CostTree is a revolutionary tool that will improve the City's efficiency and give you the ability to own your plan and it's preparation. In addition to a great product, the City will also maintain a leadership team that is committed to their client's success in the future.

Preparing the Comprehensive User Fee Study

OUTLINE OF SCOPE

Upon reviewing the City's master fee schedule we propose assessing user fees for the following:

- A. Building & Safety permits;
- B. Planning applications
- C. Development engineering;
- D. Parks and Recreation;
- E. Police fees;
- F. Fire Fees; and
- G. Hourly rates where applicable.

CALCULATING THE COST OF USER FEES – DESIGNED PROCESSES

Our methodology for user fee studies relies on providing detailed analysis at an operational level. This provides staff and the City council the confidence they need to set reasonable fees and policies where required. We do this by developing driver based costing models. Some methodologies rely on a simple allocation of cost to general fee categories. Our approach emphasizes a detailed analysis of what drives the cost of each fee. Graphically, the methodology can be illustrated in the following manner.



- ◆ **User Role Enhancement** – The system will allow for unique user roles that enable certain users to access and modify data based on the appropriate user functions. i.e. the Reviewer/Auditor can only review supporting documentation and data without the ability to change any of the inputs. There are three user roles within the system, Account Administrator(full access), Regular User(data input), and Reviewer/Auditor(No ability to make changes)
- ◆ **Smart Copy and Paste** – Allows users the ability to accurately copy and paste values while maintaining their associated department or line item no matter how you have sorted or arranged your list of departments.
- ◆ **Error Checking** – System has the functionality to run an error-check that verifies that you haven't made any significant mechanical errors in the plan.
- ◆ **Report formatting and Output** – You can choose to export your final plan to either PDF or Excel depending on the preference of your end user.
- ◆ **Backup/Restore** – At any given point, you can create a backup file that can be restored at any given time. The Backup/ Restore functionality not only saves the data points in your plan, but also creates a backup of all supporting documentation that has been uploaded to the document repository.

CAP by CostTree is a revolutionary tool that will improve the City's efficiency and give you the ability to own your plan and it's preparation. In addition to a great product, the City will also maintain a leadership team that is committed to their client's success in the future.

Preparing the Comprehensive User Fee Study

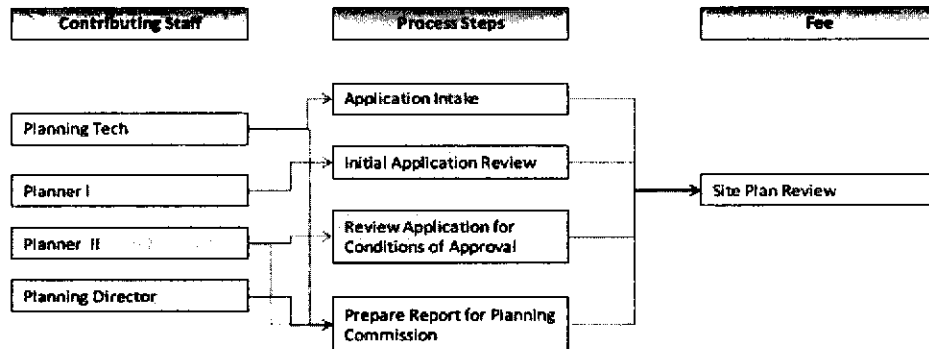
OUTLINE OF SCOPE

Upon reviewing the City's master fee schedule we propose assessing user fees for the following:

- A. Building & Safety permits;
- B. Planning applications
- C. Development engineering;
- D. Parks and Recreation;
- E. Police fees;
- F. Fire Fees; and
- G. Hourly rates where applicable.

CALCULATING THE COST OF USER FEES – DESIGNED PROCESSES

Our methodology for user fee studies relies on providing detailed analysis at an operational level. This provides staff and the City council the confidence they need to set reasonable fees and policies where required. We do this by developing driver based costing models. Some methodologies rely on a simple allocation of cost to general fee categories. Our approach emphasizes a detailed analysis of what drives the cost of each fee. Graphically, the methodology can be illustrated in the following manner.



Step One: Calculate the Full Cost of Services

Calculating the full cost of services begins with reviewing the budgeted expense and revenue data. This gives us a high level overview of costs and revenues and allows us the ability to see the “bigger” picture. By “full cost” we mean the total cost at a division or departmental level. We also compare the full cost with the total revenue so that leadership can understand the relationships between direct and indirect costs.

Step Two: Calculate the Cost of Individual Fee Items

Staff interviews are done on-site in a series of focus group style workshops. Each workshop series can span 2-3 days depending up the size of the community, number of staff, number of fees, and number of work units that are involved. These workshops are designed specifically to maximize staff input with the least disruption to their day to day work.

WORKSHOP SERIES #1

This first workshop series will provide two rounds of interviews with each work unit that is involved. Each interview will last 2-3 hours. For example, during this first workshop we will want to meet with Planning staff for 2-3 hours on day one and then again for approximately 2 hours on day two or three. This gives us ample time to understand operations, identify costing issues that will be important to understand, and time to review and confirm our data.

This first set of interviews will have five objectives:

1. Identify all practices or policies that drive cost recovery.
2. Identify core business processes that drive the cost of services. These are both direct project activities as well as those activities that support the department or division.
3. Identify components of cost such as salaries, benefits, non-personnel costs, contractor costs, etc.
4. Calculate annual productive hours available. This is done by subtracting vacation, sick, personal leave, holiday, training, meeting, and break time from the standard 2080 hour hours.
5. Begin and complete gathering time estimate data with staff.



BY COLLECTING 70%-80% OF THE DATA WHILE WORKING WITH STAFF, WE SECURE BETTER RESULTS, FASTER, AND WITH LESS STAFF DISRUPTION.



WORKSHOP SERIES #2

The second workshop will again be comprised of two separate interviews with each work unit that is represented in the study. As in workshop #1 we will schedule the initial interview followed by a second one on subsequent day(s). However, these interviews are substantially shorter and often the second interview session is not necessary.

There are four objectives to this second workshop:

1. Review and update time estimates.
2. Assign time to support activities such as customer service, long range planning, management & administration, etc.
3. Review staff salaries, budgeted expenses, FTE assignments, etc.
4. Review preliminary results for any obvious missing data.

JUST TO BE CLEAR:
 We do not hand your staff a series of Excel spreadsheets and ask them to complete them. This method results in longer project times, more staff disruption, greater probabilities for errors, waste, and suspect data

Step Three: Quality Check and Formal Review

Our quality checks are based on two broad criteria.

Qualitative checks:

- Do the results make sense to staff and departmental leadership?
- Can staff explain to a customer or citizen how we arrived at the numbers we have calculated?

Quantitative checks:

- Quantitative checks assure compliance with state law requiring that user fees be aligned with the cost to actually provide the service.

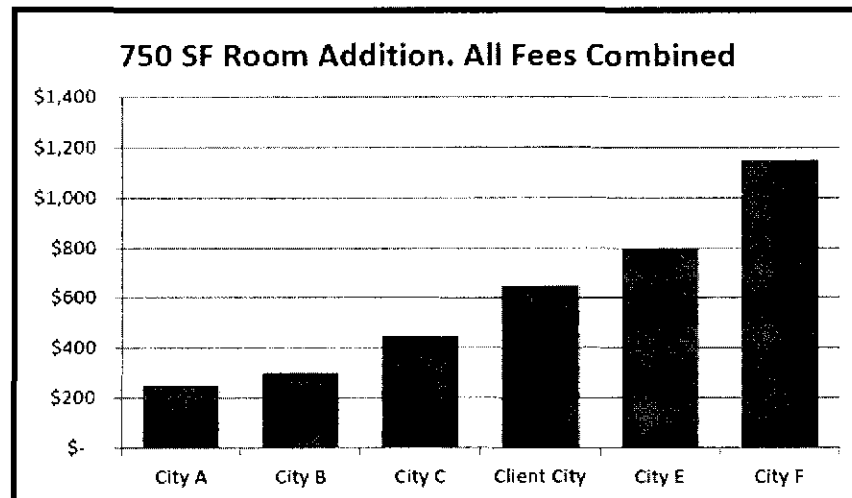
Quantitative Checks	Acceptable Margin of Error
1. Budgeted expenses entering the cost models must equal total expenses accounted for in the costing model.	0%
2. Projected revenue from fees must closely match actual revenue from fees.	+ or – 5%-10%
3. Available staff time must be fully accounted for in the costing models.	0%
4. Total revenues from fees and contributions from the general fund or other sources must match total expenses.	0%

Step Four: Provide Comparison Study

We offer to the City of Palm Springs a two step approach to comparative surveys. In step one we will identify 5-10 specific fees for each division or department reviewed. In step two we will also identify 2-4 development projects that are routine to the City. This approach will provide the City with a clear picture of where it stands



in comparison with surrounding jurisdictions and their fees. A simple fee by fee comparison does not provide adequate comparative analysis as many cities may have identical fee descriptions but incorporate very different services into each. By adding the additional step of pricing specific development projects the City will have a better basis for comparison.



Step Five: Prepare Report

After all data has been identified, costs calculated, and final reviews by staff have been completed, we will then prepare a full and comprehensive report. We take great pride in our reports and our clients appreciate the full and complete nature of this document. The City will find in its report a complete discussion of direct costs, indirect costs, comparisons of revenue at full cost and current costs, and recommendations for policy development that will guide the City in its fee setting activities.

At a minimum our reports will provide a comprehensive:

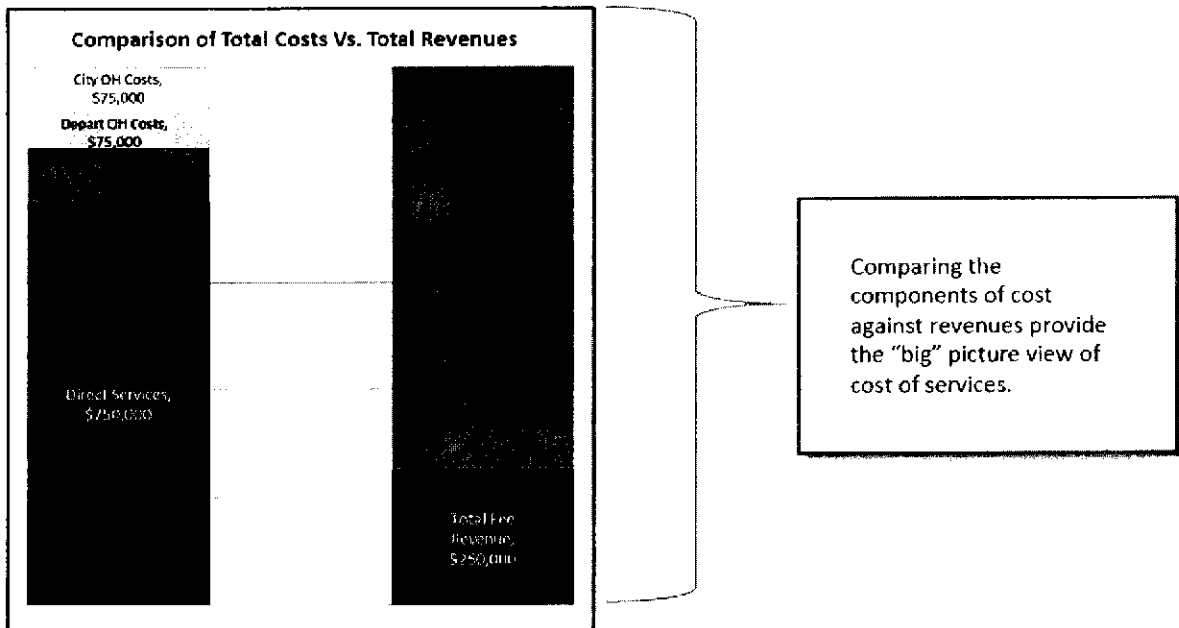
- ✓ Analysis of the direct cost of services;
- ✓ Analysis of the indirect activity cost that supports the direct processing of applications and permits;
- ✓ Analysis of cost from City overhead;
- ✓ Analysis of the per unit cost of each service;
- ✓ Analysis of the current cost recovery rate for each service;
- ✓ Analysis of cost and recovery by fee category such as planning fees approved administratively vs. planning fees approved by the planning commission;
- ✓ Analysis of cost recovery given a targeted cost recovery rate;
- ✓ Annual summary of revenue recovery from current fee levels;
- ✓ Annual summary of revenue recovery at full cost recovery;



- ✓ Annual summary of revenue sources such as fees vs. general fund;
- ✓ Annual summary of sources of cost such as City overhead, department overhead, and direct activity costs;
- ✓ Annual summary of cost by core business processes; and
- ✓ Analysis of fee comparisons against five benchmark cities.
- ✓ Recommendations regarding cost recovery of user fees

The following graphics illustrate the quality of our reports and the level of analysis that we provide.

Cost and Revenue Comparisons



BY COMPARING TOTAL COST AND TOTAL REVENUES BY INDIVIDUAL COMPONENTS THE CITY COUNCIL CAN HAVE A FAST VISUAL ANALYSIS FOR SETTING COST RECOVERY POLICY.



Understanding cross departmental support such as engineering, transportation, and fire prevention.

Components of Cost

Fee Name	Sources of Cost			Annual Recoverable Cost / Revenue at Full Cost		
	Current Planning	Engineering & Transportation	Fire Prevention	Full Cost	Current Fee Levels	Annual Surplus (subsidy)
Demolition of Historic Landmark	0	0	0	\$0	\$0	0
Demolition of Historic Landmark	0	0	0	\$0	\$0	0
Discretionary Use	19,670	5,873	391	\$25,934	\$11,484	(14,450)
Discretionary Use	7,093	2,013	137	\$9,242	\$5,774	(3,468)
DWP Overlay District Development	11,569	3,020	1,041	\$15,629	\$6,120	(9,509)
DWP Overlay District Development	0	0	0	\$0	\$0	0
Establishment of Historic Landmark Inventory	0	0	0	\$0	\$0	0
Establishment of Historic Landmark Inventory	0	0	0	\$0	\$0	0
Annual Totals				\$1,086,009	\$483,883	(\$602,126)

OUR REPORTS CAN PROVIDE THE CITY WITH A VARIETY OF ANALYTICAL DATA. THIS GRAPHIC SHOWS THE ANNUAL FULL COST, THE FULL COST BY THE SOURCES OF COSTS, THE CURRENT ANNUAL REVENUES WITH A COMPARISON OF ANNUAL COST AND REVENUES. IN ADDITION, WE CAN SHOW THE CURRENT COST RECOVERY RATE AND THE REQUIRED INCREASE TO BRING THE FEES UP TO FULL COST RECOVERY ON A CATEGORY BASIS.

Our reports can provide the City of Palm Springs with a variety of analytical data. This graphic shows the annual full cost, the full cost by the sources of costs, the current annual revenues with a comparison of annual cost and revenues. In addition, we can show the current cost recovery rate and the required increase to bring the fees up to full cost recovery on a category basis.

Step Six: Council Presentations

The RFP does not reference a presentation to the City of Palm Springs City Council. However, it would be unusual to do a cost of service study and not have a presentation to the Council. For this reason, we have included on within our pricing structure.

Prior to the Council presentation and/or final stakeholder presentation, we will make all necessary adjustments to the draft report. This report, after review by staff, will form the basis of the Council presentation. We will work with staff to determine what type of presentation will be best suited for the City. Some councils want full and comprehensive presentations with full descriptions of methodologies, results, policy considerations, etc. Others want a briefer presentation that will provide a summary of costs and results. Whatever the City decides we will be available to meet the needs and provide a presentation that will work for the City of Palm Springs. However, we do find that a fuller presentation during study sessions provides the best opportunity for the Council to have a full understanding of the project.



SECTION D: SCHEDULE PROPOSAL

SCHEDULE

We realize that the RFP schedule calls for the award of the project to be on September 9. We have set the project start date on October 1st. This date is set arbitrarily assuming that factors beyond anyone's control may slow progress toward the initiation of the project.

Schedule By Tasks	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4
Full Cost Allocation Plan																
Task 1: Project initiation																
Task 2: Interview various departmental staff																
Task 3: Data collection and preparation of draft plan																
Task 4: Prepare full cost allocation plan																
Task 5: Review draft plan with staff and make changes as required																
Task 6: Review plan with staff for clarity and understanding																
Task 7: Develop allocation measures and statistics																
Task 8: Meet with impacted staff for questions and clarity																
Task 9: Finalize full cost plan																
Task 10: Prepare and present full Cost Allocation Plan to Select City Staff as required																
Comprehensive User Fee Study																
Step One: Calculate the Full Cost of Services																
Step Two: Calculate the Cost of Individual Fee Items																
Step Three: Quality Check and Formal Review																
Step Four: Provide Comparison Study																
Step Five: Prepare Report																
Step Six: Council and Stakeholder Presentations																



ATTACHMENT A:

NICOLIE (NICKY) CASS LETTINI, MBA- OWNER/PARTNER

Your project leader has prepared over three hundred complete cost plans and cost of service analysis in her twelve years of consulting. As a former senior consultant with Maximus and Public Resource Management Group, LLC (now MGT) and now with her own company, Nicky gained a broad base of experience working for state and local governments throughout California, Nevada, Oregon, Washington, Texas, New Mexico, and Colorado. Her excellent working rapport with the State Controller's staff and her genuine desire to help her clients provides a level of service second to none.

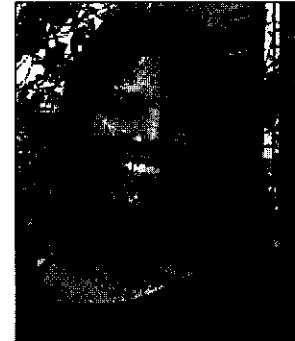
Because of her strong desire to provide unprecedented customer satisfaction Nicky formed Capital Accounting Partners, LLC (CAP) in partnership with Tillman Sherman. Her reputation for attention to detail and responsiveness to client needs quickly built her client roster.

Nicky's number one goal in every project is to provide the highest level of service to her client. She brings a depth of knowledge and experience to the complexities of cost plans and cost of services analysis. Most importantly she spends the time necessary working with you and your staff on the level of detail needed to take full advantage of every benefit the cost plan can provide while assuring costs are properly allocated by department. Nicky is able to identify practices and procedures to make future plans easier to prepare. She will offer alternatives for improving the process, when appropriate.

Her commitment is to see that the plan is done right the first time while exceeding all of your expectations. She is happy to report that EVERY ONE of her over two hundred and ninety cost plans has been turned in on time or before the due date.

In addition to Nicky's commitment to her clients, she is also committed to staying abreast of local government rules and regulations including the Office of Management and Budget A-87 Regulations and has received formal training endorsed by the State of California and is scheduled for refresher course this September.

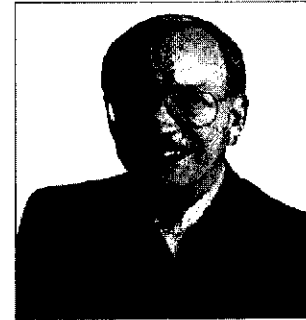
Nicky has a Bachelor of Science in Managerial Economics from University of California, Davis and has her MBA in Accounting from California State University, Sacramento.





DANIEL B. EDDS, MBA, PMP - PROJECT CONSULTANT

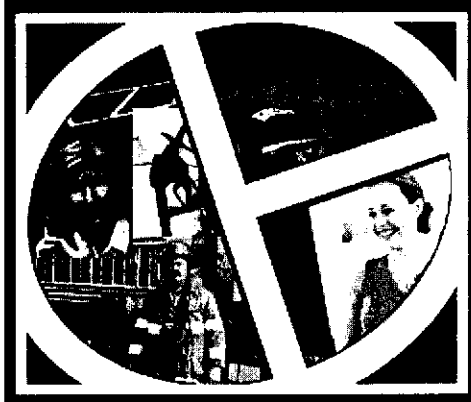
Dan is a project manager with Capital Accounting Partners (CAP). He has more than thirteen years of experience consulting within the public sector. His operational improvement work has involved problem solving and process improvement opportunities for core business processes. In these projects, business processes are evaluated for cost, and opportunities for improvement. The result is a clear understanding of how to improve the delivery of services; lower long term operational cost, and increase staff productivity. Mr. Edds has extensive training in facilitation, group decision-making and strategic planning from the Institute of Cultural Affairs.



Prior to joining CAP he was a project manager with FCS GROUP, a regional firm out of Redmond, Washington. He also served for five and a half years as senior project manager with a major international governmental consulting firm with offices in the western United States. In that position, he conducted and managed financial and operational analysis with numerous counties and cities. His work has involved process analysis for the purpose of restructuring fees for full cost recovery of Land Development, Planning, Public Works, Recreation, Police, Fire Prevention, Hazardous Materials, GIS, Library and other services.

Mr. Edds holds a Masters of Business Administration from the Albers School of Business and Economics at Seattle University. He is a regular presenter at state GFOA conferences, and has been professionally training in strategic planning and group facilitation. In addition he is a *Kaplan Norton Balanced Scorecard Certified Graduate* and he is a *Baldrige Quality Award* Examiner through the Washington State Quality Award program.

Capital Accounting Partners, LLC



***Preparation of a User
Fee study, City of Palm
Springs—
Cost Proposal***

November 26, 2013

COST AND SCHEDULE PROPOSAL

COST PROPOSAL

Capital Accounting Partners, LLC (CAP) is submitting for your consideration our proposal to provide the City of Palm Springs's Comprehensive Fee and Rate Study. CAP has extensive expertise in both of these services. This proposal is valid for one hundred twenty (120) days from November 26, 2013

The following is a fixed, not to exceed, price based on our reading of the RFP. Our method of payment is to invoice monthly based on the work actually performed.

We will furnish all materials and services set forth herein subject to all conditions outlined in the Proposal Document at prices indicated below:

Consultant Hours and Costs	Consultants		
	Lettini	Edds	Totals
	\$ 155	\$ 155	
Full Cost Allocation Plan			
Task Plan			
Task 1: Project initiation	1		\$ 155
Task 2: Interview various departmental staff	8		\$ 1,240
Task 3: Data collection and preparation of draft plan	10		\$ 1,550
Task 4: Prepare full cost allocation plan	30		\$ 4,650
Task 5: Review draft plan with staff and make changes as required	8		\$ 1,240
Task 6: Review plan with staff for clarity and understanding	5		\$ 775
Task 7: Develop allocation measures and statistics	10		\$ 1,550
Task 8: Meet with impacted staff for questions and clarity	4		\$ 620
Task 9: Finalize full cost plan	10		\$ 1,550
Task 10: Prepare and present full Cost Allocation Plan to Select City Staff as required	6		\$ 930
Total Estimated Labor	92		\$ 14,260
Total Budget			\$ 15,260
Comprehensive User Fee Study			
Task Plan			
Step One: Calculate the Full Cost of Services		36	\$ 5,580
Step Two: Calculate the Cost of Individual Fee Items		48	\$ 7,440
Step Three: Quality Check and Formal Review		36	\$ 5,580
Step Four: Provide Comparison Study		24	\$ 3,720
Step Five: Prepare Report		24	\$ 3,720
Step Six: Council and Stakeholder Presentations		16	\$ 2,480
Total Estimated Labor	0	184	\$ 28,520
Total Budget			\$ 30,020
Total Project Budget			\$ 45,280

FIXED FEE:

The total fixed fee for full preparation and support of the User Fee Study to include tasks listed in the Scope of Service in the Technical proposal shall be \$45,280.

Additional and optional services that may be requested.

- 1) Stakeholder and Council Subcommittee meeting to review results of the user fee study:
 - a. Labor=\$1600 (day rate plus travel time); and
 - b. Expenses=\$750.
- 2) Additional Council meeting to review results of the user fee study:
 - a. Labor=\$1600 (day rate plus travel time); and
 - b. Expenses=\$750.
- 3) Additional Council and/or Council Subcommittee meeting to review results of the cost allocation plan.
 - a. Labor = \$1600 (day rate plus travel time); and
 - b. Expenses = \$750.

Fixed, not to exceed cost = \$52,330

HOURLY RATES

Should work outside the Scope of Service as identified in the Request for Proposal be requested of the consultant, the hourly rate for each consultant shall be:

For Nicolie Cass Lettini, MBA, \$155 (one-hundred fifty-five dollars) per hour;

For Dan Edds, \$155 (one-hundred fifty –five dollars) per hour.

ASSUMPTIONS

The assumptions covered in this proposal include:

1. Data supplied is in good order and accurate.
2. Agreed up schedules for on-site visits will be maintained.
3. Participants in data collection workshops and review discussions will have the necessary authority required to make recommendations on fee schedule structure and services.
4. The RFP covers the fees that appear in the City's Master Fee Schedule.
5. The project covers user fees and does not include impact fees, fines, in-lue-of-fees, or taxes.
6. Each costing model will require a reasonable number of iterations. Typically 2-3. Excessive iterations, multiple scenarios, and additional calculations beyond calculating the cost of user fees may require additional compensation.
7. Data requests will be provided in good order, in timely fashion, and in a format that can be easily accessed.
8. We understand that organizational restructuring and staffing fluctuations do happen and we are happy to work within these normal variances. Occasionally, however, projects have known to come to a complete halt because of new leadership and massive organizational restructuring. We understand these realities but occasionally these events do create the need for additional work and charges.

ATTACHMENT "C"

THIS FORM MUST BE COMPLETED AND SUBMITTED IN A SEPERATELY SEALED ENVELOPE#2 "Cost Proposal", NOT with Envelope #1, Technical/Work Proposal)

REQUEST FOR PROPOSAL (RFP #08-14)

COMPREHENSIVE FEE AND RATE STUDY

COST PROPOSAL

Responding to Request for Proposal No. 08-14 Comprehensive Fee and Rate Study, I/WE will accept as full payment the following "not-to-exceed" fixed fee including all associated fees (i.e. printing costs, attendance at meetings, etc.) and be based on achievement of deliverables, which should be outlined on the consultant's proposed timeline for providing all services to complete the Comprehensive Fee and Rate Study. The undersigned Proposer proposes and agrees to provide all work and services necessary to deliver a comprehensive fee and rate study as defined in the Scope of Work herein.

TOTAL NOT-TO-EXCEED AMOUNT:

\$52,330 _____

(PRICE IN FIGURES)

Fifty two thousand, three hundred and thirty dollars. _____

(PRICE IN WORDS)

- In the event that additional services are required beyond the scope of work as defined in this document, please provide your hourly rate (regular business hours only*) \$155/hour
- Hourly rate for additional services not covered in RFP document. \$155.
- Hourly rates for all Project Team members: \$155.
- Administrative Rates for additional services not covered in RFP document. \$N/A
- Hourly rate for any sub-consultant used in this Fee Study not covered in this RFP document. \$N/A
- Indicate time in calendar days, for completion after receipt of notice to proceed: 120 (based upon the City's ability to maintain an agreed upon schedule _____ DAYS (NTP).
-

EXHIBIT "D"

SCHEDULE OF COMPENSATION

COMPREHENSIVE FEE AND RATE STUDY

COST PROPOSAL

The following "not-to-exceed" fixed fee including all associated fees (i.e. printing costs, attendance at meetings, etc.) to be based on achievement of deliverables, which should be outlined on the consultant's proposed timeline for providing all services to complete the Comprehensive Fee and Rate Study. The undersigned Proposer proposes and agrees to provide all work and services necessary to deliver a comprehensive fee and rate study as defined in the Scope of Work herein.

TOTAL NOT-TO-EXCEED AMOUNT:

\$ 52,330.00
(PRICE IN FIGURES)

Fifty Two Thousand, Three Hundred and Thirty Dollars
(PRICE IN WORDS)

In the event that additional services are required beyond the scope of work as defined in this document, please provide your hourly rate (regular business hours only)*

Hourly rate for additional services not covered in RFP document. \$ 155.00

Hourly rates for all Project Team members: \$ 155.00

Administrative Rates for additional services not covered in RFP document. \$ n/a

Hourly rate for any sub-consultant used in this Fee Study not covered in this RFP document. \$ n/a

Indicate time in calendar days, for completion after receipt of notice to proceed:
120 (based upon the City's ability to maintain an agreed upon schedule 120 days (NTP).

EXHIBIT "E"

SCHEDULE OF PERFORMANCE



Cost Allocation and Master Fee Professional Services – City of Palm Springs

SECTION D: SCHEDULE PROPOSAL

SCHEDULE

We realize that the RFP schedule calls for the award of the project to be on September 9. We have set the project start date on October 1st. This date is set arbitrarily assuming that factors beyond anyone's control may slow progress toward the initiation of the project.

Schedule By Tasks	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4
Full Cost Allocation Plan																
Task 1: Project Initiation																
Task 2: Interview various departmental staff																
Task 3: Data collection and preparation of draft plan																
Task 4: Prepare full cost allocation plan																
Task 5: Review draft plan with staff and make changes as required																
Task 6: Review plan with staff for clarity and understanding																
Task 7: Develop allocation measures and statistics																
Task 8: Meet with impacted staff for questions and clarity																
Task 9: Finalize full cost plan																
Task 10: Prepare and present full Cost Allocation Plan to Select City Staff as required																
Comprehensive User Fee Study																
Step One: Calculate the Full Cost of Services																
Step Two: Calculate the Cost of Individual Fee Items																
Step Three: Quality Check and Formal Review																
Step Four: Provide Comparison Study																
Step Five: Prepare Report																
Step Six: Council and Stakeholder Presentations																

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET
FOR FISCAL YEAR 2013-14.

WHEREAS, Resolution No. 23341 approving the Budget for the Fiscal Year 2013-2014 was adopted on May 15, 2013; and

WHEREAS the City Manager has recommended, and the City Council desires to approve, certain amendments to said budget.

NOW THEREFORE THE CITY COUNCIL DETERMINES, RESOLVES AND APPROVES AS FOLLOWS: that the Director of Finance is authorized to record inter-fund cash transfers as required in accordance with this Resolution, and Resolution No. 23341, adopting the Budget for Fiscal Year 2013-14 is hereby amended as follows:

SECTION 1. ADDITIONS

Fund	Activity	Account	Amount
001 General Fund	1300 Finance Dept.	43200 Contractual Services	\$52,330

Purpose: Funding for User Fee Study Agreement.

SECTION 2. SOURCE

Fund	Activity	Account	Amount
001 General Fund		29301 Fund Balance	\$52,330

ADOPTED THIS 5TH DAY OF February, 2014.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California