

AGENDA

**PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, SEPTEMBER 25, 2012
3:00 P.M.**

**Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its **Regular Voting Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

- ◆ **CALL TO ORDER**
- ◆ **INTRODUCTIONS**
- ◆ **INVOCATION** Reverend Julia McKenna Johnson, Each One Reach One
- ◆ **PLEDGE OF ALLEGIANCE:** Councilman Arnold
- ◆ **ROLL CALL:**

Mayor Kuykendall
Councilman Arnold
Councilman Blair
Councilman Carlow
Councilman Kuknyo
Councilman Lamerson
Councilman Scamardo
- ◆ **PRESENTATION** – Recognition of Fire Captain Jim Kennedy, Fire Fighter of the Year
- ◆ **SUMMARY OF CURRENT OR RECENT EVENTS**
- I. **CONSENT AGENDA**

CONSENT ITEMS I.A. – I.B. LISTED BELOW MAY BE ENACTED BY ONE MOTION. ANY ITEM MAY BE REMOVED AND DISCUSSED IF A COUNCILMEMBER SO REQUESTS.

RECOMMENDED ACTION: MOVE to approve Consent Agenda Item I.A.-I.B.

- A. Approval of the minutes of the Prescott City Council Regular Meeting of August 28, 2012; Special Meeting of September 4, 2012; and Workshop of September 4, 2012.
- B. Approval of Mitel Phone System Support and Maintenance FY13.

II. REGULAR AGENDA

- A. Public Hearing and consideration of a liquor license application from Colleen Marie Kendall, applicant for Conker Enterprises, Inc., for a Series 06, All Spirituous Liquor Bar license, for The Windsock located at 1365 Iron Springs Road, Suite A-6.

RECOMMENDED ACTION: (1) MOVE to close the Public Hearing; and (2) MOVE to approve/deny Liquor License Application No.06130016, for a Series 06, All Spirituous license, for The Windsock located at 1365 Iron Springs Road, Suite A-6.

- B. Public Hearing and consideration of a liquor license application from Danny Roy Thomas, for a Series 05, Government license, for Yavapai College Performing Arts Center, buildings 15 and 16, located at 1100 East Sheldon Street.

RECOMMENDED ACTION: (1) MOVE to close the Public Hearing; and (2) MOVE to approve/deny Liquor License Application No.05133002, for a Series 05, Government, license, for Yavapai College Performing Arts Center, buildings 15 and 16, located at 1100 Sheldon Street.

- C. Public Hearing for a Substantial Amendment to the 2012-2013 Community Development Block Grant (CDBG) Annual Action Plan allocating undesignated funds in the amount of \$238,343.00 for Dexter Neighborhood infrastructure improvements.

RECOMMENDED ACTION: (1) MOVE to close the public hearing; and (2) MOVE to approve the substantial amendment to the CDBG 2012-2013 Annual Action Plan in the amount of \$238,343.

- D. Approval of contract for workers compensation third-party administration services.

RECOMMENDED ACTION: MOVE to approve a contract with York for workers compensation third party administration services in the total amount of \$127,150.00, for five (5) years, effective January 1, 2013.

- E. Approval of a professional services agreement with National Golf Foundation Consulting, Inc., for an economic impact and cost/benefit analysis of Antelope Hills Golf Course in an amount not to exceed \$18,000; and confirmation of evaluation process milestones.

RECOMMENDED ACTION: MOVE to approve: (1) a professional services agreement with National Golf Foundation Consulting, Inc., for an economic impact and cost/benefit analysis of Antelope Hills Golf Course in an amount not to exceed \$18,000; and (2) confirm the evaluation process milestones set forth in the Council agenda memo.

- F. Approval of a professional services agreement with LA Consulting, Inc., for maintenance management services including training for the Public Works and Field and Facilities Services Departments in an amount not to exceed \$74,974.00.

RECOMMENDED ACTION: MOVE to approve a professional services agreement with LA Consulting, Inc., for maintenance management services including training for the Public Works and Field and Facilities Services Departments in an amount not to exceed \$74,974.00.

- G. Adoption of Resolution No. 4147-1307 approving an Intergovernmental Agreement with the Yavapai County Flood Control District for the FEMA Studies Finalization & Outreach Project and acceptance of \$140,000.00 in funding.

RECOMMENDED ACTION: MOVE to adopt Resolution No. 4147-1307.

- H. Award of bid and contract to CLM Earthmovers, LLC, for the Zone 19 Reservoir, Piping, and Pump Station Replacement Project in the amount of \$3,143,028.51.

RECOMMENDED ACTION: MOVE to award the bid and contract to CLM Earthmovers, LLC, for the Zone 19 Reservoir, Piping and Pump Station Replacement Project, in the amount of \$3,143,028.51.

- I. Willow Creek 14-inch Transmission Main Reconstruction Project: (1) Approval of Contract Amendment No. 3 and final payment to Earth Resources Corporation in the amount of \$33,860.74; (2) Approval of a Settlement Agreement and Release with Civiltec Engineering, Inc.

RECOMMENDED ACTION: MOVE to approve Contract Amendment No. 3 for the Willow Creek 14-inch Transmission Main Reconstruction Project and final payment to Earth Resources Corporation in the

amount of \$33,860.74; and (as a separate motion) MOVE to approve a Release and Settlement Agreement with Civiltec Engineering, Inc., for the Willow Creek 14-inch Transmission Main Reconstruction Project.

- J. Adoption of Resolution No. 4148-1308 authorizing application for a Drinking Water State Revolving Fund loan from the Water Infrastructure Financing Authority of Arizona (WIFA).

RECOMMENDED ACTION: MOVE to adopt Resolution No. 4148-1308.

- K. Approval of a Downtown Management Agreement with the Prescott Downtown Partnership (PDP) for Fiscal Year 2013.

RECOMMENDED ACTION: MOVE to approve the Downtown Management Agreement with Prescott Downtown Partnership for Fiscal Year 2013.

- L. Approval of an Agreement for Services with the Prescott Area Arts and Humanities Council (PAAHC).

RECOMMENDED ACTION: MOVE to Approve Agreement for Services no. 2013-024 with the Prescott Area Arts and Humanities Council.

- M. Approval to submit 2013 Rural Economic Development Grant application to the Arizona Commerce Authority.

RECOMMENDED ACTION: MOVE to approve the submittal of an application for the 2013 Rural Economic Grant Program of the Arizona Commerce Authority.

- N. Action on a petition submitted by Thomas S. Akins requesting adoption of a resolution supporting “Corporations are not people”, an amendment to the United States Constitution.

RECOMMENDED ACTION: Council’s pleasure. Alternatives for action include the following:

(1) MOVE to grant the petition of Thomas S. Atkins and direct staff to bring a resolution of the City Council back for consideration of adoption at a future meeting

Or

(2) MOVE to deny the petition of Thomas S. Atkins

III. ADJOURNMENT

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Lynn Mulhall, MMC, City Clerk

COUNCIL AGENDA MEMO – September 25, 2012
 PROCUREMENT ITEM FOR CONSENT AGENDA (\$10,000 - \$20,000)

DEPARTMENT: Finance

AGENDA ITEM CAPTION: Approval of Mitel Phone System Support and Maintenance for Fiscal Year 2013

Approved By: _____ **Date:** _____

Department Director: Mark Woodfill

City Manager: Craig McConnell *Craig McConnell* 9-18-12

Good(s) or Service(s) to be Purchased	
Description of Item(s) Check if Prof. Services ___	24x7 support and maintenance on Mitel telephone system controllers, voice mail system, call accounting system, and management systems
Quantity	
Necessity/Use	The Mitel telephone system is in use at 40 City network locations and includes 475 telephones.

Summary of Written Quotes (exclusive of tax) or Professional Services Proposals

** See Note (1) below for professional services **			
x	Vendor (Name and Location)	Price	Delivery/Schedule
X	1. Fulton Communications Phoenix Arizona	\$16,950	
Pricing per National Joint Powers Alliance Contract #042109-MBS			

x = recommended award

Notes:

- Professional services may not be selected by price; indicate the price & delivery only or the vendor selected on the basis of qualifications, after which the final price and schedule were negotiated.
- Provide justification for sole source purchases in "Additional Comments" below.

Budget Information | **Fund Name:** _____

Additional Comments:
 The Mitel telephone system was installed 6 years ago replacing several individual telephone systems with an integrated network.
 This telephone system delivers voice services over the City data network and provides a unified dialing plan allowing City employees to call one another using 4 digit extension numbers.

Agenda Item:

The net benefit of this system is an elimination of the traditional costs and maintenance for a separate voice delivery infrastructure.

All City business units use and rely on the availability of the Mitel system to conduct City of Prescott business.

This service agreement provides hardware coverage/replacement and software upgrades and support for 1 year.

Mitel was founded in 1973 and provides products to over 100,000 customers around the world in over 90 countries.

Fulton Communications is the second largest Mitel partner in the United States. Fulton has a sales and support office located in the Phoenix metropolitan area to provide on-site service and support as needed.

Attachments	1.
	2.
	3.

COUNCIL AGENDA MEMO – September 25, 2012	
DEPARTMENT:	City Clerk
AGENDA ITEM:	Public Hearing and consideration of a liquor license application from Colleen Marie Kendall, applicant for Conker Enterprises, Inc., for a Series 06, All Spirituous Liquor Bar license, for The Windsock located at 1365 Iron Springs Road, Suite A-6

Approved By:		Date:
Department Head:	Lynn Mulhall	
City Manager:	Craig McConnell <i>Craig McConnell</i>	9-18-12

A Liquor License Application, City No. 13-207, State No.06130016, has been received from Colleen Marie Kendall, applicant for Conker Enterprises, Inc., for a Series 06, All Spirituous Liquor Bar, license, for **The Windsock** located at 1365 Iron Springs Road, Suite A-6.

The application is for a location transfer and has cleared Planning and Zoning, as well as the Police Department.

The application and license fee have been paid; the property was posted and there have been no statements of opposition.

The public hearing will be held at the Regular Council Meeting of Tuesday, September 25, 2012. The applicant has been requested to attend the Regular Meeting to answer any questions Council may have.

A copy of the application is available for Council's review in the City Clerk's Office.

<p>Recommended Action: (1) MOVE to close the Public Hearing; and (2) MOVE to approve/deny Liquor License Application No.06130016, for a Series 06, All Spirituous license, for The Windsock located at 1365 Iron Springs Road, Suite A-6.</p>
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COUNCIL AGENDA MEMO – September 25, 2012

DEPARTMENT: City Clerk

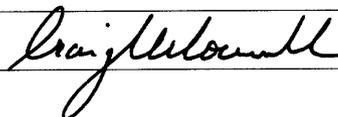
AGENDA ITEM: Public Hearing and consideration of a liquor license application from Danny Roy Thomas, for a Series 05, Government license, for Yavapai College Performing Arts Center, buildings 15 and 16, located at 1100 East Sheldon Street

Approved By:

Date:

Department Head: Lynn Mulhall

City Manager: Craig McConnell



9-18-12

A Liquor License Application, City No. 13-206, State No.05133002, has been received from Danny Roy Thomas, applicant for Yavapai Community College for a Series 05, Government, license, for **Yavapai College Performing Arts Center** located at 1100 East Sheldon Street.

The application has cleared Planning and Zoning, as well as the Prescott Police Department.

The application and license have been paid; the property was posted and there have been no statements of opposition.

The public hearing will be held at the Regular Council Meeting of Tuesday, September 25, 2012. The applicant has been requested to attend the Regular Meeting to answer any questions Council may have.

A copy of the application is available in the City Clerk's Office.

Recommended Action: (1) **MOVE** to close the Public Hearing; and (2) **MOVE** to approve/deny Liquor License Application No.05133002, for a Series 05, Government, license, for Yavapai College Performing Arts Center, buildings 15 and 16, located at 1100 Sheldon Street.

COUNCIL AGENDA MEMO – September 25, 2012	
DEPARTMENT:	Community Development - CDBG
AGENDA ITEM:	Public Hearing for a Substantial Amendment to the 2012-2013 Community Development Block Grant (CDBG) Annual Action Plan allocating undesignated funds in the amount of \$238,343.00 for Dexter Neighborhood infrastructure improvements

Approved By:		Date:
Department Head:	Tom Guice	
Finance Director:	Mark Woodfill	
City Manager:	Craig McConnell 	9-18-12

Summary

As a CDBG Entitlement Community, the City of Prescott is charged with developing an Annual Action Plan that proposes how CDBG federal funding will be expended. When funding changes by more than 10% of the annual allocation, a substantial amendment to the plan must be undertaken.

In the 2012 Program Year (PY2012) Annual Action Plan, \$61,657 was allocated to the Dexter Neighborhood for revitalization including sidewalks, ADA ramps, and safety lighting. The Annual Action Plan also listed the Dexter Neighborhood as a *priority project* to receive additional funding should undesignated funds become available. After a thorough examination of CDBG funding, it has been determined that approximately \$259,082 in unallocated funding remains available to the City of Prescott CDBG program. Of this available amount, it was proposed to the Citizens Advisory Committee that \$238,343 be allocated to Dexter Neighborhood revitalization for sidewalks and ADA ramps. On May 30, 2012 the Citizens Advisory Committee discussed the proposed amendment and recommended the following:

Dexter Neighborhood Revitalization (current PY2012-2013)	\$ 61,657
Allocation of undesignated funds (amend PY 2012-2013)	<u>\$ 238,343</u>
Total Dexter Neighborhood Revitalization Funding PY 2012	\$ 300,000

A required legal notice was published in *The Daily Courier* on August 23, 2012. Copies of the substantial amendment were made available at the following locations: City Hall Lobby Area; Office of the Grants Administrator; Prescott Downtown Library, and on the City's website. Requirements of the Annual Action Plan include a 30-day public comment period which began on August 24, 2012. The comment period will end today, September 25, 2012, at 5:00 p.m.

Streets in the Dexter Neighborhood to receive sidewalk improvements have been identified by the Public Works Department. A site plan of the streets is attached to this report. The project is scheduled to be completed by March 31, 2013.

Public Hearing for a Substantial Amendment to the 2012-2013 Community Development Block Grant (CDBG) Annual Action Plan allocating undesignated funds in the amount of \$238,343.00 for Dexter Neighborhood infrastructure improvements

Attachment - map

Recommended Action: 1) **MOVE** to close the public hearing ; and, (as a separate action) 2) **MOVE** to approve the substantial amendment to the CDBG 2012-2013 Annual Action Plan in the amount of \$238,343.

COUNCIL AGENDA MEMO –September 25, 2012	
DEPARTMENT:	Legal Department/Risk Management Division
AGENDA ITEM:	Approval of contract for workers compensation third-party administration services

Approved By:		Date:
City Attorney:	Gene Neil	
Finance Director:	Mark Woodfill	
City Manager:	Craig McConnell <i>Craig McConnell</i>	9-18-12

Background:

The City of Prescott contracts for Third-party Administrator (TPA) services for workers compensation claims. The current contract will expire December 31, 2012. A Request for Proposals (RFP) for these services was advertised and closed on July 13, 2012. Five vendors responded:

- (1) CorVel
- (2) Gallagher Bassett Services, Inc.
- (3) Pinnacle Risk Management Services
- (4) Tristar Risk Management
- (5) York (formerly Avizent) – the incumbent

The TPA processes workers compensation claims in accordance with the laws, rules and regulations of the State of Arizona. The TPA’s responsibilities include: determining compensability of claims; monitoring compliance with Industrial Commission regulations; providing cost management of medical treatment, reviewing and monitoring of medical records; ensuring compliance of medical providers with Industrial Commission fee guidelines; processing required forms with the Industrial Commission; developing monthly management reports; and completing annual audits of claim files.

Considering the services and fees proposed by the five vendors, an evaluation committee determined that York submitted the best proposal on the basis of the cost and services. York has been the City’s TPA since January 2002, and has consistently provided satisfactory services.

Financial Impact:

York proposed a flat fee of \$25,430.00 per year the same as the City currently pays. The term of the contract is five years for a total of \$127,150.00.

Recommended Action: Move to approve a contract with York for workers compensation third party administration services in the total amount of \$127,150.00, for five (5) years, effective January 1, 2013.
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COUNCIL AGENDA MEMO – September 25, 2012	
DEPARTMENT:	City Manager
AGENDA ITEM:	Approval of a professional services agreement with National Golf Foundation Consulting, Inc., for an economic impact and cost/benefit analysis of Antelope Hills Golf Course in an amount not to exceed \$18,000; and confirmation of evaluation process milestones

Approved By:	Date:
Deputy City Manager: Alison Zelms	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell 	9-18-12

Summary

This item is a proposed agreement with National Golf Foundation Consulting, Inc., (NGF) to conduct an economic impact and cost/benefit analysis, the next milestone in evaluating Antelope Hills. The agreement reflects Council discussion on September 11, 2012, at which time the prior version of a professional services agreement was tabled with direction to return with a revised scope of work focusing more on economic impact and quality of life benefits than an operational review.

NGF’s revised scope reduces the cost to an amount not to exceed \$18,000. Of that total, \$16,000 is a lump sum to complete the tasks necessary for the analysis and final report, and \$2,000 is specified to be billed at cost if the City requests that NGF present results at a City Council meeting.

In selecting NGF, statements of qualifications and proposals were received from three interested parties. NGF is the firm with the most experience, having conducted analyses of hundreds of golf course facilities of all types, including municipal, resort, private, and daily-fee. NGF is recognized in the industry as the leader in golf facility consulting, is highly qualified in evaluating municipal operations, and provided the most clear and well-rounded scope of work.

The economic impact analysis includes estimation of the direct and indirect economic contribution of Antelope Hills to the City of Prescott. Analysis will encompass the financial benefit (sales tax generated) of charity-related golf tournaments and visiting golfers to City retail business, as well as the effect of the golf courses on real estate values. A cost/benefit review focusing on the non-monetary community quality of life benefits that stem from Antelope Hills will be completed in addition to the economic impact analysis.

Also implementing Council discussion of September 11, 2012, the work group consisting of Councilman Scamardo, Golf Manager Mack McCarley, Deputy City Manager Alison Zelms, and Parks and Recreation Director Joe Baynes that has been meeting to review the financial condition and operational effectiveness of Antelope Hills recommends the following next steps for consideration by the City Council:

Agenda Item: Approval of a professional services agreement with National Golf Foundation Consulting, Inc., for an economic impact and cost/benefit analysis of Antelope Hills Golf Course in an amount not to exceed \$18,000; and confirmation of evaluation process milestones

1. Approval of the professional services agreement to complete an economic impact and cost/benefit analysis (today's item)
2. Adoption of a resolution to change current financial policies in order to eliminate the mandate that Antelope Hills cover its costs annually and allow General Fund revenues to support operations, eliminate the current Antelope Hills General Fund loan that is the accumulation of prior years of deficits plus interest, and eliminate any future accumulation of a General Fund loan owed by Antelope Hills (monetary effect to occur as part of FY 2014 budget appropriation)
3. Approval for the work group to prepare a strategic scope for a future Request for Proposals/Qualifications (RFP/RFQ) to contract Antelope Hills Food and Beverage operations

The products of the steps outlined above, continued internal review, the economic impact and cost/benefit analysis, and future Council discussion, will be combined to quantify the overall financial value and quality of life benefits afforded by Antelope Hills. Results will assist in continued decision making regarding future operations.

Approximate Schedule

4 weeks – return to Council with a resolution to modify financial policies related to accounting for Antelope Hills, to become effective in FY 2014.

10 to 12 weeks – completion of economic impact and cost/benefit analysis following field work.

10 to 12 weeks – completion of scope of work for RFP/RFQ to contract out Antelope Hills food and beverage operations.

12 to 36 weeks – completion of RFP/RFQ process for food and beverage operations and award of contract.

Budget

The FY 2013 Antelope Hills Budget includes funding for the economic impact and cost/benefit analysis.

- Attachments** - Professional Services Agreement
- Exhibit A - Scope of Work

Recommended Action: **MOVE** to approve: (1) a professional services agreement with National Golf Foundation Consulting, Inc., for an economic impact and cost/benefit analysis of Antelope Hills Golf Course in an amount not to exceed \$18,000; and (2) confirm the evaluation process milestones set forth in the Council agenda memo.



Professional Services Agreement

National Golf Foundation Consulting, Inc.

WHEREAS, the City of Prescott (hereinafter referred to as "City") is in need of certain professional services; and

WHEREAS, the City has solicited qualifications and proposals for said services; and

WHEREAS, National Golf Foundation Consulting, Inc. (hereinafter referred to as "Professional"), has expertise in conducting facilities reviews, financial, cost/benefit analyses, and operating and economic impact analyses, for the golf course industry.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS HEREIN CONTAINED, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. That Professional shall provide the services to the City in relation to Economic Impact and Cost/Benefit Analysis for Antelope Hills Golf Courses as indicated in Exhibit "A" (Request for Statements of Qualifications and Scope of Work, Task and Fee Estimate, and Project Schedule) and as requested by the City of Prescott Golf Manager.
2. In addition to those services identified in Paragraph 1 above, the Professional shall also perform all subordinate tasks not specifically referenced in Paragraph 1, but necessary to the full and effective performance of the tasks specifically referenced.
3. The Professional shall provide sufficient qualified personnel to perform any and all services as required herein, including but not limited to inspections and preparation of reports, as reasonably requested by representatives of the City.
4. All services identified in Paragraphs 1 and 2 above shall be completed to the satisfaction of the City and shall be performed in compliance with the Professional's project schedule identified in the attached Exhibit "A".
5. Notwithstanding the foregoing, this Agreement may be terminated by both parties upon ten (10) days written notice, with or without cause or upon completion of services. If this Agreement is terminated, the Professional shall be paid for authorized services satisfactorily performed to the date of the Professional's receipt of such termination notice.
6. It is agreed by and between the parties that this Agreement incorporates the attached Exhibit "A" thereto as a part of this Agreement, and that the terms thereof shall be binding between the parties.
7. Pursuant to A.R.S. Section 38-511, the City of Prescott may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a Professional to any other party of the Agreement with respect to the subject matter of the Agreement. In the foregoing event, the City of Prescott further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing,

drafting or creating this Agreement on behalf of the City of Prescott from any other party to the Agreement arising as a result of this Agreement.

8. Any notices to be given by either party to the other must be in writing, and personally delivered or mailed by prepaid postage, at the following addresses:

Mack McCarley, Golf Manager
City of Prescott
201 S. Cortez
Prescott, AZ 86301

Ed Getherall, Senior Project Manager
National Golf Foundation Consulting, Inc.
1150 South U.S. Highway One, Ste 401
Jupiter, FL 33477

9. It is expressly agreed and understood by and between the parties that the Professional is an independent Contractor, and, as such, Professional shall not become a City employee, and is not entitled to payment or compensation from the City, or to any fringe benefits to which other City employees are entitled. As an independent Contractor, Professional further acknowledges that it is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement. As an independent Contractor, Professional further agrees that it will conduct itself in a manner consistent with such status, and that it will neither hold itself out nor claim to be an officer or employee of the City by reason thereof, and that it will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.
10. This Agreement is non-assignable by the Professional unless by sub-contract, as approved in advance by the City.
11. (A) The City shall pay to Professional a total sum not to exceed \$18,000 dollars and no cents (\$.00) for all services specified in Sections 1 and 2 of this Agreement, as specified in Exhibit "A". As referenced in Exhibit "A," a sum of \$16,000 will be billed for services rendered and an additional \$2,000 is to be billed at cost if additional services necessitating travel are requested by the City of Prescott.

(B) The foregoing sum includes payment for any and all services to be rendered Professional or sub-contractors, which the Professional may employ for this Contract. It is expressly agreed by and between the parties that the Professional is solely responsible for any and all payment to such any other Professionals or sub-contractors retained by the Professional.

(C) Payment of the total amount provided for under Section 11 (A) shall not relieve Professional of its obligation to complete the performance of all those services specified in Sections, 1, 2, and 3. Should the City request in writing additional services beyond that specified in Sections 1, 2, and 3, then Professional shall charge and City shall pay Professional in accordance with Exhibit "A".

(D) Prior to the final payment to the Professional, the City shall deduct therefrom any and all unpaid privilege, license and other taxes, fees and any and all other unpaid monies due the City from the Professional, and shall apply to those monies to the appropriate accounts. Professional shall provide to the City any information necessary to determine the total amount(s) due.

(E) The Professional shall bill the City for work completed for each itemized task pursuant to this Agreement and Exhibit "A". City shall pay such billings within thirty (30) days of the date of their receipt.
12. This Agreement is the result of negotiations by and between the parties. Although it has been drafted by the Prescott City Attorney, it is the result of negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

13. This Agreement shall be construed under the laws of the State of Arizona.
14. All work products of the Professional for this Project are instruments of service for this Project only and shall remain the property of the City whether the Project is completed or not. All plans, drawings, specifications, data maps, studies and other information, including all copies thereof, furnished by the City shall remain the property of the City. They are not to be used on other work, and, with the exception of this Agreement, are to be returned to the City on request or at the completion of the work.
15. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The Professional further agrees that this provision shall be contained in all sub-contracts related to the project, which is the subject of this Agreement.
16. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorney fees, either pursuant to the Agreement, pursuant to A.R.S. Section 12-341.01(A) and (B), or pursuant to any other state or federal statute, court rule, case law or common law. The Professional further agrees that this provision shall be contained in all sub-contracts related to the project, which is the subject of this Agreement.
17. This Agreement represents the entire and integrated Agreement between the City and the Professional and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and the Professional. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.
18. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.
19. The Professional hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of the Professional's negligent acts, errors, or omissions, pursuant to this Agreement, except to the extent said claims, liabilities, expenses or lawsuits arise by the negligent acts or omissions of the City or his/her agents. The Professional further releases and discharges the City, its departments and divisions, its agents and employees, and any and all persons legally responsible for the acts or omissions of the City, from any and all claims which the Professional has or may have against the City, its agents or employees, arising out of or in any way connected with the Professional's activities as set forth below, other than those acts which occur due to the negligence of the City, its employees or agents.
20. No oral order, objection, claim or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing. No evidence of modification or waiver other than evidence of any such written notice, waiver or modification shall be introduced in any proceeding.
21. (A) Changes in Work: The City, without invalidating the Contract, may order extra work, make changes by altering, or delete any portion of the work as specified herein, or as deemed necessary or desirable by the Golf Manager. All such work shall be executed under the conditions of the original

Professional Services Agreement

Contract except that any claim for extension of time and additional cost caused thereby shall be made at the time of ordering such change or extra work.

(B) Extra work shall be that work not indicated or detailed on the Scope of Work and not specified. Such work shall be governed by all applicable provisions on the Contract Document.

(C) In giving instructions, the Golf Manager shall have authority to make minor changes in the work, not involving extra cost, and not inconsistent with the purposes of the work. No extra work or change shall be made unless in pursuance of a written order by the Golf Manager and no claim for an addition to the total amount of the Contract shall be valid unless so ordered.

(D) Payment for any change ordered by the Golf Manager which involves work essential to complete the Contract, but for which no basis of payment is provided for herein, shall be subject to agreement prior to said work being performed.

(E) Adjustments to price and/or Contract Time which are agreed upon shall be incorporated in the written order issued by the Golf Manager, which shall be written so as to indicate acceptance on the part of the Professional as evidenced by its signature. In the event prices cannot be agreed upon, the City reserves the right to terminate the Contract as it applies to the items in question and make such arrangements as it may deem necessary to complete the work, or it may direct the Professional to proceed with the items in question to be reimbursed pursuant to the unit prices in the Professional fee proposal.

(F) If the Professional claims that any instructions involve extra cost under this Contract, it shall give the Golf Manager written notice thereof within forty-eight (48) hours after the receipt of such instructions, and in any event before proceeding to execute the work. No such claim shall be valid unless so made. The Professional shall do such extra work therefor upon receipt of an accepted Contract Amendment or other written order of the Golf Manager and in the absence of such Contract Amendment or other written order of the Golf Manager, the Professional shall not be entitled to payment for such extra work. In no case shall work be undertaken without written notice from the Golf Manager to proceed with the work. All Contract Amendments must be approved by the Golf Manager. Contract Amendments over \$10,000.00 must be approved by City Council.

22. (A) The Professional shall obtain and maintain in effect during the term of, and until final acceptance of all work under this Agreement a policy or policies of liability insurance with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate. Liability insurance shall provide the following coverage:

- 1) Commercial General Liability (“explosion, collapse, and underground”, and “products/completed operations” coverage may be excluded.)
- 2) Errors and Omissions (professional malpractice)
- 3) Automobile Liability.

(B) City and Professional waive all rights against each other and their directors, officers, partners, commissioners, officials, agents, sub-contractors and employees for damages covered by property insurance during and after completion of the Services.

(C) All insurance required pursuant to this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a Certificate of Authority as defined in ARS Section 20-217, a copy of which certificate is to be attached to each applicable bond or binder.

(D) Prior to commencing work under this Agreement, the Professional shall provide City with evidence that it is either a “self-insured employer” or a “carrier insured employer” for Workers’ Compensation as required by ARS 23-901 et seq., or that it employs no persons subject to the requirement for such coverage.

23. The Professional, with regard to the work performed by it after award and during its performance of this contract, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and retention of sub-contractors, including procurement of materials and leases of equipment. The Professional will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, the Americans With Disability Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, and Arizona Governor Executive Orders 99-4 and 2000-4 as amended.

24. Contractor Immigration Warranty

Professional understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: The Contractor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its sub-contractors ("Sub-contractors") will comply with, and are contractually obligated to comply with all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Professional Immigration Warranty shall constitute a material breach of this Contract and shall subject the Professional to penalties up to and including termination of this Contract at the sole discretion of the City.

The City retains the legal right to inspect the papers of any Professional or Sub-contractors employee who works on this Contract to ensure that the Professional or Sub-contractor is complying with the Professional Immigration Warranty. Professional agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of the Professional and any of sub-contractors to ensure compliance with Professional's Immigration Warranty. Professional agrees to assist the City in regard to any random verification performed.

Neither the Professional nor any Sub-contractor shall be deemed to have materially breached the Professional Immigration Warranty if the Professional or Sub-contractor establishes that it has complied with employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.

The provisions of this Article must be included in any contract the Professional enters into with any and all of its sub-contractors who provide services under this Contract or any sub-contract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a Professional or sub-contractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

25. Professional shall exercise the same degree of care, skill and diligence in the performance of the Services as is ordinarily possessed and exercised by a professional under similar circumstances.

26. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than City and Professional.

27. In the event of a discrepancy between this Agreement and Exhibit "A", this Agreement shall control over Exhibit "A".
28. Non-Availability of Funds: Fulfillment of the obligation of the City under this Agreement is conditioned upon the availability of funds appropriated or allocated for the performance of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the City at the end of the period for which the funds are available. No liability shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments as a result of termination under this paragraph.
29. Pursuant to A.R.S. Sections 35-391.06 and 35-393.06, each Party certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section, the term "scrutinized business operations" shall have the meanings set forth in A.R.S. Section 35-391 and/or 35-393, as applicable. If any Party determines that another Party submitted a false certification, that Party may impose remedies as provided by law including terminating this Agreement.

Dated this _____ day of _____, 2012.

City of Prescott, a municipal corporation

PROFESSIONAL

Marlin D. Kuykendall, Mayor

Ed Getherall, Senior Project Director

By: _____

Title: _____

ATTEST:

APPROVED AS TO FORM:

City Clerk

G. Eugene Neil, City Attorney

Exhibit "A"



(928) 777-1881
mack.mccarley@prescott-az.gov

September 17, 2012

Mack McCarley
Golf Professional / General Manager
Antelope Hills Golf Courses
1 Perkins Drive
Prescott, AZ 86301

NGF Consulting Proposal #212028c

Re: Economic Impact / Cost/Benefit Analysis for Antelope Hills Golf Courses

National Golf Foundation Consulting, Inc. ("NGF Consulting" or "NGF") is pleased to submit this statement of qualifications for consulting services concerning the City of Prescott's 36-hole Antelope Hills Golf Courses ("Antelope Hills GC" or "Antelope Hills"). The primary goals of the engagement are to provide a quantitative analysis of Antelope Hills' economic impact on the Prescott community and to provide a qualitative discussion of the various costs and benefits associated with the presence of the golf courses.

NGF Consulting is uniquely qualified to conduct this study for the City. We are the recognized industry leader in golf facility economic consulting and boast an extensive client list. NGF municipal clients include the Arizona cities of Phoenix, Yuma, Tempe, and Gilbert, as well as Farmington, NM, Burbank, CA, Rockville, MD, and Brookline, MA and the states of Georgia and Utah. In the 1990s, NGF performed an economic impact analysis for the State of Arizona golf economy.

The team of consultants NGF will bring to this project possesses comprehensive and relevant experience in golf and economic consulting, golf facility operations, food & beverage operations, capital improvement planning, and financing. Because NGF does not design, finance, construct, or operate golf courses, we offer our clients the highest level of objectivity in all consulting assignments.

Sincerely,

Ed Getherall
Senior Project Director

(561) 354-1650
egetherall@ngf.org

PROPOSED SCOPE OF SERVICES

NGF understands that the City of Prescott wishes to retain an independent golf industry expert to measure the direct and indirect economic impacts that the Antelope Hills GC has on the Prescott community. Overall, the engagement is envisioned to accomplish the following project objectives:

- **Stakeholder Input** – The NGF team will collect input from various golf course constituents to gauge opinions about Antelope Hills.
- **Economic Impact Analysis** – We will develop a model for the Antelope Hills Golf Course that will measure the economic impact that the facility has on the Prescott community. The model will include an analysis and estimation of both the direct and indirect economic impacts that an existing golf facility has on a market area.

Task One: Project Coordination and Site Visit

NGF consultant(s) will travel to Prescott, Arizona to attend meetings and coordinate the field research phase of the engagement. During this time, the consultant(s) will:

- Conduct meetings with key City Administration, Parks, and Finance staff to gain their perspective on the Golf Enterprise Fund and to solidify study objectives. The consulting engagement will involve close coordination with the City throughout the process to discuss necessary refinements, additions, or deletions to the scope of work and to ensure that the ultimate deliverables are consistent with the requirements of the City.
- Meet with the City's new Director of Tourism, economic development officials, etc. to gain the necessary background, statistics (visitation, hotel occupancy, etc.) and inputs that we will need for development of the economic impact model.
- Tour the golf courses and support amenities; meet with key golf course operations staff, including the Golf Professional / General Manager and Superintendent to obtain the necessary background and issues related to both physical plant and operations.
- Collect from the City relevant data and documents, including financial records, budgets, activity reports, and plans for any proposed capital spending.
- Meet with and collect input from various golf course stakeholders/constituents to gauge opinions about the operation and gain context for the economic impact analysis.

Task Two: Economic Impact and Cost/Benefit Analysis

NGF will develop a model for the Antelope Hills Golf Course related to the economic impact the facility has on the City of Prescott. We will also provide a qualitative discussion of the relative costs and benefits that the golf course has for the community.

Economic Impact Analysis

The economic impact model will include an analysis and estimation of the two major components to the economic contribution of an existing golf facility on a market area:

- (1) Direct contribution of the golf facility:
 - a. Employment and wages
 - b. Gross sales/revenues
 - c. Sales taxes
 - d. Local spending on supplies, equipment, etc.

- e. Construction impacts related to capital improvements
 - f. Funds raised during charity-related golf tournaments
- (2) Indirect / secondary contributions:
- a. Rounds played by transients/visitors
 - b. Tourist/visitor attraction related to existence of Antelope Hills
 - c. Incremental spending and sales taxes attributed to destination aspect of the golf course for lodging, restaurant venues, etc.
 - d. Estimation of effect on real estate values.

Golf is widely known as a popular recreation activity and spectator sport, but it is also a significant industry in Prescott and communities across the state of Arizona and the U.S. City residents and visitors who participate in the sport generate revenues for Antelope Hills and golfer equipment/apparel suppliers, and the facility and suppliers then spend capital and employ people to service the demand. Golf is also 'enabling' other golf-related industries that generate economic impact from golfer travel spending and, in many communities, from enhanced real estate values. Also, events held at Antelope Hills also serve as valuable fundraising vehicles for charities and charitable causes.

The goal of this analysis is to estimate the overall economic impact that the Antelope Hills Golf Course has on the local community. NGF's analysis is intended to include all key activities and industries that derive economic benefit due to the presence of Antelope Hills GC in Prescott. Our study will include an explanation of the methodology and the analytical framework that was used to estimate these empirical economic impacts.

Cost / Benefit Analysis

NGF will also provide a qualitative discussion of the various costs and benefits to Prescott associated with the presence of Antelope Hills. Potential costs include the effects of taxpayer subsidy on other City services, the public policy implications of these subsidies, how poor quality/service may reflect on City, environmental impacts, and alternate site uses that may constitute a "higher and better use".

Non-economic/qualitative benefits we will discuss include those related to overall "quality of life", health aspects (e.g., exercise), preservation of green space, environmental (e.g., water filtration, use of recycled water), diversion for at-risk youth, and attraction of individuals (e.g., retirees) and businesses that are making relocation decisions.

Project Deliverables

NGF Consulting anticipates frequent communication with the City and golf course General Manager during the course of this engagement. Project deliverables will include:

- Activities on-site, including meetings with City and golf course staff.
- Interim verbal discussions of preliminary findings via conference call.
- A written report of findings, including support documentation and a concise executive summary. A draft version of the document will be delivered to the City for review and comments. Upon authorization, bound copies and an electronic version of the final report will be delivered.
- The lead NGF consultant will be available to make a formal presentation of findings before City Council (optional), and will be available to answer any questions as deemed appropriate by the City.

PROFESSIONAL FEES AND TIMING

NGF Consulting's professional fees for this engagement are summarized in the table below. Fees are established through many years of projecting project budgets, based on the expertise of the team and the time commitment required.

Professional Fees (includes expenses)	
Task	Fee
Task 1: Project Coordination and Site Visit	\$7,000
Task 2: Economic Impact / Cost/Benefit Analysis	\$9,000
Total Professional Fee + Expense Reimbursement	\$16,000

Total proposed not-to-exceed compensation = \$16,000

NGF fees for this engagement will be **\$16,000**, including project expenses associated with the initial field visit. Should a visit for a Council presentation be requested by the City, the fees will be an additional **\$2,000**. The timing of the draft report delivery is contingent on NGF workload at the time we are retained, but preparation and delivery of the draft report will generally take about 10 to 12 weeks from the completion of the field visit stage of the engagement.

ACCEPTANCE

Acceptance of this proposal may be indicated by signing one copy and returning it to NGF Consulting's Jupiter office. A City contract or purchase order may be utilized to bind the parties. The billing procedure for NGF will comply with City of Prescott regulations and assumes billing for services as completed on a monthly basis.

Acceptance _____ Date _____

NATIONAL GOLF FOUNDATION QUALIFICATIONS

National Golf Foundation Consulting, Inc., a corporation incorporated in 1987 in the state of Delaware, is a wholly owned subsidiary of the National Golf Foundation, Inc. National Golf Foundation, Inc. (NGF) is a not-for-profit 501(c)(6) organization, incorporated in 1936 in the state of Illinois and now located in Jupiter, Florida. With a staff of approximately 25 and an operating budget of approximately \$4.5 million, its mission is to help golf businesses succeed through research, information products and services, and consulting for the industry and its members. NGF has two subsidiaries: a for-profit consulting corporation (NGF Consulting) and a not-for-profit 501(c)(3) organization.

The NGF's work is supported by a base of approximately 3,500 members representing every facet of the industry: public and private golf facilities; golf course architects; developers and builders; companies offering specialized services to the golf industry; national, regional, state, and local golf associations; instructors; schools, and individuals.

The NGF's board of directors includes senior executives from the leading companies in each major segment in the golf industry including officers from The First Tee, Callaway Golf Company, Edwin Watts Golf, Textron Financial, Billy Casper Golf, Myrtle Beach Golf Holiday, GOLF Magazine, and TaylorMade-adidas Golf.

The NGF's database of U.S. golf facilities is the industry's gold standard and is licensed by the USGA, PGA of America, Club Managers Association of America and the Golf Course Superintendents Association of America, as well as private enterprise such as Weather.com and NAVTEQ.

There is no greater authority than the NGF on the economics of supply and demand in the business of golf. The NGF's exclusive Golf Demand Model provides best-in-class data on every U.S. market and is utilized by many clients to improve both forecasting and customer targeting.

The NGF's annual surveys are designed to ascertain golfing habits and trends of golfers, golf facilities, and golf manufacturers nationwide. From this research, the NGF publishes upwards of 60 research documents that provide dependable information on the number, nature, and habits of golfers in each state, as well as golf facility operational issues, golf travel issues, alternative golf facility operations, and an annual directory of golf facilities.

Our most important research is published and distributed to NGF members and non-members and is widely quoted in local, national, and international press and are used by numerous other golf-oriented consulting and information firms. NGF publications include: *Golf Participation in the U.S.*, annual editions; *Golf Facilities in the U.S.*, annual editions; *The Future of Public Golf in America*, 2010; *Golf Industry Overview* 2009; *The NGF Dashboard* newsletter published periodically; *Golfer Technology Profile*, 2009; *Golf Consumer Buying Profiles*, 2009; *Golf Travel in the U.S.*, 2009; *The Future of Private Golf Clubs in America*, 2008; *National Golf Rounds Played Report* quarterly with annual summaries; *A Strategic Perspective on the Future of Golf*, 2007; *Operating & Financial Performance Profiles of 18-hole Golf Facilities in the U.S.*, 2006.

Since 1987, NGF Consulting has conducted nearly 1,000 assignments throughout the United States, Europe, Asia, the Caribbean, and South America, covering a broad spectrum of services. This experience is the cornerstone of NGF Consulting, from which all our clients benefit. Our offices are located in Jupiter, Florida; we hold occupational licenses from the Town of Jupiter, and Palm Beach County, Florida.

RELEVANT EXPERIENCE

Following are synopses of economic impact studies produced by NGF, as well as a few of the many municipal operations reviews that NGF Consulting has completed within the past five years.

Economic Impact Studies

Economic Contribution of Golf to the State of Oklahoma Economy State Economic Impact Study (2007)

NGF Consulting was retained to determine the economic contribution of the Oklahoma golf industry to the economy of the state. The goals of this study were to identify the scope of the golf industry sector within Oklahoma and to estimate the economic impact of each golf-related industry on the overall state economy.

NGF Consulting determined that golf courses and related golf businesses account for an estimated \$546 million in direct and enabled sales within the Oklahoma economy, as well as 10,600 jobs and \$166 million in total Employee Compensation Impact (ECI). NGFC's findings include:

Approximately 283,000 individuals played approximately 4.4 million rounds of golf in 2006 at 213 golf facilities in the state. About 9,200 trips were made to Oklahoma in 2006 for the express purpose of a golf vacation. These visiting golfers are estimated to have played nearly 23,000 rounds of golf in Oklahoma, and contributed more than \$8 million in off-course spending for items such as lodging and entertainment. These golfers traveling to Oklahoma also supported an additional 240 jobs and \$4 million of ECI in the state.

Total consumer spending at golf facilities in Oklahoma, exceeded \$225 million in 2006, and supported more than 9,100 jobs and \$137 million of ECI. Golf retailers in Oklahoma earned approximately \$21 million in sales of golf equipment and apparel in 2006, supporting an estimated 700 jobs and \$11 million in ECI.

The construction of new golf courses and renovation/expansion of existing golf courses averaged an estimated \$21 million in capital investment in Oklahoma over the last three years, adding 475 construction jobs and \$11 million of ECI to the state.

Golf courses located within, or in immediate proximity to, residential communities adds value to real estate in Oklahoma. The total realized lot premium in Oklahoma, attributed to the enhanced value of real estate sold within golf course communities, was estimated to be approximately \$5.4 million in 2006. The total statewide premium (over all years), on an estimated 6,400 golf course community home sites in Oklahoma, is estimated to be as high as \$133 million. This enhanced value is estimated to have impacted annual real estate taxes to levying authorities by \$2.6 to \$4.0 million.

Other golf-related economic impacts include professional golf tournaments, which add an average of an additional \$12 million per year for major events held in the state every three to four years. These events also add employment to the state, although many of the service-oriented jobs associated with spectator sports tend to be temporary. Charities in Oklahoma collected more than \$6 million in donations at various charitable events conducted at golf facilities, and/or through golf participation.

Client: Study commissioned and paid for by private client in the golf industry:

Wally Uihlein, Chairman/CEO
Acushnet Company
333 Bridge St
Fairhaven, OK 02719-4905
(508) 979-2000
wally_uihlein@acushnetgolf.com

State of Pennsylvania

The Contribution of the Golf Industry to the Pennsylvania Economy (2001-02)

NGF Consulting conducted a detailed study of the economic impact of golf on the economy of the State of Pennsylvania. The study examined the Pennsylvania golf market and provided estimates of employment, wages, non-labor expenditures, and gross revenues for golf-related businesses in the state.

For 796 golf facilities within the state, total rounds played were estimated at 18.4 million; total employment of 31,800 full- and part-time employees generated payroll and benefits of \$352.4 million; non-labor expenses reached \$427.8 million, and total gross revenues were estimated at \$946.7 million. The NGF also estimated the impacts of golf retail and other golf business.

The research demonstrated that Pennsylvania has one of the larger golf economies in the U.S.

Client: Mr. Bill Kingzett
State Economic Impact of Golf Coordinator
State of Pennsylvania
17208 Conneaut Lake Rd.
Meadville, PA 16335

Massachusetts Golf Association

The Contribution of the Golf Industry to the Massachusetts Economy (2000)

The National Golf Foundation was retained by the Massachusetts Golf Association and the Alliance of Massachusetts Golf Organizations (AMGO) to determine the contribution of golf on the overall economy of Massachusetts. The study examined the Massachusetts golf market and provided hard estimates of employment, wages, non-labor expenditures, and gross revenues for four golf industry sectors:

- Golf courses/ranges
- Golf product manufacturers
- Golf-related professional and service companies
- Off-course golf retailers.

This study was intended to help both the private and public sectors to better understand the golf market in Massachusetts and the contribution of the golf industry to the economy of the state.

The report indicated that the golf industry alone contributes direct sales/output of \$1.6 billion, employs over 19,000 people and adds \$400 million in wages to the state's economy. The report noted that the golf industry's output is comparable to other significant Massachusetts industries, namely chemical products (\$1.8 billion), hotels and lodging (\$1.6 billion), trucking and warehousing (\$1.4 billion), personal services (\$1.3 billion), and paper products (\$1.2 billion).

Client: Mr. Tom Landry
Executive Director
Massachusetts Golf Association
300 Arnold Palmer Boulevard
Norton, MA 02766
(774) 430-9100

Arizona Department of Commerce / Arizona Golf Association

Economic Impact Study (1996-97)

The National Golf Foundation was retained by the Arizona Department of Commerce and the Arizona Golf Association to determine the contribution of the golf industry to the economy of the State of Arizona. The study examined the Arizona golf market and provided hard estimates of employment, wages, non-labor expenditures, and gross revenues for four golf industry sectors: golf courses/ranges, golf product manufacturers, golf-related professional and service companies, and off-course golf retailers.

This study also examined golf course construction investment and related economic effects. The study was intended to help both the private and public sectors to better understand the golf market in Arizona and the contribution of the golf industry to the economy of the state. The report indicated that golf courses and businesses contributed nearly \$962 million to the state's economy in 1996.

Client: Steve Richards
(Past President)
Arizona Golf Association
7226 North 16th Street, Suite 200
Phoenix, AZ 85020
(602) 944-3035

State of Pennsylvania

The Contribution of the Golf Industry to the Pennsylvania Economy (2001-02)

NGF Consulting conducted a detailed study of the economic impact of golf on the economy of the State of Pennsylvania. The study examined the Pennsylvania golf market and provided estimates of employment, wages, non-labor expenditures, and gross revenues for golf-related businesses in the state.

For 796 golf facilities within the state, total rounds played were estimated at 18.4 million; total employment of 31,800 full- and part-time employees generated payroll and benefits of \$352.4 million; non-labor expenses reached \$427.8 million, and total gross revenues were estimated at \$946.7 million. The NGF also estimated the impacts of golf retail and other golf business.

The research demonstrated that Pennsylvania has one of the larger golf economies in the U.S.

Client: Mr. Bill Kingzett
State Economic Impact of Golf Coordinator
State of Pennsylvania
17208 Conneaut Lake Rd.
Meadville, PA 16335

Operational Review Studies

City of Yuma, AZ – Desert Hills Golf Course

Operations Review (2011)

The City of Yuma, Arizona retained NGF Consulting in 2011 to perform a comprehensive review of its Desert Hills Golf Course. The results of the review would be used to assist City officials to determine the appropriate course of action for the future of Desert Hills regarding management, operations, and capital improvements.

NGF found that the City, in providing a more desirable product to the golf consumer, should improve and better maintain the golf course and enhance it with a new image and marketing. These changes in addition to others recommended should result in an increase in frequency of play from existing customers, demand from new golfers / markets, and potentially higher fees. Also, NGF recommended that a qualified Operations Manager could quickly turn around the Desert Hills operation if given the tools, freedom, and resources to enact best business practices.

Changes to the management structure had already been extensively explored, deemed to be not in the best interest of the City, and therefore were not part of the consultation.

Client: Becky Chavez, Director
City of Yuma Parks and Recreation
One City Plaza
Yuma, AZ 85366
(928) 373-5204

Email: becky.chavez@yumaaz.gov

City of Farmington, NM – Pinon Hills Golf Course
Pricing Analysis (2011)

In 2011, the City of Farmington retained NGF Consulting to provide evaluation, analysis, and recommendations relative to the fee structure for golf rounds at its Pinon Hills Golf Course. Our work focused on rate structure, as this had become the primary focus of the City's attention. The focused nature of this study is important to understand in reviewing findings and recommendations.

At Pinon Hills, because passholder rounds generate far less revenue than daily fee rounds (and much less than the cost of producing these rounds), a situation existed where revenues were likely to continue to be constrained and eventually become insufficient to support the expenses of the facility unless one or more of the following circumstances were realized: total annual rounds increase significantly, a more favorable mix of daily fee and passholder play is achieved; more revenue is generated in non-round categories (merchandise, commissions on food and beverage, sponsorships, etc.); increased average golf revenue per round via fee increases.

NGF Consulting did not recommend any changes to the current daily green fee pricing, but did recommend that the City should consider implementing changes to the Passholder Program. Rebuilding non-resident play would be essential making the facility self-sustainable, as these rounds are at the highest price point and bring people to Farmington who will spend money in other establishments such as restaurants, gas stations, and hotels.

Client: Chris Jones, General Manager
City of Yuma Farmington – Pinon Hills Golf Course
2101 Sunrise Parkway
Farmington, NM 87401
(505) 599-1066
Email: cjones@gmtm.org

Robert T. Lynch Golf Course Brookline, MA
Operations Review/Business Plan (2009-2010)

In 2009 and 2010, NGF Consulting was retained by the Town of Brookline to perform a comprehensive review of the Town's municipal golf facility and to create a business plan for the facility. This included a complete review of both the physical plant and operational systems at the Town-owned golf course and clubhouse facility. NGF services to the Town included extensive interviews with key stakeholder groups.

The NGF Consulting recommendations for Robert T. Lynch included capital upgrades, adjustments in operations, marketing strategies, and continuation of the concession agreements in place. These were presented to the Town in April 2010. The key NGF recommendation involved a considerable upgrade to the facility's drainage system, which was outdated and causing severe limitations in rounds activity and revenues. In 2011, the NGF provided an update to the City, addressing the basic staffing needs of RT Lynch GC.

Client: Lisa Paradis, Director of Parks & Recreation
Town of Brookline
133 Eliot St; Chestnut Hill, MA 02467-1433
(617) 730-2069
Email: Lisa.Paradis@town.brookline.ma.us

State of Georgia – State Parks Golf Course System
Master Business Plan for Seven Golf Facilities (2009, 2010, 2011)

In 2009 and again in 2010, the State of Georgia retained NGF Consulting to assist in evaluating the State's seven-facility golf course system, and to help the State consider alternatives for the future

operation of the economically-challenged system. The golf system had been experiencing declining rounds and revenue, leading to growing deficits. NGF Consulting's role was to evaluate each of the seven facilities and provide the State with a realistic estimate of future performance under a self-operation and outsource (lease) arrangement, in light of ongoing debt expense and State subsidies.

NGF Consulting presented several creative ideas designed to increase revenues and reduce expenses, including adjustment and/or renovation of some facilities. In particular, the addition and/or improvement of clubhouse operations and the other amenities (practice facilities) at four of the seven facilities was a key recommendation. NGF recommended marketing strategies and an adjustment to management positions and responsibilities that should result in improved performance. The State began implementation of NGF recommendations in January 2011 and expects that the Georgia State Parks golf system will be self-sustaining by FY2013.

Client: Paul Nelson
Assistant Director
Georgia State Parks & Historic Sites
2 Martin Luther King Jr Dr SE Ste 1552 E Tower
Atlanta, GA 30334-9000
(404) 656-2770
Email: PaulN@gadnr.org

City of Aurora, CO

Golf System Financial/Operational Analysis (7 Facilities, 2011)

In 2011, NGF Consulting worked with the City of Aurora, Colorado to evaluate the operational and economic performance of the City's seven-facility municipal golf system. The City is operating a widely diverse system of golf courses that has been struggling to meet budget targets and debt service requirements. The NGF team evaluated each of the seven Aurora Golf facilities, as well as the system structure as a whole.

Also included in the NGF engagement was a review of outsourcing options, including leasing some or all of the golf courses, or entering a contract management agreement. NGF concluded that continued self-operation was the most viable for Aurora, assuming key NGF recommendations were implemented. As of January 2012, City staff is preparing a full action/business plan based on NGF recommendations. In July 2012, NGF was retained to perform continuing services for the City.

Client: Tom Barrett, Director Parks, Recreation and Open Space
City of Aurora
15151 East Alameda Parkway, Suite 4600
Aurora, CO 80012
Tel: (303) 739-7172
Email: tbarrett@auroragov.org

City of Burbank, CA
Review of Operations (2012)

NGF Consulting was retained by the City of Burbank in 2012 to evaluate the operational and economic performance of the City's DeBell Golf Club. This evaluation included a thorough review of the system on an 'as-is' basis, as well as a consideration of alternate structures such as self-operation, modified concessions or switching to a single private operator. NGF services to the City included extensive interviews with key stakeholder groups.

The City of Burbank manages the DeBell operation through private contracts, the most important of which are concession agreements for the food & beverage and pro shop operations. NGF prepared a detailed analysis of the Los Angeles / Burbank area public golf market, and provided operational (rounds, revenues, expenses) and contractual metrics (concession, lease, and management agreement terms) for a large subset of Southern California municipalities. NGF Consulting also recommended specific capital investment, operational, pricing and marketing strategies, and recommended modifying the terms of existing pro shop and food and beverage concessions. As of summer 2012, the City is active in implementing NGF Consulting recommendations and is reporting improved performance.

Client: Jan Bartolo, Deputy Director, Park, Recreation and Community Services
City of Burbank
275 E. Olive Avenue
Burbank, CA 91510-6459
Tel: (818) 238-5315
Email: jbartolo@ci.burbank.ca.us

City of Omaha, NE
Preliminary Facility & Market Reviews+RFP Assistance (7 Facilities 2009)

In 2009, the City of Omaha retained NGF Consulting to perform due diligence relative to the future operational structure of the City's seven golf facilities. NGF was specifically charged with providing a review of each of the seven City golf courses to help identify key issues related to their possible outsourcing, and to establish a foundation for a full operations review and business plan in the event that the City decides that outsourcing the operation of the properties is not feasible or desirable.

NGF analyzed the options being considered for the continued operations of the facilities: (1) Continued Self-Operation; (2) Management Contract; (3) Outsource Agreement to Private Operator. NGF presented the positive and negative aspects associated with each option, ultimately recommending that the City strongly consider continued self-operation. Finally, NGF identified several operational policies, as well as pricing and marketing strategies, that if implemented, should result in improved financial performance under continued self-operation.

In March 2010, the City decided to follow NGF's chief recommendation and continue self-operation of its golf courses, and is implementing NGF's management, operations, and marketing recommendations. At the end of the first quarter 2011, operational net losses had been reduced by \$250,000 YTD.

Client: Paul Kratz
City Attorney
1819 Farnam St Ste 701
Omaha, NE 68183
(402) 444-5118
E-mail: paul.kratz@ci.omaha.ne.us

PROJECT TEAM

All consulting work is conducted under the direction of **Richard B. Singer**, Director of Consulting Services at the National Golf Foundation. For the City of Prescott project, Mr. Singer will be assisted by Senior Project Director **Ed Getherall**. Other staff members work as part of the study team in providing professional insight, gathering additional data, applying participation models, conducting financial analyses, and reviewing the written report. The project manager (either Mr. Singer or Mr. Getherall) will be determined at the time of contract finalization, depending on then current workload.

Resumes of key professional staff follow. Other than research in the field, all project work is completed at our offices in Jupiter, Florida.

Richard B. Singer, Director of Consulting Services

Richard B. Singer has been the Director of Consulting Services for the National Golf Foundation (NGF) since 1997, and now has a total of 23 years of golf facility consulting experience. Mr. Singer first joined the NGF consulting staff in 1989 as a project analyst after completing his Finance MBA at the University of Florida. Mr. Singer has successfully managed the NGF's well-known golf consulting practice with an industry-respected track record of success and a reputation for delivering projects on time and on budget.

Experience

Mr. Singer's background includes hands-on experience in the following functional areas:

- | | | |
|-------------------------------------|----------------------------|--------------------------|
| -Golf Facility Feasibility Analysis | -Financial Analysis | -Golf Business Valuation |
| -Golf Operations Consulting | -Business Plan Preparation | -Golf Market Analysis |
| -Account Management | -Clubhouse Programming | - Staffing/HR |
| -Real Estate Master Planning | -Public Presentations | - Proposal Writing |
| -Expert Witness | -Due Diligence | -Credit Evaluation |

National Golf Foundation Consulting Experience – During his tenure with NGF Consulting, Mr. Singer has been responsible for preparing over 300 research studies for specific projects including: public and private sector feasibility studies; public and private sector golf facility operational reviews; due diligence studies for golf facility acquisition and/or refinancing; public sector Request For Proposal preparation; private club membership development plans; and public and private golf facility marketing plans. In his 23 years as a golf consultant, Mr. Singer has visited and/or profiled more than 2,500 public and private golf facility operations in the United States and internationally. Mr. Singer also has extensive experience as an expert witness in matters related to golf facility operation, and he has demonstrated considerable poise while under public attack in defense of highly controversial local projects.

Golf Facility Operations Consulting – Mr. Singer's golf facility operations consulting assignments have included golf course inspections, operational/accounting audits, management/operations contract preparation, clubhouse design/needs assessments, public sector outsource assistance, golf marketing strategies, green fee/member pricing, and business plan preparation. Mr. Singer has also provided litigation assistance to golf facilities in the form of expert testimony in estimating economic damages to golf courses from various external influences.

Golf Facility Development/Acquisition Consulting – In his 23 years with NGF Consulting, Richard Singer has become one of the most experienced golf facility development and acquisition consultants available today. His extensive experience includes feasibility studies, acquisition due diligence, appraisal and brokerage support, golf master plan development, and golf facility business plan preparation. Through the last two decades, Mr. Singer has completed

several consulting engagements involving the conversion of “sensitive” sites into golf facilities (i.e. landfills).

Regional Market and Economic Impact Analyses – During his tenure with NGF Consulting Mr. Singer has completed several statewide or regional golf market and economic impact studies. These studies typically involve preparing estimates of golf supply and demand in large geographies, as well as estimating the hard dollar impact of golf facilities on a local economy.

Key Accounts Managed (2006-2012)

Representative public sector clients in 2006-2012 include: Fairfax County (VA) Park Authority (Operations review – 7 courses); City of Edina, MN (3-facility review of operations); State of Georgia (7-course review of operations and outsource assistance); City of Portland, OR (5-course operations review); City of Phoenix, AZ (6-course operations review); City of Aurora, CO (7-course operations review); City of Palm Springs, CA (2-course operations review); City of Alameda, CA (golf facility operations review and master plan preparation); City of Burbank, CA (golf facility operations review); City of Missouri City, TX (Private club acquisition); City of San Diego, CA (Operations review – 3 courses); Town of Acton, MA (GC acquisition); City of Gresham, OR (GC acquisition); the City of Dunedin, FL (golf facility review of operations and lease preparation); the City of San Francisco, CA (5-course operations review). These public sector projects include extensive participation in public meetings and a defense of project work.

Background/Education

Mr. Singer is a long-time resident of Palm Beach County, Florida and grew up around the North Palm Beach Country Club. He earned his Bachelor’s degree in marketing and Insurance from the University of Florida in 1985, and worked as a financial consultant for Northwestern Mutual Life and Baird Securities before earning an MBA in Finance from the University of Florida in 1989. Mr. Singer is a Licensed Real Estate Broker in Florida (Lic. #BK3077126).

Edward Getherall, Senior Project Director – NGF Consulting

Ed Getherall joined the NGF Consulting staff as Project Analyst in 2000 after several years of subcontracting consulting services to the NGF. Mr. Getherall, who was promoted to Senior Project Director in 2001, has been instrumental in cementing NGFC’s status as the leader in municipal golf facility consulting, with a particular focus on improving municipal golf course bottom lines and helping municipalities make smooth transitions to alternative operating structures for their golf systems.

Mr. Getherall has also directed NGF’s effort to be the leading industry resource for accurate golf market information pertaining to facility activity levels, revenue center performance, and green fee levels and trends. Since joining NGF Consulting, Mr. Getherall has become a respected industry authority on food & beverage operations, clubhouse renovation / replacement, municipal golf management alternatives, outsourcing assistance (RFP preparation / analysis of responses / contract negotiations), and other areas of expertise.

NGF Consulting Projects Experience

Mr. Getherall’s extensive business and marketing background has enhanced NGF Consulting’s ability to provide expertise to the facility segment of the golf industry. Since joining NGF Consulting, Mr. Getherall has been responsible for analyzing golf market and golf facility operating data in NGF’s market, financial, and operations consulting projects. In the 11 years since joining NGF’s Consulting division, Ed has been the lead project director for more than 80 consulting assignments, covering a broad range of services, including public and private golf course feasibility studies, acquisition studies, operations reviews, golf-related real estate absorption analyses, pricing / market positioning analyses, and clubhouse renovation / replacement studies.

Public Sector Clients (partial list)

City of Houston, TX	City of Palm Springs, CA	Mecklenburg County, NC
City of Melbourne, FL	Bergen County, NJ	City of Greeley, CO
City of Alameda, CA	Town of Wallingford, CT	City of Concord, NC
City of Omaha, NE	City of Yonkers, NY	City of White Plains, NY
City of Yuma, AZ	City of Farmington, NM	Woodbridge Township, NJ
City of Gainesville, FL	City of Gallup, NM	Village of Royal Palm Beach, FL
Township of River Vale, NJ	Town of Davie, FL	City of Rockville, MD
City of Clayton, OH	City of Redmond, OR	Town of Brookline, MA
City of Antioch, CA	City of West Palm Beach, FL	Village of Wellington, FL
Miami-Dade County, FL	City of Henderson, NV	Palm Beach County, FL
City of Concord, CA	City of Gilbert, AZ	City of Reno, NV
City of Lake Havasu, AZ	City of Tempe, AZ	City of Oakland Park, FL
City of San Antonio, TX	Town of Farmington, CT	City of Naples, FL
Kealakehe Ahupua'a 2020, HI	City of Palm Coast, FL	City of Tarpon Springs, FL
City of Victorville, CA	City of Apple Valley, MN	City of Kentwood, MI
City of San Diego, CA	Borough of Dunmore, PA	City of Soldotna, AK
Municipality of Anchorage, AK	City of Gresham, OR	City of Portland, OR
City of Oviedo, FL	City of San Francisco, CA	City of New York, NY
City of Livermore, CA	El Dorado Hills, CA (CSD)	Ft. Belvoir GC (U.S. Army), VA

Background/Education

Prior to joining the NGF, Mr. Getherall held several positions in the business community including extensive marketing work for such organizations as South Florida Blood Banks, Inc., the Florida Lottery, and the American Cancer Society. His areas of expertise cover a broad spectrum of marketing activity, including research, product management, and special event planning and consulting.

Mr. Getherall earned his M.B.A. from the University of Florida with a concentration in finance. Ed also achieved his undergraduate degree at Florida with a B.S. in Business Administration (Marketing). With a diversified educational and professional background in both marketing and finance, Mr. Getherall has the experience and knowledge to assist in all aspects of golf facility management, marketing, operations, and development.

Judy Cook, Consulting Administrator

In more than 23 years at the National Golf Foundation, through several staff reorganizations, Ms. Cook has worked as secretary or administrative assistant in Executive, Research, Membership Services, and Consulting. She currently manages support services for the Consulting / Research division and specializes in coordinating responses to government Requests for Proposals (RFPs) and the administrative aspects of contract compliance. Ms. Cook provides assistance in market research and prepares GolFacts statistical reports for NGF members and clients. Her primary areas of interest in the business of golf concern customer service, employee relations, and staff training.

Background and Education

Prior to joining the NGF, Ms. Cook worked in educational settings from elementary through graduate schools, in student services roles. She earned a Bachelor of Science in the Management of Human Resources from Palm Beach Atlantic University.

Rita Marie Gallotti, Client Services Administrator

One of our most recent arrivals, Ms. Gallotti joined the National Golf Foundation in 2011 as Administrative Assistant to the Director of Database Services and Golf Facility Research & Consulting Sales Manager. Some of her primary duties include assisting clients in the customization of their surveys and assisting in the administration of the surveys to golfers.

Background and Education

While earning an Associate of Applied Science in Business Management and Administration at Palm Beach State College, she was Executive Administrative Assistant to the executive staff of a security company. During her time there she analyzed financial reports and compiled research. She directed company training and frequent workshops on upcoming information related to the field.



Professional Services Agreement

National Golf Foundation Consulting, Inc.

WHEREAS, the City of Prescott (hereinafter referred to as "City") is in need of certain professional services; and

WHEREAS, the City has solicited qualifications and proposals for said services; and

WHEREAS, National Golf Foundation Consulting, Inc. (hereinafter referred to as "Professional"), has expertise in conducting facilities reviews, financial, cost/benefit analyses, and operating and economic impact analyses, for the golf course industry.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS HEREIN CONTAINED, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. That Professional shall provide the services to the City in relation to Economic Impact and Cost/Benefit Analysis for Antelope Hills Golf Courses as indicated in Exhibit "A" (Request for Statements of Qualifications and Scope of Work, Task and Fee Estimate, and Project Schedule) and as requested by the City of Prescott Golf Manager.
2. In addition to those services identified in Paragraph 1 above, the Professional shall also perform all subordinate tasks not specifically referenced in Paragraph 1, but necessary to the full and effective performance of the tasks specifically referenced.
3. The Professional shall provide sufficient qualified personnel to perform any and all services as required herein, including but not limited to inspections and preparation of reports, as reasonably requested by representatives of the City.
4. All services identified in Paragraphs 1 and 2 above shall be completed to the satisfaction of the City and shall be performed in compliance with the Professional's project schedule identified in the attached Exhibit "A".
5. Notwithstanding the foregoing, this Agreement may be terminated by both parties upon ten (10) days written notice, with or without cause or upon completion of services. If this Agreement is terminated, the Professional shall be paid for authorized services satisfactorily performed to the date of the Professional's receipt of such termination notice.
6. It is agreed by and between the parties that this Agreement incorporates the attached Exhibit "A" thereto as a part of this Agreement, and that the terms thereof shall be binding between the parties.
7. Pursuant to A.R.S. Section 38-511, the City of Prescott may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a Professional to any other party of the Agreement with respect to the subject matter of the Agreement. In the foregoing event, the City of Prescott further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing,

drafting or creating this Agreement on behalf of the City of Prescott from any other party to the Agreement arising as a result of this Agreement.

8. Any notices to be given by either party to the other must be in writing, and personally delivered or mailed by prepaid postage, at the following addresses:

Mack McCarley, Golf Manager
City of Prescott
201 S. Cortez
Prescott, AZ 86301

Ed Getherall, Senior Project Manager
National Golf Foundation Consulting, Inc.
1150 South U.S. Highway One, Ste 401
Jupiter, FL 33477

9. It is expressly agreed and understood by and between the parties that the Professional is an independent Contractor, and, as such, Professional shall not become a City employee, and is not entitled to payment or compensation from the City, or to any fringe benefits to which other City employees are entitled. As an independent Contractor, Professional further acknowledges that it is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement. As an independent Contractor, Professional further agrees that it will conduct itself in a manner consistent with such status, and that it will neither hold itself out nor claim to be an officer or employee of the City by reason thereof, and that it will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.
10. This Agreement is non-assignable by the Professional unless by sub-contract, as approved in advance by the City.
11. (A) The City shall pay to Professional a total sum not to exceed \$18,000 dollars and no cents (\$.00) for all services specified in Sections 1 and 2 of this Agreement, as specified in Exhibit "A". As referenced in Exhibit "A," a lump sum of \$16,000 will be billed for services rendered and an additional \$2,000 is to be billed at cost if additional services necessitating travel are requested by the City of Prescott.

(B) The foregoing sum includes payment for any and all services to be rendered Professional or sub-contractors, which the Professional may employ for this Contract. It is expressly agreed by and between the parties that the Professional is solely responsible for any and all payment to such any other Professionals or sub-contractors retained by the Professional.

(C) Payment of the total amount provided for under Section 11 (A) shall not relieve Professional of its obligation to complete the performance of all those services specified in Sections, 1, 2, and 3. Should the City request in writing additional services beyond that specified in Sections 1, 2, and 3, then Professional shall charge and City shall pay Professional in accordance with Exhibit "A".

(D) Prior to the final payment to the Professional, the City shall deduct therefrom any and all unpaid privilege, license and other taxes, fees and any and all other unpaid monies due the City from the Professional, and shall apply to those monies to the appropriate accounts. Professional shall provide to the City any information necessary to determine the total amount(s) due.

(E) The Professional shall bill the City for work completed for each itemized task pursuant to this Agreement and Exhibit "A". City shall pay such billings within thirty (30) days of the date of their receipt.
12. This Agreement is the result of negotiations by and between the parties. Although it has been drafted by the Prescott City Attorney, it is the result of negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

Professional Services Agreement

13. This Agreement shall be construed under the laws of the State of Arizona.
14. All work products of the Professional for this Project are instruments of service for this Project only and shall remain the property of the City whether the Project is completed or not. All plans, drawings, specifications, data maps, studies and other information, including all copies thereof, furnished by the City shall remain the property of the City. They are not to be used on other work, and, with the exception of this Agreement, are to be returned to the City on request or at the completion of the work.
15. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The Professional further agrees that this provision shall be contained in all sub-contracts related to the project, which is the subject of this Agreement.
16. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorney fees, either pursuant to the Agreement, pursuant to A.R.S. Section 12-341.01(A) and (B), or pursuant to any other state or federal statute, court rule, case law or common law. The Professional further agrees that this provision shall be contained in all sub-contracts related to the project, which is the subject of this Agreement.
17. This Agreement represents the entire and integrated Agreement between the City and the Professional and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and the Professional. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.
18. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.
19. The Professional hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of the Professional's negligent acts, errors, or omissions, pursuant to this Agreement, except to the extent said claims, liabilities, expenses or lawsuits arise by the negligent acts or omissions of the City or his/her agents. The Professional further releases and discharges the City, its departments and divisions, its agents and employees, and any and all persons legally responsible for the acts or omissions of the City, from any and all claims which the Professional has or may have against the City, its agents or employees, arising out of or in any way connected with the Professional's activities as set forth below, other than those acts which occur due to the negligence of the City, its employees or agents.
20. No oral order, objection, claim or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing. No evidence of modification or waiver other than evidence of any such written notice, waiver or modification shall be introduced in any proceeding.
21. (A) Changes in Work: The City, without invalidating the Contract, may order extra work, make changes by altering, or delete any portion of the work as specified herein, or as deemed necessary or desirable by the Golf Manager. All such work shall be executed under the conditions of the original

Professional Services Agreement

Contract except that any claim for extension of time and additional cost caused thereby shall be made at the time of ordering such change or extra work.

(B) Extra work shall be that work not indicated or detailed on the Scope of Work and not specified. Such work shall be governed by all applicable provisions on the Contract Document.

(C) In giving instructions, the Golf Manager shall have authority to make minor changes in the work, not involving extra cost, and not inconsistent with the purposes of the work. No extra work or change shall be made unless in pursuance of a written order by the Golf Manager and no claim for an addition to the total amount of the Contract shall be valid unless so ordered.

(D) Payment for any change ordered by the Golf Manager which involves work essential to complete the Contract, but for which no basis of payment is provided for herein, shall be subject to agreement prior to said work being performed.

(E) Adjustments to price and/or Contract Time which are agreed upon shall be incorporated in the written order issued by the Golf Manager, which shall be written so as to indicate acceptance on the part of the Professional as evidenced by its signature. In the event prices cannot be agreed upon, the City reserves the right to terminate the Contract as it applies to the items in question and make such arrangements as it may deem necessary to complete the work, or it may direct the Professional to proceed with the items in question to be reimbursed pursuant to the unit prices in the Professional fee proposal.

(F) If the Professional claims that any instructions involve extra cost under this Contract, it shall give the Golf Manager written notice thereof within forty-eight (48) hours after the receipt of such instructions, and in any event before proceeding to execute the work. No such claim shall be valid unless so made. The Professional shall do such extra work therefor upon receipt of an accepted Contract Amendment or other written order of the Golf Manager and in the absence of such Contract Amendment or other written order of the Golf Manager, the Professional shall not be entitled to payment for such extra work. In no case shall work be undertaken without written notice from the Golf Manager to proceed with the work. All Contract Amendments must be approved by the Golf Manager. Contract Amendments over \$10,000.00 must be approved by City Council.

22. (A) The Professional shall obtain and maintain in effect during the term of, and until final acceptance of all work under this Agreement a policy or policies of liability insurance with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate. Liability insurance shall provide the following coverage:
- 1) Commercial General Liability (“explosion, collapse, and underground”, and “products/completed operations” coverage may be excluded.)
 - 2) Errors and Omissions (professional malpractice)
 - 3) Automobile Liability.

(B) City and Professional waive all rights against each other and their directors, officers, partners, commissioners, officials, agents, sub-contractors and employees for damages covered by property insurance during and after completion of the Services.

(C) All insurance required pursuant to this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a Certificate of Authority as defined in ARS Section 20-217, a copy of which certificate is to be attached to each applicable bond or binder.

(D) Prior to commencing work under this Agreement, the Professional shall provide City with evidence that it is either a “self-insured employer” or a “carrier insured employer” for Workers’ Compensation as required by ARS 23-901 et seq., or that it employs no persons subject to the requirement for such coverage.

23. The Professional, with regard to the work performed by it after award and during its performance of this contract, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and retention of sub-contractors, including procurement of materials and leases of equipment. The Professional will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, the Americans With Disability Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, and Arizona Governor Executive Orders 99-4 and 2000-4 as amended.

24. Contractor Immigration Warranty

Professional understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: The Contractor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its sub-contractors ("Sub-contractors") will comply with, and are contractually obligated to comply with all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Professional Immigration Warranty shall constitute a material breach of this Contract and shall subject the Professional to penalties up to and including termination of this Contract at the sole discretion of the City.

The City retains the legal right to inspect the papers of any Professional or Sub-contractors employee who works on this Contract to ensure that the Professional or Sub-contractor is complying with the Professional Immigration Warranty. Professional agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of the Professional and any of sub-contractors to ensure compliance with Professional's Immigration Warranty. Professional agrees to assist the City in regard to any random verification performed.

Neither the Professional nor any Sub-contractor shall be deemed to have materially breached the Professional Immigration Warranty if the Professional or Sub-contractor establishes that it has complied with employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.

The provisions of this Article must be included in any contract the Professional enters into with any and all of its sub-contractors who provide services under this Contract or any sub-contract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a Professional or sub-contractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

25. Professional shall exercise the same degree of care, skill and diligence in the performance of the Services as is ordinarily possessed and exercised by a professional under similar circumstances.

26. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than City and Professional.

27. In the event of a discrepancy between this Agreement and Exhibit "A", this Agreement shall control over Exhibit "A".
28. Non-Availability of Funds: Fulfillment of the obligation of the City under this Agreement is conditioned upon the availability of funds appropriated or allocated for the performance of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the City at the end of the period for which the funds are available. No liability shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments as a result of termination under this paragraph.
29. Pursuant to A.R.S. Sections 35-391.06 and 35-393.06, each Party certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section, the term "scrutinized business operations" shall have the meanings set forth in A.R.S. Section 35-391 and/or 35-393, as applicable. If any Party determines that another Party submitted a false certification, that Party may impose remedies as provided by law including terminating this Agreement.

Dated this _____ day of _____, 2012.

City of Prescott, a municipal corporation

PROFESSIONAL

Marlin D. Kuykendall, Mayor

Ed Getherall, Senior Project Director

By: _____

Title: _____

ATTEST:

APPROVED AS TO FORM:

City Clerk

G. Eugene Neil, City Attorney

Exhibit "A"

COUNCIL AGENDA MEMO – September 25, 2012
DEPARTMENTS: Public Works / Field and Facilities Services
AGENDA ITEM: Approval of a professional services agreement with LA Consulting, Inc., for maintenance management services including training for the Public Works and Field and Facilities Services Departments in an amount not to exceed \$74,974.00

Approved By:	Date
Department Head: Mark Nietupski, Public Works Stephanie Miller, Field and Facilities Services	9/14/2012
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	9-18-12

Background

This item is for approval of an agreement with LA Consulting, Inc., for analytical, assessment, updates implementation, and training professional services pertaining to the maintenance management systems (MMS) presently deployed in the Public Works and Field and Facilities Services Departments for City streets and utilities infrastructure. The MMS methodology will additionally be extended to the Facilities Management, Fleet Services, and Solid Waste Divisions of Field and Facilities Services via this contract.

LA Consulting, Inc., has provided maintenance management services to the City on an as-needed basis since 2004. Establishment of a MMS in the Streets Division beginning that year fundamentally changed the City's asset management approach from reactive to an automated, performance-based system. The methodology was subsequently implemented in the Water and Wastewater Divisions.

Following collection of detailed workload and resource information, a MMS is built using off the shelf software, by creating inventory databases (miles of streets, water and sewer lines; drainage structures, pump stations, etc.), and defining standard maintenance activities through "ground up" involvement of City crews. By associating manpower, equipment, and material resources required with the standard activities, and setting maintenance levels of service (frequency, response times, etc.), annual work programs are formulated. The annual work program is the basis for the fiscal year performance budget, crew scheduling, and evaluation of effectiveness/efficiency.

"Performance budgets" identify what types of services are planned for the budget year, the frequencies, and costs. If more or different services are desired the resource implications can be easily identified. Additionally, because the MMS is built up of standard activities, each of which details manpower, equipment, and materials required, there is direct linkage for budgeting these resource components (for example, scheduling replacement of major equipment).

Agenda item: Approval of a professional services agreement with LA Consulting, Inc., for maintenance management services including training for the Public Works and Field and Facilities Services Departments in an amount not to exceed \$74,974.00

In the years following 2004, the maintenance management systems have been linked with the City's financial/ accounting system and geographic information system (GIS) to create powerful operational and financial management tools.

Public Works – Utility Operations

Utility Operations is comprised of 59 water and wastewater personnel with an annual operating budget of approximately \$17.9 million. As described above, Utility Operations has built an extensive database of maintenance activities and documented all work completed since the introduction of the MMS. The input/ongoing documentation workflow includes utility worker field reports, supervisor review/approval and superintendent analysis which provides a division-wide environment for input and goal monitoring. The documentation provides fingertip access to asset history, enabling better customer service and the ability to evaluate operations and make educated decisions about the direction of operational activities. Two examples of the MMS benefits follow:

- The history of water main breaks is documented in the MMS. A recent water main break was entered into the MMS by field personnel; supervisors quickly recognized through the MMS that this main had broken in the past in adjacent sections; the superintendent was able to make a value-based decision to replace a longer segment of main in lieu of repetitive shorter repairs. This value-based decision, facilitated by the MMS, reduced subsequent risk by proactively addressing the greater issue of line deterioration in the area.
- Preventative maintenance is documented in the MMS. As sewer mains are cleaned notes are added in the MMS regarding the condition (roots, grit, grease, cracks) as well as a post-maintenance video; personnel are able to reference the maintenance history for any line segment or manhole(s) quickly and respond to customer inquiries before sending crews and equipment to the field. This provides timely customer service, reduces unnecessary site investigations and focuses City resources in an economical manner. Through consistent use of the MMS, costs can be reduced by setting proper maintenance schedules to optimize asset maintenance which will maximize service life and reduce emergency failures and associated service interruptions.

Utility Operations will benefit from an “audit/update” included in this contract to validate progress achieved and realize continual improvement. Phase 1 includes a work history and service level review for all activities within the MMS to evaluate maintenance service levels, established routine programs, defined work methods and guidelines. Phase 2 will improve upon the performance-based work program and budget by recommending an ideal workflow analysis to compare against actual processes being utilized by Utility Operations. Opportunities to streamline or eliminate unnecessary steps will be identified, documented and presented to recommend improvements. Phase 3 provides software configuration and personnel training.

Agenda item: Approval of a professional services agreement with LA Consulting, Inc., for maintenance management services including training for the Public Works and Field and Facilities Services Departments in an amount not to exceed \$74,974.00.

Utility Operations is recommending that the contract scope include Phases 1-3. Since significant inventory and operations data have been captured, additional efficiencies are anticipated in the improvement and advancement of the systematic business approach to utility management through the MMS.

Field and Facilities Services – Facilities Management, Fleet Services, Solid Waste and Street Maintenance Divisions

In 2005 LA Consulting worked with the Street Maintenance Division to develop a MMS that included an annual work program and implementation of software which supported automated processing of field data and budget information; planning and tracking of productivity and costs; and active participation by workers, supervisors, and managers.

Through this process, efficiencies were identified and implemented saving the City time and money. Prior to implementing the Street Maintenance MMS, workloads were primarily reaction-based. There was no measured inventory of maintenance area attributes (i.e., miles of paved streets or alleys, miles of dirt streets or alleys, weed control areas, etc.). Pothole repairs were completed in four to five working days, and the response times for work requests averaged 14 days or longer.

After implementing MMS, work is now programmed and scheduled. Personnel can now identify, measure and inventory maintenance area attributes. Pothole repair time has been reduced by 50% to two days, and the average response time to work order requests has decreased to ten days, or 30%. The Department also now has the ability to track the cost of work completed internally for other City departments, is able to schedule planned work for maintenance area attributes, and is able to review prior year workloads in order to accurately budget resource needs for current year operations.

Three divisions – Facilities Management, Fleet Services and Solid Waste - do not presently have a fully functional MMS and would stand to benefit, as did Street Maintenance, from the opportunity to improve and enhance operations within their respective functional areas. These divisions entail complex operations and comprise a total gross operating budget of \$14,892,018, detailed as follows:

Facilities Management	\$1,391,013
Fleet Services	\$4,267,953
Solid Waste	\$9,233,052
Total	\$14,892,018

Agenda item: Approval of a professional services agreement with LA Consulting, Inc., for maintenance management services including training for the Public Works and Field and Facilities Services Departments in an amount not to exceed \$74,974.00.

Working with LA Consulting, the three divisions will undergo a Phase I process of evaluating and determining opportunities for improving work activities and enhancing efficiencies through the use of a systematic business operations approach. Examples of deliverables include a work history for activities performed; desired and funded service levels; a review of City policies and direction; benchmarking information; and a report outlining the recommended improvements for the applicable operation.

Phase I evaluations will be the primary focus of the proposed contract. Phase II and Phase III evaluations, while priced in LA Consulting's quote, will not be included in this contract. Any work completed past Phase I evaluations will be requested through separate Council action. Additionally, the pricing for Phases II and III in LA Consulting's quote is an estimate only. Actual pricing would be determined based upon Phase I findings and recommendations.

In addition to Phase I evaluations for Facilities Management, Fleet Services and Solid Waste, the existing Streets Maintenance Division MMS will be updated. Further guidance and refresher training will be provided relative to system methodology and software use. Additional refinements for performance based budgeting will be important deliverables, in addition to full integration of the existing software system.

Procurement

LA Consulting was selected for this project due to their extensive involvement with prior program development and particular expertise in maintenance management systems. The selection is in conformance with State Statutes for procurement of professional services. The same personnel involved in the initial work are identified in the proposed scope of services to complete the work identified in this agreement. By procuring concurrent services for the Public Works and Field and Facilities Services Departments, the cost will be minimized.

Schedule

Project services will extend over a nine month period beginning in October 2012.

Budget

FY 13 funding for the project has been budgeted and is available in the Sewer, Water, Facilities Maintenance, Fleet Services, Streets and Open Space and Solid Waste Funds. Allocation of the estimated project cost of \$74,974 will consist of \$43,049 to Public Works and \$31,925 to Field and Facilities Services.

Attachments: LA Consulting, Inc., Proposals (2)

Recommendation: **MOVE** to approve a professional services agreement with LA Consulting, Inc., for maintenance management services including training for the Public Works and Field and Facilities Services Departments in an amount not to exceed \$74,974.00.



Consulting, Inc.

August 20, 2012

Mr. Craig Dotseth
Public Works Utilities Division
City of Prescott
433 N. Virginia St.
P.O. Box 2059
Prescott, AZ 86301

RE: Proposal for 2012 Maintenance Management Support Services

Dear Mr. Dotseth:

LA Consulting, Inc. (LAC) appreciates the opportunity to assist the City in continuous improvement via enhancing additional components of your Maintenance Management System (MMS). Based upon our recent discussions and site visit, we have outlined and updated the scope of work to perform support for the City and develop the various items for water/wastewater utilities. The support for others - facilities, fleet and streets and solid waste were submitted separately. Also, we prepared estimates for separate schedules and cost to support each group, yet we are assuming they will be done concurrently.

The work would be performed by our competent LA Consulting staff and will be billed on a percent completed basis as indicated in the attached schedules. Our past support of the utilities maintenance management system and partnership with your staff has been extremely successful, and we are planning to provide even further value.

LA Consulting (LAC) proposes to update, guide, and train the City staff in the use and update of the current Maintenance Management System (Lucity) for fiscal year 2013-2014.

We appreciate the past opportunities with the City and look forward to working with you and your staff again.

Sincerely,

A handwritten signature in black ink, appearing to read 'Harry Lorick', written in a cursive style.

Harry Lorick
Principal

"We Help Public Works Work"

.....
Phone: 310-374-5777 • Fax: 310-374-5557 • email: hlorick@laconsulting.com
1209 Manhattan Avenue, Suite 310 • Manhattan Beach, California 90266
Internet address: www.laconsulting.com

SECTION 1 SCOPE OF WORK AND PROJECT WORK PLAN

WORK PLAN

The approach is outlined as follows encompassing three phases and 31 tasks with some having subtasks. These tasks have been outlined in the general order they will be performed. The first phase focuses on the evaluation and determination of opportunities to enhance the use of a systematic business approach and related system for Utilities to have a tool and process to become more effective. Phase 2 focuses on the opportunities to improve the business processes identified in Phase 1 for Utilities and some process additions and/or enhancements to allow for the full functionality of the Lucity system. Phase 2 and 3 scope tasks cannot be fully developed until Phase 1 is completed. These tasks are used to assist in understanding of a likely scope, however, that will depend on Phase 1 results.

This proposed approach includes several tasks that are directly designed to help facilitate system needs as well as outline a complete approach to managing Utility Department maintenance operations.

The phased effort is necessary because of the status of system application of the various infrastructure groups in the City. Utilities have used the Lucity system for several years and have some of the related business processes, so a translation to a new web system is less demanding than a group that has never used the system. After business processes are established for each group, the next question is to determine in Phase 3 how this approach can be implemented to integrate the three groups as well as answer several technical related business decisions affecting systems from database structure to the integration of business processes to population of tables. This scope however is only for utilities.

STUDY APPROACH

Successful completion of this comprehensive operations study is dependent on successful interaction and participation between LA Consulting (LAC) and City personnel, as well as LAC's background and experience. Our approach and methodology has been developed to ensure effective and interactive communication -- leading to a comprehensive result that reflects the true needs of the City for Utility infrastructure.

The general process will include project initiation, compiling baseline information, documenting findings and developing an implementation plan for maintenance operations. The findings and recommendations will be presented to all relevant Utility Department staff. A series of interim working papers with related presentations will be submitted for agency review prior to the final submittal and related systems recommendations.

PHASE 1 EVALUATION OF UTILITIES

This Phase is to evaluate Utilities operations and outline system needs and ideas for full integration of a system.

TASK 1 – PROJECT INITIATION

The following tasks are intended to familiarize City Utility staff with the approach that LAC will take to evaluate and systematize the City's maintenance operations. The tasks will also serve to educate LAC on the organization, work processes and features found in the various departments.

Task 1.1 – Project Startup

During this first task, we will begin our team planning efforts associated with the project. LAC will initiate the project immediately after the contract is signed. LAC staff will conduct initial meetings with the Utility Manager, Utility engineer, superintendents and other key staff to review the City's objectives and their perception of the approach to the work methods and procedures that are needed to compile and analyze complete operations information.

Structured interviews will also be conducted with a minimum of four key employees, including City Utility Manager and Director and other key staff that have a major impact on the controlling and directing of maintenance and operations. Further, overview site visits will occur by the LAC team on update of general work and assets. Information and ideas on current aspects of sewer and water operations will be obtained, which are positive and negative along with concepts for enhancements. The objective of these sessions is to develop working relationships with key staff and a general understanding of each of the objectives. Meetings will be held to further refine our methodology and approach to effectively accommodate the specific needs and desires of the City.

End Product: Key City staff will be consulted and concepts for improvements and enhancements will be prepared.

Task 1.2 – Prepare Detailed Work Plan

Based on our observations and discussions in the initial task, LAC will prepare a detailed schedule and work plan that includes optimized ideas and concerns from elected leaders and City employees. The project tasks will be further defined with milestone changes if the information obtained from Task 1 warrants.

End Product: A detailed schedule will be prepared.

Task 1.3 – Establish a Review Committee

To ensure an effective program, operational effort and credibility with all levels of the organization, a Review Committee of 3-5 members of staff will be established. The group, comprised of management and key City personnel, shall be updated at major milestones and provide direction to LAC. In addition, the Committee will periodically review progress and accomplishments and provide LAC with guidance and counsel. Committee members will develop a firsthand understanding of the study developments as they are documented and presented. This method will promote a sound understanding of the analysis process and ensure the credibility of the findings and recommendations of LAC. It is recommended that the City appoint an in-house coordinator to work closely with LAC. This individual will assist in

researching and compiling required maintenance data and act as a liaison between the Committee and LAC.

The Committee will consist of selected office and field operational personnel for utilities in Phase 1 and other key City staff.

In Phase 1 they will work with the project team on the current baseline information, identification of best management practices, review of the findings and recommendations and in Phase 2 and 3 in actual implementation.

End Product: A Review Committee and study coordinator appointed to work with LAC to ensure study credibility and assist in data research.

Task 1.4 – Conduct Orientation

In order to establish a uniform understanding of the operations and LAC's role between the Committee and the project team, a general orientation session will be conducted during the second week of the onsite effort for the project. During this meeting, LAC will describe in detail our proposed approach, our schedule, and identify any potential problems. In addition, a review of a systematic approach will be given to all Committee members along with what data will be researched and compiled and the results and benefits that can be expected from the implementation. Two meetings will be conducted with all relevant sewer and water employees in the City to outline the process being planned and how the system can best assist them.

End Product: A uniform understanding between staff participating in the study and LAC as to the project objectives, work methods, and schedule.

TASK 2 – EXAMINATION OF SERVICES AND FIELD REVIEW

After a Review Committee has been setup and orientation meetings have taken place, LAC will begin interviewing staff and collecting data on all aspects of the current operation. This will be done in a series of sub-tasks described below.

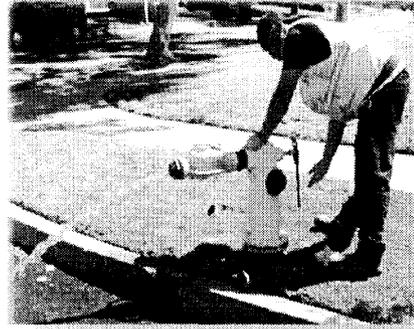
Task 2.1 – Activity Review (City provides existing data -- LAC analyzes)

Using information collected from the City, combined with LAC's experience, a general review of the type of services and activities conducted in each group (sewer and water) within the City will be determined. This will include such activities as sewer pipe cleaning, valve exercising, meter reading, etc. An estimate of the amount of effort using both Lucity and field confirmation for key activities will be done. Rather than cover all activities, an effort will be made to utilize principals such as Pareto's law that allows a focus by estimating that approximately 20% of the activities comprise 80% of the work. By applying this approach, LAC anticipates that between 8 and 12 activities will be identified and reviewed.

In this activity process, an inventory item that best describes the potential workload over the life of the asset will be identified and adequacy of inventory. Examples would be miles for sewer

pipe and water distribution lines, number of valves, number of pump stations, linear feet of laterals, etc., which would then be compiled for a composite list of activities and their units of measure.

LAC will review crews on site during a series of field reviews with documentation of crew, resources, location and how work is identified. Examples of this are shown below:



End Product: Activity list with unit of measure identified and documented.

Task 2.2 – Work History and Service Level Review (City provides existing data -- LAC analyzes)

A multi-year compilation of work performed by major sewer and water activity will be made. This can be done through use of the Lucy system as well as a review of daily work reports, work orders, or use of any existing reporting systems, estimates of materials used and field observations of the existing operation. The data compiled will be person-days of work annually by activity along with work units accomplished. Examples for a fiscal year would be linear footage of pipe cleaning, valves exercised, meters replaced; and pump/lift station PM's performed. This will be done for each activity. Also, any support contract information will be obtained to capture all maintenance effort.

End Product: A work history will be compiled for activities performed by all groups.

Task 2.3 – Features Inventory (City provides existing data -- LAC analyzes)

With the assistance of City staff, LAC will estimate and confirm adequacy of the inventories of infrastructure (pump stations, number of vehicles, miles of pipe, etc.) features that relate to work being performed. Existing files and various information from City staff, and observations will be used to determine initial values. The City will assist in the actual research with guidance from LAC. LAC will compile the information to complete the effort. Existing records will be used in lieu of actual field data gathering. Existing asset management systems data and reporting will be used and some limited confirmation of information accuracy.

End Product: An estimate of infrastructure features will be made. This information will be compiled and placed into the work planning database.

Task 2.4 – Determine Maintenance Service Levels

Working with the Committee, the consultant will facilitate the establishment of the desired maintenance service levels required for each defined activity, and the quantity and frequency of work expected to be accomplished on an annual basis, per inventory unit. This will include the determination of the desired service level needed to maintain a feature element and a funded service level documenting the service level appropriate to funding constraints. Examples of these are shown below:

1. Activity – Pump station PM will be performed every three months
2. Activity – Valve turning will be performed annually

The existing service level estimates will be based on observation, material usage, schedules and policy. The desired service levels are those that the City wants to accomplish to provide a public service and protect assets. A funded service level is the service level provided within funding guidelines for a given year. The consultant will provide support for the determination of existing service levels and will benchmark against similar agency service levels that are provided to help determine desired service levels.

This process will be documented to ensure that they can utilize the system in updating future service levels.

Three meetings are estimated to obtain necessary input to complete this effort.

End Product: Desired and funded service levels for each activity will be determined and processes will be established.

Task 2.5 – Resource and Organizational Data (City provides existing data -- LAC analyzes)

Again using the assistance of City staff, LAC will request a listing by general category for labor, equipment and material resources. LAC shall determine the format after consultation with the Committee. Existing personnel and equipment files, as well as information from field and office observations will be used to provide the estimates. If not available, unit costs will be estimated. LAC will also make an estimate of avoidable overhead that could be applied to labor costs.

End Product: Resource data will be collected.

Task 2.6 – Equipment Fleet History (City provides existing data -- LAC analyzes)

LAC will utilize City database to make estimates of equipment needs and utilization for the major activities being performed by the City. These values will be compared to actual numbers of equipment available. Also, histories from the equipment shop will be evaluated to ascertain general downtimes and operating costs. All fleet inventory information such as purchase price, usage, age, and salvage value will be collected. In performing this analysis, an effort will be made to determine costs borne by equipment resources used by staff in the City.

LAC will utilize our internal database to make estimates of equipment needs and utilization for the City activities performed. The historical effort and past benchmark studies will be utilized to compare to LAC estimates.

End Product: An estimate of equipment units available, unit costs and equipment usage.

Task 2.8 – Policies and goals (City provides existing data -- LAC analyzes)

An analysis of current organizational policies established by the City will be conducted and impacts on operations, maintenance, and capital projects will be determined. Specifically, LAC will review customer service processes, response time, complaint handling and tracking, communication protocol and procedures for prioritizing work. All requirements, documentation, internal and external policies will be reviewed and outlined. Informal and functional procedures will be included in this effort.

The City's documented vision, mission and strategic goals will be reviewed versus actual employee's direction, resources utilized and core competencies. LAC will analyze the policies to determine if they are working and are efficient and effective.

End Product: A review of City policies and direction.

Task 2.9 – Management Approach and Preparation of Baseline Paper

All key strategic goals and various divisional functions identified in structured interviews will be further analyzed through the appraisal of available planning documents such as inventories, needs identification systems, complaints, routine maintenance schedules, activity guidelines, work methods and work programs. The scheduling methods and assignment of work processes will be recorded and discussed with various staff. The work-orders or log items that track work performed and hours and resources expended will be identified and observed. Finally, the control mechanisms, such as generated reports, will be evaluated. Any graphs, and/or figures that track effort expended, work accomplished, project completion and budget used will be obtained and generally understood and evaluated. These work processes would be completely outlined.

These existing work processes will be documented in a short summary and the areas in the basic management processes of planning; organizing, scheduling and controlling that are in need of improvement and enhancement will be identified. In addition, the organizational structure and work flow will be identified and general assignments and responsibilities outlined for key staff in the various City functions.

Using the information obtained in previous steps, LAC will flowchart how work is identified, planned, organized, scheduled and performed. All reporting information will also be documented including the approach for fiscal analysis. Both the proactive (preventative) and responsive work will be identified. LAC will outline precise workflows including data and automated system approaches.

LAC will present the baseline data to the steering committee for their input and affirmation via a web presentation. Information and feedback will then be used afterwards to compile a working paper that will outline LAC understanding of the City's operations.

This sub task will be documented in a concise (estimated 10 – 15 pages) presentation style of draft working paper and distributed to the Committee. Further, LAC will present the baseline information to all City employees and management for their input.

End Product: Interview and define basic existing management processes and document information in a concise baseline working paper.

TASK 3 – EVALUATE OPPORTUNITIES FOR PROCESS ENHANCEMENT

The LAC team will use collected information and past experience to evaluate opportunities where improvements can occur for Utilities. The following subtasks will be performed in this effort:

Task 3.1 – Work Flow Analysis

The ideal workflow will be compared to the actual processes for work identification, work scheduling, fiscal analysis, project management and contract determination. Any differences will be identified. Also, opportunities to streamline or eliminate unnecessary steps will be identified including how the City interacts with other programs such as local agencies and Finance.

Task 3.2 – Work Method

A sample of several key activities would be observed by LAC in the field and crew size, equipment, method, quality of work and productivity will be noted. From previous consultant's experience, discussions with staff and other agency data, comparisons and opportunities for improvement will be identified. This will include specific activities for the City's various functions. Crews will also be observed by LAC in the field as required to understand work methods and their impacts on overall operations.

LAC will review and guide in PM development and usage along with cycle routines.

Task 3.3 – Contract work vs. In-house

LAC will review several key major activities performed in-house and evaluate the process for determining work that is performed by contract. Based upon information provided by the City, LAC will evaluate the mix of in-house versus contract work as it appears warranted. Further, LAC will evaluate the type of work that is performed by the City and assess if the work appears to be better suited to be performed by other agencies or departments.

Task 3.4 – Resource and Organizational Evaluation

Information collected in previous tasks will be stored in an internal LAC evaluation database. LAC, using inventories, estimated frequencies or levels of service, and production values will then estimate the workload and resources needed to meet this level of service. These labor and equipment resources needed would be compared to the current operation resources.

Further, LAC will review the operational structure versus actual day-to-day operations. Spans of control, resource mix and allocation, skills and turnover, leave and management category parameters will be reviewed and benchmarked against other agencies.

LAC's work model would then estimate the staffing that matches the desired service levels and related workload and compare to other agencies by work function, i.e. operators, maintenance workers, supervisors, etc. LAC will also review the location of work crews, maintenance yards and staging areas relative to the service areas. A review of the agency work policies and labor relations will also be conducted for opportunities to improve work practices and conditions.

Task 3.5 – Workload and Budget Evaluation

Using the working paper information from previous tasks and discussions with City staff, the procedures used by the City to develop annual performance budgets based upon the existing service levels will be examined. This review will focus on the relationship of funding to workload. Other areas covered will include sources of funding (revenue, general funds, state and federal funds), allocation of funds, impact of funding and workload changes/constraints and how the City's expenditures are justified.

Task 3.6 – Equipment Management Evaluation

LAC will evaluate fleet management within the City. Using information collected on usage, LAC will estimate fleet rates, compare staff per equipment compared to other agencies, and the pros and cons of leasing versus purchasing equipment. Further, LAC will look at the utilization of the equipment within each group and make an estimate of the hourly equipment rates by classification and determine if there are low use or high maintenance cost pieces of equipment.

Task 3.7 – Technology Evaluation

LAC will review the City's current databases, existing software platforms, and associated data models for all infrastructure and system operations as they relate to various maintenance and operations functions. Technology from wireless applications, GIS, GPS to web enabled capabilities will be outlined. LAC will look at the various inputs and outputs and develop an understanding of how the existing data is processed. A general logic flow will be developed that will outline the process. LAC will interview the staff that manages any Utility databases that were developed and/or implemented.

A comparison of the existing City operations will be made with desired goals for the system. Areas not covered or lacking from desired consequences will be documented. An outline of the City's current system with functions that are operational and any efforts needed to meet desired goals will be prepared.

Task 3.8 – Cost allocation policies and procedures

LAC will review funds that are received from various sources to ensure that costs are being appropriately recovered. LAC will review the process for billing of funds, retrieval of funds and how the funds are allocated to the appropriate sections of the City. Review and determination of overhead used and how applied in the system.

Task 3.9 – Macroscopic Benchmarking

A group of comparable agency performance parameters, from no less than three (3) agencies, will be compared to those of the City by task. Many agencies will be used, but for any particular task, LAC will try to use “best in class” so that opportunities for improvement can be made. Comparable agencies throughout the US, including contract agencies, and various agencies within the State will be compared on such items as crew size, unit cost and average daily production for each maintenance function. Any areas of opportunity for improvement will be identified. Also, overall parameters such as \$/inventory (each pump station, linear foot of line, etc.) and labor per inventory (each pump station, linear foot of line, etc.), will be compared at a macroscopic overview level. Further, detail comparisons of major activities, cost, methods and techniques will also occur.

In addition, LAC will perform benchmarking on management and organizational functions which include span of control, administrative staff to employees, projects managers to projects, etc.

LAC will compare information collected in task 2 and 3 for micro and macro benchmarking for relevant industry, agency and regional data for managing projects, programs, and other duties. Staff per project or program expenditure, effort to manage all phases of projects and programs will be compiled.

End Product: A complete compilation of opportunities in a presentation format to improve operations will be compiled with benchmark information.

TASK 4 – DOCUMENT AND PRESENT FINDINGS

The findings from the first three tasks will be compiled and documented by LAC and presented to the Committee onsite and general staff for review and further discussion. This will include all basic management functions from work planning, organization, direction and controlling and improving from best business practices to an automation review of process, methods, resources and technology. The findings will include an evaluation of all aspects of the City including the strengths and weakness of the City in relation to current duties.

Further, LAC will present initial findings in a meeting to all of the City employees for their input. After that presentation, the information will be assembled into a presentation style working paper submitted to the Committee for their comments.

End Product: Draft working paper that documents the findings (10-15 pages).

TASK 5 – PRESENT RECOMMENDATIONS

After receipt of comments from the Committee, the draft findings and related baseline information will be used to outline a series of recommendations for system enhancement. LAC

will present initial recommendations to both the Committee and to all City employees onsite in a meeting for their input to establish desired business processes.

End Product: Prepare the recommendations presentation for feedback and input.

TASK 6 – PREPARE DRAFT REPORT (Compilation of all supporting documents outlined in previous Phase)

After the presentation in Task 5 and compilation of the comments from the baseline and findings, the information will be assembled into a draft report (35-45 pages) and submitted to the Committee for their comments. Using feedback from the Committee’s review of the working papers, a draft final report will be compiled that has an executive summary, baseline, findings and recommendations. The draft report will be submitted to the Committee and all others for comment.

The report produced during this task will provide the information necessary to document benefits of improved operation for resource allocation, service levels, work flow and organizational issues.

Input and counsel from the review Committee and all field staff will be encouraged during both the findings and recommendations presentation to assist LAC in further refining the recommended solutions.

End Product: Draft report will be compiled and submitted that outlines the effort to improve the City’s Utility Maintenance operations.

TASK 7 – DOCUMENT FINAL RECOMMENDATIONS

The report will then be finalized after input from the Committee and key management staff. After the presentation, input and counsel from all will be encouraged to assist LAC in further refining recommended solutions. A final report will be submitted to the Utility Manager.

The report will include explicit recommendations that, when implemented, will generate more effective and efficient operations. The benefits and cost will be estimated in both short and long term implementation. The focus will be on working and facilitating with employees at all levels, from management to field crews, to develop a “play book” that will allow for the City to be the most effective through implementation of specific recommendations. Information on past history of work accomplished will be within the document and be used for suggested actions.

The City will relate all recommendations to facts collected from both the consultant and the City employees. This will result in a process that will ensure a buy-in of recommendations that can be implemented.

The City will review and decide which specific recommendations will be implemented after the final report is submitted and then provide LAC a written communication of the intended recommendations for implementation. If LAC believes that the City must first perform or prepare capabilities for this to occur, LAC will advise.

End Product: A final written report that documents the baseline operations, findings and recommendations will be submitted to the City.

TASK 8- MONTHLY STATUS AND SUPPORT

Monthly status reports will be prepared for the City in Phase 1. These reports will include a listing of all the project tasks with a summary status and a percent complete for each task.

End Product: Monthly status report will be provided, along with telephone support.

PHASE 2 WORK PROCESS ENHAUNCEMENT AND IMPLEMENTATION

The actual implementation task will be finalized only after the Phase 1 is completed. These tasks will all be done for Utilities. Other tasks could be identified for Utilities but are unknown at this time until Phase 1 completion and the City reaches a decision on the process. The following tasks are estimated for planning only but will be determined specifically after Phase 1 is complete.

TASK 9 – DEFINE AND/OR REVISE WORK ACTIVITY LIST

A list of the significant maintenance work activities performed by each group will be refined, prepared and entered into a database. This list will include a description of the work activity, a unit of measure to calculate the work accomplished and a physical feature inventory item on which the work is performed. For example:

<u>Name</u>	<u>Description</u>
Meter Replacement	Replacement of water meter to ensure accurate metering and customer billing.
Measurement Unit:	Meters

The activity list will be prepared with input from the Working Committees (WC) and presented to the City Engineer during a working meeting held to finalize each item. This will ensure that the description and measurement units exist and are appropriate for each activity. This list will then be used to determine the annual maintenance requirements for each activity and as a method to measure the amount of work accomplished on a daily basis.

End Product: Activity list will be established with relevant measurement units.

TASK 10– INVENTORY OF PHYSICAL FEATURES

An inventory listing and database of all physical features in the infrastructure network will be prepared. This listing will include the type, quantity and location of features for each infrastructure type (i.e. pipe, valves, manholes, hydrants, etc.). Existing data files will be used to compile an existing database of features. Existing data files are very limited and most inventories will have to be compiled from the beginning.

LAC will identify items which need to be collected and processes required for compiling the missing information. The City would be responsible to collect the necessary data via in-house capabilities or other contractor services to compile. LAC would be responsible for general design and training of data collection. In the task, it assumed that the collected data will be linked to new CMMS software by City employees working with the vendor and supported by LAC.

This will include working with City staff to resolve any inconsistencies. These discrepancies, as well as any others, will be resolved and best values determined.

Two meetings along with a single telephonic and web meeting is estimated to complete this effort.

End Product: A complete inventory and database of key physical features of infrastructure will be established.

TASK 11 – DETERMINE MAINTENANCE SERVICE LEVELS

Working with the WC, consultant will facilitate the establishment of the maintenance service levels required for each defined activity, and the quantity and frequency of work expected to be accomplished on an annual basis, per inventory unit by yard. This will include the determination of the desired service level needed to maintain a feature element and a funded service level documenting the service level appropriate to funding constraints. Three examples of these are shown below:

1. Activity – Valve turning will be performed annually.
2. Activity – Facility inspections will be performed once a week.
3. Activity – Traffic sign inspection will be performed every second year.

The existing service level estimates will be based on observation, material usage, schedules and policy. The desired service levels are those that the City wants to accomplish to provide a public service and protect assets. A funded service level is the service level provided within funding guidelines for a given year. The consultant will provide support for the determination of existing service levels and will benchmark against similar agency service levels that are provided to help determine desired service levels. This process will be documented to ensure that they can utilize the system in updating future service levels.

Three meetings are estimated to complete this effort

End Product: Desired and funded service levels for each activity will be determined and processes will be established.

TASK 12– ESTABLISH ROUTINE PROGRAMS

LAC will work with the Committee to establish routines and recurring work orders with Lucity for several major activities. LAC will work to outline maintenance routines for activities that exist, such as valve turning, inlet cleaning, and meter reading. The LAC is anticipating establishing 4 routines for Water and sewer and two for Transportation with the City completing the rest.

Employees will be establishing specific routines for key maintenance activities. A complete listing with frequencies will be prepared.

A complete process will be established to determine routines for all activities identified for maintenance.

Three meetings are estimated to complete this effort.

End Product: Routines will be established for key maintenance activities.

TASK 13 – DEFINE WORK METHOD AND GUIDELINES

The most efficient work method will be reviewed or developed for each activity in Task 2-7 and the purpose of this will be to determine:

- The logical sequence of steps to be followed while performing the activity
- The quality checks required to ensure that the activity is done correctly
- The safety requirements associated with performing the activity
- The follow-up (if required) to inspect the results of the work

Work methods will be reviewed, discussed, and developed during a working session with the WCs and will be documented in a systematic format for each defined work activity.

The most efficient approach to each activity will be identified by utilizing the consultant project team's experience with similar agencies throughout the United States. This process will be further enhanced by using the experience of City staff.

LAC will work with agency staff to develop an Activity Guideline for each defined work activity. Each Activity Guideline will include the:

- reason for performing the activity

- description of the activity
- work scheduling criteria, including time of year work is expected to be completed
- optimal size and mix of crew
- equipment and materials required
- the expected average daily production range
- anticipated quality

The WC members will prepare each guideline under the direction of the consultant, and will compile the guideline from agency drafts and team meetings and, in addition, will establish files for all maintenance, facilities, utilities, administrative, and materials and properties sections. Each section will then be in a position to keep the guidelines current and updated in the future. The drafts will be reviewed, edited and finalized with the input, guidance and counsel of the MWC.

The best management practices will be established for all activities with an additional focus on key activities and some new ones that are relevant. This effort will include detail review of up to three major activities per group where direct cost, productivity and method comparisons can be made.

Focus on matching work and staff sizes will be done. We anticipate four meetings: two via web meeting and another two onsite.

End Product: An activity guideline for each activity with specific work method.

TASK 14– DEVELOP EQUIPMENT RATES AND POPULATE DATABASE

LAC, with Fleet assistance, will develop hourly rates for all equipment that includes all costs. A listing by vehicle will be prepared with rates and classification. A separate FEMA rate will also be compiled by general vehicle classification. The two rates will be identified for each piece of equipment.

LAC will prepare estimates and review them with the Working Committee. A spreadsheet will be prepared that outlines the costs. A cost will be prepared for both hourly use and “out of yard” hours. These equipment class rates will then be entered into the CMMS.

We anticipate two meetings: one via web meeting and another onsite are anticipated and City staff will be trained for future rate updates.

End Product: Produce list of equipment rates.

TASK 15 – ASSIST DEPARTMENT IN DEVELOPING BOTH AVOIDABLE AND FULL OVERHEAD RATES ALONG WITH FEMA RATE

LAC will work with Finance staff to determine two overheads that reflect the City's actual cost of performing work. One will be an avoidable cost overhead and another will be a full overhead that would be developed to be used for external billing and reimbursement. Existing, established full overhead rates will be updated to the new rates. Further, the consultant will help document and develop an annual process to update the overhead rates and integrate the rates into the CMMS.

LAC will work with City staff to determine best practices for FEMA rate determination and outline the cost that should be considered when the rate is computed.

End Product: Assist to establish and document overhead rates and an update process.

TASK 16 – DEVELOP PERFORMANCE-BASED WORK PROGRAM AND BUDGET

After the activities, inventories, and work calendar have been established, a performance-based work program and budget will be prepared by each division, and a balance between desired service levels and available funds will be developed. The system will be established with the ability to compile summaries of plans such as acres or by a particular group.

The work program and budget in CMMS will include, at a minimum:

- The feature inventory quantity
- The annual work quantity
- The planned crew size
- The total days of work for each activity
- The average daily production for each activity
- The cost of labor, equipment and materials for each activity
- The total annual cost, by activity, and for the entire work program

The individual work programs and budgets for each organizational unit will also be summed to produce an annual work program and budget for the entire operations and maintenance section.

The plan will have the capabilities to project effort for various special events with activities and service levels established. Further, the plan will be used to estimate all work to be done for the year including all after hours and overtime effort.

We anticipate three meetings: one via web meeting and another two onsite.

End Product: Annual work program and budget for each activity and the entire division.

TASK 17 – DETERMINE RESOURCE REQUIREMENTS

After the initial work program and budget are determined, the annual labor, equipment and material needs for each organization unit (group) will be identified by the consultant. An annual calendar showing monthly resource needs will be used to determine the monthly and annual quantities of materials, labor and equipment required to fulfill the annual plan.

This is accomplished through the system by utilizing the schedule information taken from the activity guidelines and the annual work program quantities. LAC is assuming that it will require two meetings.

End Product: A list of required resources by group to fulfill the annual plan.

TASK 18 - IMPLEMENT A WORK REQUEST SYSTEM

LAC will implement the work request process for all groups utilizing the CMMS system. LAC will work with the vendor to make the best use of selected software to match customer needs and provide a tool for scheduling. LAC will assist all supervisors in utilizing the new processes and establish business processes for the system to work successfully. This will eliminate the need for multiple service request systems and allow all request information to be stored in one place.

Other City employees that will utilize requests for service will be trained for use of the system. We anticipate three meetings.

End Product: Implementation of an automated Service Request System.

TASK 19– ESTABLISH WORK SCHEDULING PROCEDURES

LAC will work with the managers and supervisors to enhance and/or establish short term work scheduling procedures. A process for the identification, assignment and allocation of resources and estimation of time required to complete the various activities will be determined. This, together with a routine for holding the scheduling meetings and monitoring maintenance progress, will be identified.

Future processes for allocating resources to jobs will be outlined that will be integrated with the CMMS capabilities such as a work backlog and work calendar. A procedure will be developed, allowing staff to plan in advance and enable personnel to have the right resources on the right job at the right time. This effort will combine the capabilities of the system with those of the supervisors.

The scheduling procedures will be presented and taught by LAC to the appropriate personnel and will be monitored and directed during the first two months of implementation to ensure compliance and allow fine tuning of all of the processes involved.

We anticipate four meetings: two via web meetings and the rest onsite.

End Product: Development of a bi-weekly scheduling system.

TASK 20– ESTABLISH WORK REPORTING PROCEDURES

LAC will enhance, establish and/or implement routine work reporting procedures to properly obtain CMMS data for all groups. The work reporting procedures will be presented and taught to the appropriate personnel and monitored during the first four months of implementation to ensure compliance. The work will be reported by the use of daily work reporting sheets. Each supervisor will record the following information on a daily basis using the daily work reports.

The daily work report will include:

- Responsible supervisor
- Activity performed
- Location of work
- Resources used
- Date of work performed
- Accomplishments

The completed daily work reports will be entered into the CMMS to allow comparisons of planned and actual values and costing of work.

We anticipate four meetings: two via web meeting and another two onsite.

End Product: Standardized work reporting system established.

TASK 21 - DEVELOP WORK CONTROL AND MONITORING PROCESSES

LAC will develop and document work controls, and monitoring processes that will provide answers to the following questions:

- How much work was accomplished versus what was planned?
- How effectively were the available resources utilized?
- What problems require correction to ensure accomplishment of the work program?

In addition, the control reports will include data that identifies:

- Work program progress -- to monitor accomplishments
- Resource utilization -- to monitor actual use of labor, equipment and funds in accomplishing the work program
- Productivity -- to measure the effectiveness and efficiency of the work crews

- Unit Costs -- to measure the cost-effectiveness of work accomplished to the costs incurred

The CMMS system will have standard reports that allow for complete evaluation of the work planned versus actual effort given. Standardized reports will be generated for various staff to use, which will depict labor, equipment, contracts and material by location and activity. Additional reports may be established with vendor assistance to ensure proper operations.

A minimum of four additional custom reports will be created addressing specific needs of the organization.

End Product: Process for monitoring and controlling work.

PHASE 3 CMMS SYSTEM IMPLEMENTATION

This Phase is for actual software configuration and system training. These are estimates and cannot be fully determined until Phase 1 is completed.

The software vendor will install Lucity system updates on the City's computer network to allow access by management, supervisors and administrative staff. This work will be done in conjunction with IT staff to ensure data and programs are loaded following the City guidelines. All necessary backup copies of the database software will be provided to the City. The process to load the software will be documented and included in the system documentation. The City will check and confirm the operation of each workstation location to ensure correct operation. This task will consist of loading and installing the selected system and ensuring proper documentation is acquired or prepared. The effort will require coordination with GIS and information system departments, but the software vendor will actually load the system.

TASK 22 – CONFIGURATION OF SOFTWARE

LAC, working with the software vendor, will make sure that the installation and configuration of the software package best matches with the expectations and objectives of the recommendations. LAC will advise the City on issues it believes may conflict with the effective implementation of the software. LAC will make sure that the installation will optimally match the guidelines and goals established in Phase 1 and Phase 2. LAC will coordinate with the City and software vendor to convert the current databases that have been compiled for work plans, resources, unit cost and activities.

Efforts will be taken to make sure all available and relevant data is moved over to the new system. If further population of the new database is required, LAC will facilitate the completion of these needs with the vendor. LAC will work with the software vendor to make sure the database is structured in a manner that matches the current mode of operations within the Division. Items such as management units, job classifications, and activity plans will be reviewed to determine if they reside in the appropriate areas and are functional. The effort will include the service requests and work order process parameters.

End Product: Software configuration and setup will be accomplished.

TASK 23 – SOFTWARE SYSTEM TRAINING SUPPORT

It is anticipated that even after basic training has been provided by the Vendor, further training (or coaching) will be necessary to acclimate the operations staff to the new software package and related functionality to the desired work processes. Acting not as an agent to the vendor, but consultants for the City, LAC will provide the City with assistance for solutions. If needed, LAC will make the necessary contact with the software vendor to determine the most appropriate actions to take.

LAC will provide telephonic support and conduct web based and telephonic training sessions if necessary. It is anticipated that the annual maintenance contract for the vendor software package will be purchased for this time frame. The initial training will include system setup, configuration, security, form and screen layout. LAC anticipates the City participating in single (2-3 days) session along with Lucity.

End Product: LAC will provide backup training, coaching, and support as necessary.

TASK 24 – OVERALL CMMS SYSTEM TRAINING AND ADMINISTRATION

Division managers and supervisors will be trained in all aspects of the CMMS. A series of training sessions (5) will be conducted on the following topics with two done onsite and the rest remotely via web meeting session.

- Work order creation
- Query creation
- Work reporting
- PM templates/master scheduling
- Setup, security and administration
- Interpretation training

End Product: All staff trained in AMMS system use matching department needs.

TASK 29 - DEVELOP SYSTEM DOCUMENTATION

A series of documents outlining the system and management processes will be developed as a reference and guide for applying the developed system. The following manuals will be included to document the various procedures and processes required for operating and administering the maintenance system:

- Field Manual (3 copies) – for use by employees. This will be a short working paper that will contain work scheduling and reporting procedures, work evaluation and control procedures, and other materials appropriate for field use. It will be guide for work activities and outline the work flow within the Lucity system.
- Operations Manual (3 copies) – to be used by management level personnel. It will include a system description, detailed operating procedures for maintaining the system and all related documentation on activities, service levels, planning and controlling reports and source data used to develop the system.
- Computer User Manual – Selected CMMS vendor will provide copies that will outline how to enter and modify data; produce the various reports, and a general description of how to operate the software.

End Product: Documentation of the maintenance system.

TASK 26 - FINAL EVALUATION AND REPORT

A final report will be prepared after implementation of the system with the overall impact of the effort. This report will document all data collected, results of actions, future steps required to maintain the CMMS system, documented improvements, and any recommendations for future use and improvements in operations.

End Product: Final evaluation and report.

TASK 27- MONTHLY STATUS AND QUALITY CONTROL

Monthly status reports will be prepared for the City for Phase 2 and Phase 3. These reports will include a listing of all the project tasks with a summary status and a percent complete for each task.

End Product: A monthly status report will be provided, along with telephone support.

B. WORK SCHEDULE

Schedule

LAC estimates a 9-month work schedule to complete the tasks outlined assuming that other departments efforts (Street, Facilities and Solid Waste) by LAC are ongoing concurrently.

TASK	1	2	3	4	5	6	7	8	9	
City of Prescott										
Phase 1										
1 Project initiation	█									
2 Examination of services and field review	█	█								
3 Evaluate opportunities for process enhancement	█	█	█							
4 Document and present findings		█	█	█						
5 Present recommendations		█	█	█						
6 Prepare draft report			█	█	█					
7 Document final report with recommendations				█	█	█				
8 Monthly status and quality control
Phase 2										
9 Define activity list				█						
10 Inventory of physical features				█	█					
11 Determine maintenance service levels				█	█	█				
12 Establish routine programs				█	█	█				
13 Define work methods and guidelines				█	█	█				
14 Develop equipment rates and populate database				█	█	█				
15 Assist developing overhead rates				█	█					
16 Develop performance-based work program					█	█	█			
17 Determine resource requirements						█	█			
18 Implement work request system						█	█	█		
19 Establish scheduling					█	█	█	█		
20 Establish work reporting							█	█		
21 Develop work control and monitoring processes							█	█		
Phase 3										
22 Configuration of software				█	█	█	█	█		
23 Software system training				█	█	█	█	█		
24 Overall CMMS system training and administration				█	█	█	█	█		
25 Develop system documentation					█	█	█	█	█	
26 Final evaluation and report								█	█	
27 Monthly status and quality control

Schedule Adherence

LAC's successful process as outlined in our scope requires considerable staff involvement and commitment to work together collectively. If the City is to meet the proposed schedule, the following will be needed to be provided by the City:

- ✓ Project Coordinator with detailed City background in the work and a good working relationship with key employees. This person would help LAC schedule meetings, presentations and reviews and direct response and comments to LAC.
- ✓ City must review and provide written communication to LAC on specific recommendations to implement.
- ✓ City must guide software loading by the vendor.
- ✓ Employees must be made available for interviews.
- ✓ Assistance provided to schedule meetings, presentations locations, etc.
- ✓ Key staff must attend all relevant meetings.
- ✓ Documents requested must be produced within ten (10) days of request.
- ✓ Provide data in electronic format, as much as possible, to expedite the process.
- ✓ The documents produced by LAC must each be reviewed by the City within twelve (12) working days.

- ✓ Provide relevant input with corresponding support data for working papers response.
- ✓ Staff must be available for meetings and follow-up within a week's notice.

D. Cost

LAC estimates a cost for each of the three phases for City Utilities assuming that other infrastructure efforts are ongoing concurrently. The cost would be \$43,049 for these three phases. It is based on the City's utilization of the existing system (Lucity) so if the City decided to use another system then, Phase 3 effort could change.

<i>City of Prescott</i>		
<i>Tasks</i>		
Phase 1		
1 Project initiation	\$1,090	
2 Examination of services and field review	\$2,452	
3 Evaluate opportunities for process enhancement	\$2,043	
4 Document and present findings	\$2,452	
5 Present recommendations	\$2,588	
6 Prepare draft report	\$2,861	
7 Document final report with recommendations	\$2,316	
8 Monthly status and quality control	\$681	
	Phase 1 Subtotal	\$16,484
Phase 2		
9 Define activity list	\$409	
10 Inventory of physical features	\$545	
11 Determine maintenance service levels	\$681	
12 Establish routine programs	\$1,499	
13 Define work methods and guidelines	\$2,180	
14 Develop equipment rates and populate database	\$409	
15 Assist developing overhead rates	\$545	
16 Develop performance-based work program	\$2,180	
17 Determine resource requirements	\$817	
18 Implement work request system	\$1,090	
19 Establish scheduling	\$1,635	
20 Establish work reporting	\$681	
21 Develop work control and monitoring processes	\$1,635	
	Phase 2 Subtotal	\$14,304
Phase 3		
22 Configuration of software	\$2,180	
23 Software system training	\$2,180	
24 Overall CMMS system training and administration	\$2,725	
25 Develop system documentation	\$2,043	
26 Final evaluation and report	\$2,316	
27 Monthly status and quality control	\$817	
	Phase 3 Subtotal	\$12,261
Total		\$43,049



Consulting, Inc.

September 4, 2012

Ms. Stephanie Miller
stephanie.miller@prescott-az.gov
Director Field and Facilities
City of Prescott
2800 Sundog Ranch Rd
Prescott, AZ 86301

RE: Proposal: 2012 Maintenance Management Support Services - Streets/Solid Waste & Facilities and Fleet with updated scope

Dear Ms. Miller:

LA Consulting, Inc. (LAC) appreciates the opportunity to assist the City in continuous improvement via enhancing additional components of your Maintenance Management System (MMS). Based upon our prior discussions and your comments, we have outlined tasks to performed support for the City and develop the various items for facilities, fleet and streets and solid waste. The support for water/wastewater utilities, which was submitted separately, is assumed that the projects will be done concurrently. We have now prepared a cost submittal to match the scope after you confirmed the scope.

The work would be performed by our competent LA Consulting staff and will be billed on a percent completed basis as indicated in the attached schedules. Our past support of the maintenance management system and partnership with your staff has been extremely successful, and we are planning to provide even further value. LA Consulting (LAC) proposed to update, guide, and train the City staff in the use and update of the current Maintenance Management System (CitiTech). However, should the City desire to use another system, LAC could still provide the support. Further, our effort and cost for the Fleet does not include system implementation as the existing system would have to be evaluated for determination of ability in meeting the City's needs.

We appreciate the past opportunities with the City and look forward to working with you and your staff again. Please review and advise if this scope matches needs that you have desired.

Sincerely,

Harry Lorick
Principal

"We Help Public Works Work"

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Phone: 310-374-5777 • Fax: 310-374-5557 • email: hlorick@laconsulting.com
1209 Manhattan Avenue, Suite 310 • Manhattan Beach, California 90266
Internet address: www.laconsulting.com

SECTION 1 SCOPE OF WORK AND PROJECT WORK PLAN

The effort is broken into plans for A.) Fleet, B.) Facilities and Solid Waste, and a separate plan C.) for Street. Facilities and Solid Waste (Plan B) effort includes development of a system by a review and evaluation, along with business process development and implementation. However, Street (Plan C) only includes an update and enhancement with institutionalization of an existing system, which is still just as important but is a lower amount of LAC work effort.

A. FLEET

WORK PLAN

The approach for Fleet is outlined as follows encompassing a single phase and ten tasks with some having subtasks. These tasks have been outlined in the general order they will be performed. This phase focuses on the evaluation and determination of opportunities to enhance the use of a systematic business approach and related system for Fleet to have a tool and process to become more effective.

STUDY APPROACH

Successful completion of this comprehensive operations study is dependent on successful interaction and participation between LA Consulting (LAC) and City personnel, as well as LAC's background and experience. Our approach and methodology has been developed to ensure effective and interactive communication -- leading to a comprehensive result that reflects the true needs of the City for Fleet.

The general process will include project initiation, compiling baseline information, documenting findings and developing an implementation plan for maintenance operations. The findings and recommendations will be presented to key fleet staff. A series of interim working papers with related presentations will be submitted for agency review prior to the final submittal and related systems recommendations.

PHASE 1 EVALUATION OF FLEET

This Phase is to evaluate fleet operations and outline system needs and ideas for optimal operations.

TASK 1 – PROJECT INITIATION

The following tasks are intended to familiarize City Fleet staff with the approach that LAC will take to evaluate and systematize the City's maintenance operations. The tasks will also serve to educate LAC on the organization, work processes and features found in the department.

Task 1.1 – Project Startup

During this first task, we will begin our team planning efforts associated with the project. LAC will initiate the project immediately after the contract is signed. LAC staff will conduct initial meetings with the Director, Fleet Manager and other key staff to review the City's objectives and

their perception of the approach to the work methods and procedures that are needed to compile and analyze complete operations information.

Structured interviews will also be conducted with several key employees, including those which have a major impact on the controlling and directing of maintenance and operations. Further, overview site visit will occur by the LAC team on update of general work and assets. Information and ideas on current aspects of fleet operations will be obtained, which are positive and negative along with concepts for enhancements. The objective of these sessions is to develop working relationships with key staff and a general understanding of each of the objectives. Meetings will be held to further refine our methodology and approach to effectively accommodate the specific needs and desires of the City.

End Product: Key City staff will be consulted and concepts for improvements and enhancements will be prepared.

Task 1.2 – Prepare Detailed Work Plan

Based on our observations and discussions in the initial task, LAC will prepare a detailed schedule and work plan that includes optimized ideas and concerns from elected leaders and City employees. The project tasks will be further defined with milestone changes if the information obtained from Task 1 warrants.

End Product: A detailed schedule will be prepared.

Task 1.3 – Establish a Review Committee

To ensure an effective program, operational effort and credibility with all levels of the organization, a Review Committee/Team of three key members of staff will be established. The group shall be updated at major milestones and provide direction to LAC. In addition, the Committee will periodically review progress and accomplishments and provide LAC with guidance and counsel. Committee members will develop a firsthand understanding of the study developments as they are documented and presented. This method will promote a sound understanding of the analysis process and ensure the credibility of the findings and recommendations of LAC. It is recommended that the City appoint an in-house coordinator to work closely with LAC. This individual will assist in researching and compiling required maintenance data and act as a liaison between the Committee and LAC.

In Phase 1 they will work with the project team on the current baseline information, identification of best management practices, review of the findings and recommendations.

End Product: A Review Committee and study coordinator appointed to work with LAC to ensure study credibility and assist in data research.

Task 1.4 – Conduct Orientation

In order to establish a uniform understanding of the operations and LAC's role between the Committee and the project team, a general orientation session will be conducted during the second week of the onsite effort for the project. During this meeting, LAC will describe in detail our proposed approach, our schedule, and identify any potential problems. In addition, a review of a systematic approach will be given to all Committee members along with what data will be researched and compiled and the results and benefits that can be expected from the implementation. A single meeting will be conducted with all relevant Fleet employees in the City to outline the process being planned and how the system can best assist them.

End Product: A uniform understanding between staff participating in the study and LAC as to the project objectives, work methods, and schedule.

TASK 2 – EXAMINATION OF SERVICES AND OPERATIONS REVIEW

After a Review Committee has been setup and orientation meetings have taken place, LAC will begin interviewing staff and collecting data on all aspects of the current operation. This will be done in a series of sub-tasks described below.

Task 2.1 – Activity Review (City provides existing data -- LAC analyzes)

Using information collected from the City, combined with LAC's experience, a general review of the type of services and activities conducted within the City will be determined. This will include such activities as PMs of equipment, tire repairs, oil change, etc. An estimate of the amount of effort using field confirmation for key activities will be done. Rather than cover all activities, an effort will be made to utilize principles such as Pareto's law that allows a focus by estimating that approximately 20% of the activities comprise 80% of the work. By applying this approach, LAC anticipates that between 4-8 activities will be identified and reviewed.

In this activity process, an inventory item that best describes the potential workload over the life of the asset will be identified along with adequacy of inventory. Examples would be units for light, heavy equipment, hand tools etc., which would then be compiled for a composite list of activities and their units of measure.

End Product: Activity list with unit of measure identified and documented.

Task 2.2 – Work History (City provides existing data -- LAC analyzes)

A multi-year compilation of work performed by key activities will be done. This can be done through a review of daily work reports, work orders, or use of any existing reporting systems, estimates of materials used and field observations of the existing operation. The data compiled will be person-days of work annually by activity along with work units accomplished. Also, any support contract information will be obtained to capture all maintenance effort.

End Product: A work history will be compiled for activities performed.

Task 2.3 – Features Inventory (City provides existing data -- LAC analyzes)

With the assistance of City staff, LAC will estimate and confirm adequacy of the inventories of equipment (heavy, trucks, pickups, etc.) features that relate to work being performed. Existing files and various information from City staff, and observations will be used to determine initial values. The City will assist in the actual research with guidance from LAC. LAC will compile the information to complete the effort. Existing records will be used in lieu of actual field data gathering. Existing management systems data and reporting will be used and some limited confirmation of information accuracy.

End Product: Asset inventory information will be compiled and placed into LAC's work planning database.

Task 2.4 – Determine Maintenance Service Levels

Working with the Committee, the consultant will facilitate the establishment of the desired maintenance service levels required for each defined activity, and the quantity and frequency of work expected to be accomplished on an annual basis, per inventory unit. This will include the determination of the desired service level needed to maintain a feature element and a funded service level documenting the service level appropriate to funding constraints. Example such as heavy equipment PM will be performed every six months.

The existing service level estimates will be based on observation, interview, schedules and policy. The desired service levels are those that the City wants to accomplish to provide a public service and protect assets. A funded service level is the service level provided within funding guidelines for a given year. The consultant will provide support for the determination of existing service levels and City's desired service levels.

A single meeting is estimated to obtain necessary input to complete this effort.

End Product: Desired and funded service levels for each activity will be determined.

Task 2.5 – Resource and Organizational Data (City provides existing data -- LAC analyzes)

Again using the assistance of City staff, LAC will request a listing by general category for labor, equipment and material resources. LAC shall determine the format after consultation with the Committee. Existing personnel and equipment files, as well as information from field and office observations will be used to provide the estimates. If not available, unit costs will be estimated. LAC will also make an estimate of avoidable overhead that could be applied to labor costs.

End Product: Resource data will be collected.

Task 2.6 – Policies and goals (City provides existing data -- LAC analyzes)

An analysis of current organizational policies established by the City will be conducted and impacts on operations, maintenance, and capital projects will be determined. Specifically, LAC will review customer service processes, response time, complaint handling and tracking, communication protocol and procedures for prioritizing work. All requirements, documentation, internal and external policies will be reviewed and outlined. Informal and functional procedures will be included in this effort.

The City's documented vision, mission and strategic goals will be reviewed versus actual employee's direction, resources utilized and core competencies. LAC will analyze the policies to determine if they are working and are efficient and effective.

End Product: A review of City policies and direction.

Task 2.7 – Management Approach and Preparation of Baseline Paper

All key strategic goals and various divisional functions identified in structured interviews will be further analyzed through the appraisal of available planning documents such as inventories, needs identification systems, complaints, routine maintenance schedules, activity guidelines, work methods and work programs. The scheduling methods and assignment of work processes will be recorded and discussed with various staff. The work-orders or log items that track work performed and hours and resources expended will be identified and observed. Finally, the control mechanisms, such as generated reports, will be evaluated. Any graphs, and/or figures that track effort expended, work accomplished, project completion and budget used will be obtained and generally understood and evaluated. These work processes would be completely outlined.

These existing work processes will be documented in a short summary and the areas in the basic management processes of planning; organizing, scheduling and controlling that are in need of improvement and enhancement will be identified. In addition, the organizational structure and work flow will be identified and general assignments and responsibilities outlined for key staff in the various City functions.

Using the information obtained in previous steps, LAC will flowchart how work is identified, planned, organized, scheduled and performed. All reporting information will also be documented including the approach for fiscal analysis. Both the proactive (preventative) and responsive work will be identified. LAC will outline precise workflows including data and automated system approaches.

LAC will present the baseline data to the steering committee for their input and affirmation via web presentation. Information and feedback will then be used afterwards to compile a working paper that will outline LAC understanding of the City's operations.

This sub task will be documented in a concise (estimated 4 – 5 pages) presentation style of draft working paper and distributed to the Committee. Further, LAC will present the baseline information to management for their input.

End Product: Interview and define basic existing management processes and document information in a concise baseline working paper.

TASK 3 – EVALUATE OPPORTUNITIES FOR PROCESS ENHANCEMENT

The LAC team will use collected information and past experience to evaluate opportunities where improvements can occur. The following subtasks will be performed in this effort:

Task 3.1 – Work Flow Analysis

The ideal workflow will be compared to the actual processes for work identification, work scheduling, fiscal analysis, and contract determination. Any differences will be identified. Also, opportunities to streamline or eliminate unnecessary steps will be identified including how the City interacts with other programs such as local agencies and finance.

Task 3.2 – Work Method

A sample of several key activities would be observed by LAC in the shop, equipment, method, quality of work and productivity will be noted. From previous consultant's experience, discussions with staff and other agency data, comparisons and opportunities for improvement will be identified. This will include specific activities for the City's various functions. Employees will also be observed by LAC in the shop as required to understand their work processes and impact on the overall operations.

Task 3.3 – Contract work vs. In-house

LAC will review several key major activities performed in-house and evaluate the process for determining work that is performed by contract. Based upon information provided by the City, LAC will evaluate the mix of in-house versus contract work as it appears warranted. Further, LAC will evaluate the type of work that is performed by the City and assess if the work appears to be better suited to be performed by other agencies or departments.

Task 3.4 – Resource and Organizational Evaluation

Information collected in previous tasks will be stored in an internal LAC evaluation database. LAC, using equipment and asset inventories, estimated frequencies or levels of service, and production values will then estimate the workload and resources needed to meet this level of service. These labor and equipment resources needed would be compared to the current operation resources.

Further, LAC will review the operational structure versus actual day-to-day operations. Spans of control, resource mix and allocation, skills and turnover, leave and management category parameters will be reviewed and benchmarked against other agencies.

LAC's work model would then estimate the staffing that matches the desired service levels and related workload and compare to other agencies by work function.

Task 3.5 – Workload and Budget Evaluation

Using the working paper information from previous tasks and discussions with City staff, the procedures used by the City to develop annual performance budgets based upon the existing service levels will be examined. This review will focus on the relationship of funding to workload. Other areas covered will include sources of funding (revenue, general funds, state and federal funds), allocation of funds, impact of funding and workload changes/constraints and how the City's expenditures are justified.

Task 3.6 – Equipment Management Evaluation

LAC will evaluate fleet management within the City. Using information collected on usage, LAC will estimate fleet rates, compare staff per equipment compared to other agencies, and the pros and cons of leasing versus purchasing equipment. Further, LAC will look at the utilization of the equipment within each group and make an estimate of the hourly equipment rates by classification and determine if there are low use or high maintenance cost pieces of equipment.

Task 3.7 – Technology Evaluation

LAC will review the City's current databases, existing software platforms, and associated data models for all infrastructure and system operations as they relate to various maintenance and operations functions. Technology from wireless applications to web enabled capabilities will be outlined. LAC will look at the various inputs and outputs and develop an understanding of how the existing data is processed. A general logic flow will be developed that will outline the process. LAC will interview the staff that manages any databases that were developed and/or implemented.

A comparison of the existing City operations will be made with desired goals for the system. Areas not covered or lacking from desired consequences will be documented. An outline of the City's current system with functions that are operational and any efforts needed to meet desired goals will be prepared.

Task 3.8 – Cost allocation policies and procedures

LAC will review funds that are received from various sources to ensure that costs are being appropriately recovered. LAC will review the process for billing of funds, retrieval of funds and how the funds are allocated to the appropriate sections of the City. Review and determination of overhead used and how applied in the system.

Task 3.9 – Macroscopic Benchmarking

A group of comparable agency performance parameters, from no less than three (3) agencies and/or industry benchmarks, will be compared to those of the City by task. Many agencies will be used, but for any particular task, LAC will try to use "best in class" so that opportunities for improvement can be made.

Comparable agencies and/or industry benchmarks throughout the US, including contract agencies, and various agencies will be compared on such items as unit cost and average daily production for each maintenance function. Any areas of opportunity for improvement will be identified. Also, overall parameters would be used such as VEU per mechanic and vehicles per

mechanic as well as repair hours per vehicle type. Further, detail comparisons of major activities, cost, methods and techniques will also occur.

In addition, LAC will perform benchmarking on management and organizational functions, which include span of control and administrative staff to employees.

LAC will compare information collected in task 2 and 3 for micro and macro benchmarking to relevant industry and agency data for managing fleet. Mechanic per vehicle bay and vehicle equivalent unit will be compiled.

End Product: A complete compilation of opportunities in a presentation format to improve operations will be compiled with benchmark information.

TASK 4 – DOCUMENT AND PRESENT FINDINGS

The findings from the first three tasks will be compiled and documented by LAC and presented to the Committee onsite and general staff for review and further discussion. This will include all basic management functions from work planning, organization, direction and controlling and improving from best business practices to an automation review of process, methods, resources and technology. The findings will include an evaluation of all aspects of the City including the strengths and weakness of the City in relation to current duties.

Further, LAC will present initial findings in a meeting to all of the City employees for their input. After that presentation, the information will be assembled into a presentation style working paper submitted to the Committee for their comments.

End Product: Draft presentation style working paper that documents the findings (4-7 pages).

TASK 5 – PRESENT RECOMMENDATIONS

After receipt of comments from the Committee, the draft findings and related baseline information will be used to outline a series of recommendations for system enhancement. LAC will present initial recommendations to both the Committee and to all fleet employees onsite in a meeting for their input to establish desired business processes.

End Product: Prepare the recommendations presentation for feedback and input.

TASK 6 – PREPARE DRAFT REPORT

After the presentation in Task 5 and compilation of the comments from the baseline and findings, the information will be assembled into a draft presentation style report (10-15 pages) and submitted to the Committee for their comments. Using feedback from the Committee's review

of the working papers, a draft final report will be compiled that has an executive summary, baseline, findings and recommendations. The draft report will be submitted to the Committee for comment.

The report produced during this task will provide the information necessary to document benefits of improved operation for resource allocation, service levels, work flow and organizational issues.

Input and counsel from the review Committee will be encouraged during both the findings and recommendations presentation to assist LAC in further refining the recommended solutions.

End Product: Draft report will be compiled and submitted which outlines the effort to improve the City's Fleet Maintenance operations.

TASK 7 – DOCUMENT FINAL RECOMMENDATIONS

The report will then be finalized after input from the Committee and key management staff. After the presentation, input and counsel from all will be encouraged to assist LAC in further refining recommended solutions. A final report will be submitted to the Director of Field and Facilities.

The report will include explicit recommendations that, when implemented, will generate more effective and efficient operations. The benefits and cost will be estimated in both short and long term implementation. The focus will be on facilitating and working with employees at all levels, from management to field crews, to develop a “play book” that will allow for the City to be the most effective through implementation of specific recommendations. Information on past history of work accomplished will be within the document and be used for suggested actions.

The City will relate all recommendations to facts collected from both the consultant and the City employees. This will result in a process that will ensure a buy-in of recommendations that can be implemented.

End Product: A final written report that documents the baseline operations, findings and recommendations will be submitted to the City.

TASK 8 – EVALUATE EXISTING CAPABILITIES TO MEET RECOMMENDATIONS

LAC's recommendations based on the action plan from Task 7 will be compared with the capabilities of the existing system and its ability to meet the City's documented needs.

LAC will conduct an interactive meeting with staff and present information on technology needs and existing capabilities. If required, the costs to modify or enhance the current system will be estimated.

LAC will then facilitate staff's course of action through communication with preparation of a documented action plan.

A cost benefit analysis will be done prior to proceeding with estimates of potential applications weighted versus potential benefits.

End Product: A concise letter evaluation (2-4 pages) that documents the findings and recommendations in the LAC report as related to existing software will be submitted.

TASK 9 – DEVELOP IMPLEMENTATION PLAN

Once the recommendations have been reviewed with City staff, a detailed implementation plan and timeline will be created. The plan will include a step-by-step process to actually implement the recommendations with a general timeline for each of the tasks within the plan.

A draft plan will be submitted to the committee for review. Once all comments have been made, the plan will be finalized with capabilities report in Task 8. A single onsite meeting followed by some telephonic support is anticipated.

End Product: A simple implementation plan letter (4-6 pages) and timeline will be created.

TASK 10- MONTHLY STATUS AND SUPPORT

Monthly status reports will be prepared for the City in Phase 1. These reports will include a listing of all the project tasks with a summary status and a percent complete for each task.

End Product: Monthly status report will be provided, along with telephone support.

B. FACILITIES/SOLID WASTE

WORK PLAN

The approach is outlined as follows encompassing three phases and 29 tasks with some having subtasks. These tasks have been outlined in the general order they will be performed. The first phase focuses on the evaluation and determination of opportunities to enhance the use of a systematic business approach and related system for Facilities and Solid Waste to have a tool and process to become more effective. Phase 2 focuses on the opportunities to improve the business processes identified in phase 1 for Facilities and Solid Waste and some process additions and/or enhancements to allow for the full functionality of the CitiTech system. Phase 3 is for the review of the functionality of the system needs for Facilities and Solid Waste and what would be needed to implement a complete system that is fully integrated. Phase 2 and 3 scope tasks cannot be fully developed until Phase 1 is completed. These tasks are used to assist in understanding of a likely scope, however, that will depend on Phase 1 results.

This proposed approach includes several tasks that are directly designed to help facilitate system needs as well as outline a complete approach to managing Facilities and Solid Waste maintenance operations.

STUDY APPROACH

Successful completion of this comprehensive operations study is dependent on successful interaction and participation between LA Consulting (LAC) and City personnel, as well as LAC's background and experience. Our approach and methodology has been developed to ensure effective and interactive communication -- leading to a comprehensive result that reflects the true needs of the City for Facilities and Solid Waste infrastructure.

The general process will include project initiation, compiling baseline information, documenting findings and developing an implementation plan for maintenance operations. The findings and recommendations will be presented to all relevant Department staff. A series of interim working papers with related presentations will be submitted for agency review prior to the final submittal and related systems recommendations.

PHASE 1 EVALUATION OF FACILITIES/SOLID WASTE

This Phase is to evaluate Facilities and Solid Waste operations and outline system needs and ideas for full integration of a system.

TASK 1 – PROJECT INITIATION

The following tasks are intended to familiarize City Facilities and Solid Waste staff with the approach that LAC will take to evaluate and systematize the City's maintenance operations. The tasks will also serve to educate LAC on the organization, work processes and features found in the department.

Task 1.1 – Project Startup

During this first task, we will begin our team planning efforts associated with the project. LAC will initiate the project immediately after the contract is signed. LAC staff will conduct initial meetings with the Director, the Facility Manager, Solid Waste Manager and other key staff to review the City's objectives and their perception of the approach to the work methods and procedures that are needed to compile and analyze complete operations information.

Structured interviews will also be conducted with a minimum of three key employees, including that have a major impact on the controlling and directing of maintenance and operations. Further, overview site visits will occur by the LAC team on update of general work and assets. Information and ideas on current aspects of facility and solid waste operations will be obtained, which are positive and negative along with concepts for enhancements. The objective of these sessions is to develop working relationships with key staff and a general understanding of each of the objectives. Meetings will be held to further refine our methodology and approach to effectively accommodate the specific needs and desires of the City.

End Product: Key City staff will be consulted and concepts for improvements and enhancements will be prepared.

Task 1.2 – Prepare Detailed Work Plan

Based on our observations and discussions in the initial task, LAC will prepare a detailed schedule and work plan that includes optimized ideas and concerns from elected leaders and City employees. The project tasks will be further defined with milestone changes if the information obtained from Task 1 warrants.

End Product: A detailed schedule will be prepared.

Task 1.3 – Establish a Review Committee

To ensure an effective program, operational effort and credibility with all levels of the organization, a Review Committee of three key members of staff will be established. The group shall be updated at major milestones and provide direction to LAC. In addition, the Committee will periodically review progress and accomplishments and provide LAC with guidance and counsel. Committee members will develop a firsthand understanding of the study developments as they are documented and presented. This method will promote a sound understanding of the analysis process and ensure the credibility of the findings and recommendations of LAC. It is recommended that the City appoint an in-house coordinator to work closely with LAC. This individual will assist in researching and compiling required maintenance data and act as a liaison between the Committee and LAC.

In Phase 1 they will work with the project team on the current baseline information, identification of best management practices, review of the findings and recommendations and in Phase 2 and 3 in actual implementation.

End Product: A Review Committee and study coordinator appointed to work with LAC to ensure study credibility and assist in data research.

Task 1.4 – Conduct Orientation

In order to establish a uniform understanding of the operations and LAC's role between the Committee and the project team, a general orientation session will be conducted during the second week of the onsite effort for the project. During this meeting, LAC will describe in detail our proposed approach, our schedule, and identify any potential problems. In addition, a review of a systematic approach will be given to all Committee members along with what data will be researched and compiled and the results and benefits that can be expected from the implementation. A single meeting will be conducted with all relevant facility employees in the City to outline the process being planned and how the system can best assist them.

End Product: A uniform understanding between staff participating in the study and LAC as to the project objectives, work methods, and schedule.

TASK 2 – EXAMINATION OF SERVICES AND FIELD REVIEW

After a Review Committee has been setup and orientation meetings have taken place, LAC will begin interviewing staff and collecting data on all aspects of the current operation. This will be done in a series of sub-tasks described below.

Task 2.1 – Activity Review (City provides existing data -- LAC analyzes)

Using information collected from the City, combined with LAC's experience, a general review of the type of services and activities conducted within the City will be determined. This will include such activities as plumbing repair, HVAC maintenance, etc. An estimate of the amount of effort using field confirmation for key activities will be done. Rather than cover all activities, an effort will be made to utilize principals such as Pareto's law that allows a focus by estimating that approximately 20% of the activities comprise 80% of the work. By applying this approach, LAC anticipates that between 5-10 activities will be identified and reviewed.

In this activity process, an inventory item that best describes the potential workload over the life of the asset will be identified along with adequacy of inventory. Examples would be units for HVAC, square feet of buildings, etc., which would then be compiled for a composite list of activities and their units of measure.

LAC will review crews on site for both facilities and solid waste during a series of field reviews with documentation of crew, resources, location and how work is identified.

End Product: Activity list with unit of measure identified and documented.

Task 2.2 – Work History (City provides existing data -- LAC analyzes)

A multi-year compilation of work performed by key activities will be done. This can be done through a review of daily work reports, work orders, or use of any existing reporting systems, estimates of materials used and field observations of the existing operation. The data compiled will be person-days of work annually by activity along with work units accomplished. Examples for a fiscal year would be HVAC of completed, square foot painted, and square foot of carpets cleaned. This will be done for each activity. Also, any support contract information will be obtained to capture all maintenance effort.

End Product: A work history will be compiled for activities performed.

Task 2.3 – Features Inventory (City provides existing data -- LAC analyzes)

With the assistance of City staff, LAC will estimate and confirm adequacy of the inventories of infrastructure (number of doors, square feet of buildings, etc.) features that relate to work being performed. Existing files and various information from City staff, and observations will be used to determine initial values. The City will assist in the actual research with guidance from LAC. LAC will compile the information to complete the effort. Existing records will be used in lieu of

actual field data gathering. Existing asset management systems data and reporting will be used and some limited confirmation of information accuracy.

End Product: An estimate of infrastructure features will be made. This information will be compiled and placed into LAC's work planning database.

Task 2.4 – Determine Maintenance Service Levels

Working with the Committee, the consultant will facilitate the establishment of the desired maintenance service levels required for each defined activity, and the quantity and frequency of work expected to be accomplished on an annual basis, per inventory unit. This will include the determination of the desired service level needed to maintain a feature element and a funded service level documenting the service level appropriate to funding constraints. Examples of these are shown below:

1. Activity – HVAC PM will be performed every six months
2. Activity – Floor waxing will be performed quarterly
3. Activity – Refuse Pickup will be performed twice a week

The existing service level estimates will be based on observation, material usage, schedules and policy. The desired service levels are those that the City wants to accomplish to provide a public service and protect assets. A funded service level is the service level provided within funding guidelines for a given year. The consultant will provide support for the determination of existing service levels and will benchmark against similar agency service levels that are provided to help determine desired service levels.

Two meetings are estimated to obtain necessary input to complete this effort.

End Product: Desired and funded service levels for each activity will be determined.

Task 2.5 – Resource and Organizational Data (City provides existing data -- LAC analyzes)

Again using the assistance of City staff, LAC will request a listing by general category for labor, equipment and material resources. LAC shall determine the format after consultation with the Committee. Existing personnel and equipment files, as well as information from field and office observations will be used to provide the estimates. If not available, unit costs will be estimated. LAC will also make an estimate of avoidable overhead that could be applied to labor costs.

End Product: Resource data will be collected.

Task 2.6 – Policies and goals (City provides existing data -- LAC analyzes)

An analysis of current organizational policies established by the City will be conducted and impacts on operations, maintenance, and capital projects will be determined. Specifically, LAC will review customer service processes, response time, complaint handling and tracking,

communication protocol and procedures for prioritizing work. All requirements, documentation, internal and external policies will be reviewed and outlined. Informal and functional procedures will be included in this effort.

The City's documented vision, mission and strategic goals will be reviewed versus actual employee's direction, resources utilized and core competencies. LAC will analyze the policies to determine if they are working and are efficient and effective.

End Product: A review of City policies and direction.

Task 2.7 – Management Approach and Preparation of Baseline Paper

All key strategic goals and various divisional functions identified in structured interviews will be further analyzed through the appraisal of available planning documents such as inventories, needs identification systems, complaints, routine maintenance schedules, activity guidelines, work methods and work programs. The scheduling methods and assignment of work processes will be recorded and discussed with various staff. The work-orders or log items that track work performed and hours and resources expended will be identified and observed. Finally, the control mechanisms, such as generated reports, will be evaluated. Any graphs, and/or figures that track effort expended, work accomplished, project completion and budget used will be obtained and generally understood and evaluated. These work processes would be completely outlined.

These existing work processes will be documented in a short summary and the areas in the basic management processes of planning, organizing, scheduling and controlling that are in need of improvement and enhancement will be identified. In addition, the organizational structure and work flow will be identified and general assignments and responsibilities outlined for key staff in the various City functions.

Using the information obtained in previous steps, LAC will flowchart how work is identified, planned, organized, scheduled and performed. All reporting information will also be documented including the approach for fiscal analysis. Both the proactive (preventative) and responsive work will be identified. LAC will outline precise workflows including data and automated system approaches.

LAC will present the baseline data to the steering committee for their input and affirmation via a web presentation. Information and feedback will then be used afterwards to compile a working paper that will outline LAC understanding of the City's operations.

This sub task will be documented in a concise (estimated 7 – 10 pages) presentation style of draft working paper and distributed to the Committee. Further, LAC will present the baseline information to management for their input.

End Product: Interview and define basic existing management processes and document information in a concise baseline working paper.

TASK 3 – EVALUATE OPPORTUNITIES FOR PROCESS ENHANCEMENT

The LAC team will use collected information and past experience to evaluate opportunities where improvements can occur. The following subtasks will be performed in this effort:

Task 3.1 – Work Flow Analysis

The ideal workflow will be compared to the actual processes for work identification, work scheduling, fiscal analysis, project management and contract determination. Any differences will be identified. Also, opportunities to streamline or eliminate unnecessary steps will be identified including how the City interacts with other programs such as local agencies and finance.

Task 3.2 – Work Method

A sample of several key activities would be observed by LAC in the field and crew size, equipment, method, quality of work and productivity will be noted. From previous consultant's experience, discussions with staff and other agency data, comparisons and opportunities for improvement will be identified. This will include specific activities for the City's various functions. Crews will also be observed by LAC in the field as required to understand work methods and their impacts on overall operations.

Task 3.3 – Contract work vs. In-house

LAC will review several key major activities performed in-house and evaluate the process for determining work that is performed by contract. Based upon information provided by the City, LAC will evaluate the mix of in-house versus contract work as it appears warranted. Further, LAC will evaluate the type of work that is performed by the City and assess if the work appears to be better suited to be performed by other agencies or departments.

Task 3.4 – Resource and Organizational Evaluation

Information collected in previous tasks will be stored in an internal LAC evaluation database. LAC, using inventories, estimated frequencies or levels of service, and production values will then estimate the workload and resources needed to meet this level of service. These labor and equipment resources needed would be compared to the current operation resources.

Further, LAC will review the operational structure versus actual day-to-day operations. Spans of control, resource mix and allocation, skills and turnover, leave and management category parameters will be reviewed and benchmarked against other agencies.

LAC's work model would then estimate the staffing that matches the desired service levels and related workload and compare to other agencies by work function, i.e. operators, maintenance workers, supervisors, etc. LAC will also review the location of work crews, maintenance yards and staging areas relative to the service areas. A review of the agency work policies and labor relations will also be conducted for opportunities to improve work practices and conditions.

Task 3.5 – Workload and Budget Evaluation

Using the working paper information from previous tasks and discussions with City staff, the procedures used by the City to develop annual performance budgets based upon the existing service levels will be examined. This review will focus on the relationship of funding to workload. Other areas covered will include sources of funding (revenue, general funds, state and federal funds), allocation of funds, impact of funding and workload changes/constraints and how the City's expenditures are justified.

Task 3.6 – Technology Evaluation

LAC will review the City's current databases, existing software platforms, and associated data models for all infrastructure and system operations as they relate to various maintenance and operations functions. Technology from wireless applications to web enabled capabilities will be outlined. LAC will look at the various inputs and outputs and develop an understanding of how the existing data is processed. A general logic flow will be developed that will outline the process. LAC will interview the staff that manages any databases that were developed and/or implemented.

A comparison of the existing City operations will be made with desired goals for the system. Areas not covered or lacking from desired consequences will be documented. An outline of the City's current system with functions that are operational and any efforts needed to meet desired goals will be prepared.

Task 3.7 – Cost allocation policies and procedures

LAC will review funds that are received from various sources to ensure that costs are being appropriately recovered. LAC will review the process for billing of funds, retrieval of funds and how the funds are allocated to the appropriate sections of the City. Review and determination of overhead used and how applied in the system.

Task 3.8 – Macroscopic Benchmarking

A group of comparable agency performance parameters, from no less than three (3) agencies, will be compared to those of the City by task. Many agencies will be used, but for any particular task, LAC will try to use "best in class" so that opportunities for improvement can be made. Comparable agencies throughout the US, including contract agencies, and various agencies within the State will be compared on such items as crew size, unit cost and average daily production for each maintenance function. Any areas of opportunity for improvement will be identified. Also, overall parameters such as \$/inventory (SF, building, etc.) and labor per inventory (SF, building, etc.), will be compared at a macroscopic overview level. Further, detail comparisons of major activities, cost, methods and techniques will also occur.

In addition, LAC will perform benchmarking on management and organizational functions which include span of control, administrative staff to employees, projects managers to projects, etc.

LAC will compare information collected in task 2 and 3 for micro and macro benchmarking to relevant industry and agency data for managing facilities and solid waste. Staff per asset will be compiled.

End Product: A complete compilation of opportunities in a presentation format to improve operations will be compiled with benchmark information.

TASK 4 – DOCUMENT AND PRESENT FINDINGS

The findings from the first three tasks will be compiled and documented by LAC and presented to the Committee onsite and general staff for review and further discussion. This will include all basic management functions from work planning, organization, direction and controlling and improving from best business practices to an automation review of process, methods, resources and technology. The findings will include an evaluation of all aspects of the City including the strengths and weakness of the City in relation to current duties.

Further, LAC will present initial findings in a meeting to all relevant employees for their input. After that presentation, the information will be assembled into a presentation style working paper submitted to the Committee for their comments.

End Product: Draft working paper that documents the findings (5-10 pages).

TASK 5 – PRESENT RECOMMENDATIONS

After receipt of comments from the Committee, the draft findings and related baseline information will be used to outline a series of recommendations for system enhancement. LAC will present initial recommendations to both the Committee and to all City employees onsite in a meeting for their input to establish desired business processes.

End Product: Prepare the recommendations presentation for feedback and input.

TASK 6 – PREPARE DRAFT REPORT

After the presentation in Task 5 and compilation of the comments from the baseline and findings, the information will be assembled into a draft report (15-20 pages) and submitted to the Committee for their comments. Using feedback from the Committee's review of the working papers, a draft final report will be compiled that has an executive summary, baseline, findings and recommendations. The draft report will be submitted to the Committee and all relevant employees for comment.

The report produced during this task will provide the information necessary to document benefits of improved operation for resource allocation, service levels, work flow and organizational issues.

Input and counsel from the review Committee and all field staff will be encouraged during both the findings and recommendations presentation to assist LAC in further refining the recommended solutions.

End Product: Draft report will be compiled and submitted that outlines the effort to improve the City's Facilities and Solid Waste operations.

TASK 7 – DOCUMENT FINAL RECOMMENDATIONS

The report will then be finalized after input from the Committee and key management staff. After the presentation, input and counsel from all will be encouraged to assist LAC in further refining recommended solutions. A final report will be submitted to the Director of Field and Facilities.

The report will include explicit recommendations that, when implemented, will generate more effective and efficient operations. The benefits and cost will be estimated in both short and long term implementation. The focus will be on facilitating and working with employees at all levels, from management to field crews, to develop a “play book” that will allow for the City to be the most effective through implementation of specific recommendations. Information on past history of work accomplished will be within the document and be used for suggested actions.

The City will relate all recommendations to facts collected from both the consultant and the City employees. This will result in a process that will ensure a buy-in of recommendations that can be implemented.

End Product: A final written report that documents the baseline operations, findings and recommendations will be submitted to the City.

TASK 8 – EVALUATE EXISTING CAPABILITIES TO MEET RECOMMENDATIONS

LAC's recommendations based on the action plan from Task 7 will be compared with the capabilities of the existing system and its ability to meet the City's documented needs.

LAC will conduct an interactive meeting with staff and present information on technology needs and existing capabilities. If required, the costs to modify or enhance the current system will be estimated.

LAC will then facilitate staff's course of action through both on-site and web meetings with preparation of a documented action plan.

A cost benefit analysis will be done prior to proceeding with estimates of potential applications weighted versus potential benefits.

End Product: A concise evaluation (6-8 pages) that documents the findings and recommendations in the LAC report as related to existing software will be submitted with cost benefit analysis.

TASK 9 – DEVELOP IMPLEMENTATION PLAN

Once the recommendations have been reviewed with City staff, a detailed implementation plan and timeline will be created. The plan will include a step-by-step process to actually implement the recommendations with a general timeline for each of the tasks within the plan.

A draft plan will be submitted to the committee for review. Once all comments have been made, the plan will be finalized. A single onsite meeting followed with one web meeting is estimated to resolve and finalize this effort with some telephonic support.

End Product: A simple letter of an implementation plan (4-6 pages) and timeline will be created.

TASK 10- MONTHLY STATUS AND SUPPORT

Monthly status reports will be prepared for the City in Phase 1. These reports will include a listing of all the project tasks with a summary status and a percent complete for each task.

End Product: Monthly status report will be provided, along with telephone support.

PHASE 2 WORK PROCESS ENHANCEMENT AND IMPLEMENTATION

The actual implementation tasks will be finalized only after Phase 1 is completed. These tasks will all be done for Facilities and Solid Waste. Other tasks could be identified but are unknown at this time until Phase 1 completion and the City reaches a decision on the process. The following tasks are estimated for planning only but will be determined specifically after Phase 1 is complete.

TASK 11 – DEFINE AND/OR REVISE WORK ACTIVITY LIST

A list of the significant maintenance work activities performed by each group will be refined, prepared and entered into a database. This list will include a description of the work activity, a unit of measure to calculate the work accomplished and a physical feature inventory item on which the work is performed. For example:

<u>Name</u>	<u>Description</u>
HVAC PM	Proactive maintenance and cleaning to ensure proper operation of HVAC system.
Measurement Unit:	Each

The activity list will be prepared with input from the Committee and presented to the Director during a working meeting held to finalize each item. This will ensure that the description and measurement units exist and are appropriate for each activity.

This list will then be used to determine the annual maintenance requirements for each activity and as a method to measure the amount of work accomplished on a daily basis.

End Product: Activity list will be established with relevant measurement units.

TASK 12– INVENTORY OF PHYSICAL FEATURES

An inventory listing and database of all physical features in the infrastructure network will be prepared. This listing will include the type, quantity and location of features for each infrastructure type (i.e. restroom, park, building, etc.). Existing data files will be used to compile an existing database of features. Existing data files are very limited and most inventories will have to be compiled from the beginning.

LAC will identify items that need to be collected and processes required for compiling the missing information. The City would be responsible to collect the necessary data via in-house capabilities or other contractor services to compile. LAC would be responsible for general design and training of data collection. In the task, it assumed that the collected data will be linked to new CMMS software by City employees working with the vendor and supported by LAC.

This will include working with City staff to resolve any inconsistencies. These discrepancies, as well as any others, will be resolved and best values determined.

Two meetings along with a single telephonic and web meeting is estimated to complete this effort.

End Product: A complete inventory and database of key physical features of infrastructure will be established.

TASK 13 – DETERMINE MAINTENANCE SERVICE LEVELS

Working with the WC, consultant will facilitate the establishment of the maintenance service levels required for each defined activity, and the quantity and frequency of work expected to be accomplished on an annual basis, per inventory unit by yard. This will include the determination of the desired service level needed to maintain a feature element and a funded service level documenting the service level appropriate to funding constraints. Three examples of these are shown below:

1. Activity – HVAC PM will be performed annually.
2. Activity – Custodial will be performed twice a week.
3. Activity – Carpet replacement will be performed every fourth year.

The existing service level estimates will be based on observation, material usage, schedules and policy. The desired service levels are those that the City wants to accomplish to provide a public service and protect assets. A funded service level is the service level provided within funding guidelines for a given year. The consultant will provide support for the determination of existing service levels and will benchmark against similar agency service levels that are provided to help determine desired service levels. This process will be documented to ensure that they can utilize the system in updating future service levels.

Two meetings are estimated to complete this effort.

End Product: Desired and funded service levels for each activity will be determined and processes will be established.

TASK 14– ESTABLISH ROUTINE PROGRAMS

LAC will work with the Committee to establish routines and recurring work orders for several major activities. LAC will work to outline maintenance routines for activities that exist, such as HVAC PM. LAC is anticipating establishing three and the City completing the rest.

Employees will be establishing specific routines for key maintenance activities. A complete listing with frequencies will be prepared.

A complete process will be established to determine routines for all activities identified for maintenance.

Two meetings are estimated to complete this effort.

End Product: Routines will be established for key maintenance activities.

TASK 15 – DEFINE WORK METHOD AND GUIDELINES

The most efficient work method will be reviewed or developed for each activity in Task 2-11 and the purpose of this will be to determine:

- The logical sequence of steps to be followed while performing the activity
- The quality checks required to ensure that the activity is done correctly
- The safety requirements associated with performing the activity
- The follow-up (if required) to inspect the results of the work

Work methods will be reviewed, discussed, and developed during a working session with the Committee and documented in a systematic format for each defined work activity.

The most efficient approach to each activity will be identified by utilizing the consultant project team's experience with similar agencies throughout the United States. This process will be further enhanced by using the experience of City staff.

LAC will work with agency staff to develop an Activity Guideline for each defined work activity. Each Activity Guideline will include the:

- reason for performing the activity
- description of the activity
- work scheduling criteria, including time of year work is expected to be completed
- optimal size and mix of crew
- equipment and materials required
- the expected average daily production range
- anticipated quality

The Committee members will prepare each guideline under the direction of the consultant, and will compile the guideline from agency drafts and team meetings and, in addition, will establish files. Each section will then be in a position to keep the guidelines current and updated in the future. The drafts will be reviewed, edited and finalized with the input, guidance and counsel of the Committee.

The best management practices will be established for all activities with an additional focus on key activities and some new ones that are relevant. This effort will include detail review of up to three major activities per group where direct cost, productivity and method comparisons can be made.

Focus on matching work and staff sizes will be done. We anticipate two meetings: one via web meeting and another onsite.

End Product: An activity guideline for each activity with specific work method.

TASK 16– DEVELOP EQUIPMENT RATES AND POPULATE DATABASE

LAC, with Fleet assistance, will develop hourly rates for all equipment that includes all costs. A listing by vehicle will be prepared with rates and classification. A separate FEMA rate will also be compiled by general vehicle classification. The two rates will be identified for each piece of equipment.

LAC will prepare estimates and review them with the Working Committee. A spreadsheet will be prepared that outlines the costs. A cost will be prepared for both hourly use and “out of yard” hours. These equipment class rates will then be entered into the CMMS.

We anticipate two meetings: one via web meeting and another onsite are anticipated and City staff will be trained for future rate updates.

End Product: Produce list of equipment rates.

TASK 17 – ASSIST DEPARTMENT IN DEVELOPING BOTH AVOIDABLE AND FULL OVERHEAD RATES ALONG WITH FEMA RATE

LAC will work with Finance staff to determine two overheads that reflect the City's actual cost of performing work. One will be an avoidable cost overhead and another will be a full overhead that would be developed to be used for external billing and reimbursement. Existing, established full overhead rates will be updated to the new rates. Further, the consultant will help document and develop an annual process to update the overhead rates and integrate the rates into the CMMS.

LAC will work with City staff to determine best practices for FEMA rate determination and outline the cost that should be considered when the rate is computed.

End Product: Assist to establish and document overhead rates and an update process.

TASK 18 – DEVELOP PERFORMANCE-BASED WORK PROGRAM AND BUDGET

After the activities, inventories, and work calendar have been established, a performance-based work program and budget will be prepared by each division, and a balance between desired service levels and available funds will be developed. The system will be established with the ability to compile summaries of plans such as asset type or by a particular organizational group.

The work program and budget in CMMS will include, at a minimum:

- The feature inventory quantity
- The annual work quantity
- The planned crew size
- The total days of work for each activity
- The average daily production for each activity
- The cost of labor, equipment and materials for each activity
- The total annual cost, by activity, and for the entire work program

The individual work programs and budgets for each organizational unit will also be summed to produce an annual work program and budget for the entire operations and maintenance section.

The plan will have the capabilities to project effort for various special events with activities and service levels established. Further, the plan will be used to estimate all work to be done for the year including all after hours and overtime effort.

We anticipate three meetings: one via web meeting and another two onsite.

End Product: Annual work program and budget for each activity and the entire division.

TASK 19 – DETERMINE RESOURCE REQUIREMENTS

After the initial work program and budget are determined, the annual labor, equipment and material needs) will be identified by the consultant. An annual calendar showing monthly resource needs will be used to determine the monthly and annual quantities of materials, labor and equipment required to fulfill the annual plan.

This is accomplished through the system by utilizing the schedule information taken from the activity guidelines and the annual work program quantities. LAC is assuming that it will require a single meeting.

End Product: A list of required resources to fulfill the annual plan.

TASK 20 - IMPLEMENT A WORK REQUEST SYSTEM

LAC will implement the work request process for all groups utilizing the CMMS system. LAC will work with the vendor to make the best use of selected software to match customer needs and provide a tool for scheduling. LAC will assist all supervisors in utilizing the new processes and establish business processes for the system to work successfully. This will eliminate the need for multiple service request systems and allow all request information to be stored in one place.

Other City employees that will utilize requests for service will be trained for use of the system. We anticipate two meetings.

End Product: Implementation of an automated Service Request System.

TASK 21– ESTABLISH WORK SCHEDULING PROCEDURES

LAC will work with the managers and supervisors to enhance and/or establish short term work scheduling procedures. A process for the identification, assignment and allocation of resources and estimation of time required to complete the various activities will be determined. This, together with a routine for holding the scheduling meetings and monitoring maintenance progress, will be identified.

Future processes for allocating resources to jobs will be outlined and integrated with the CMMS capabilities such as a work backlog and work calendar. A procedure will be developed, allowing staff to plan in advance and enable personnel to have the right resources on the right job at the right time. This effort will combine the capabilities of the system with those of the supervisors.

The scheduling procedures will be presented and taught by LAC to the appropriate personnel and will be monitored and directed during the first two months of implementation to ensure compliance and allow fine tuning of all of the processes involved.

We anticipate four meetings: two via web meetings and the other two onsite.

End Product: Development of a bi-weekly scheduling system.

TASK 22– ESTABLISH WORK REPORTING PROCEDURES

LAC will enhance, establish and/or implement routine work reporting procedures to properly obtain CMMS data for all groups. The work reporting procedures will be presented and taught to the appropriate personnel and monitored during the first four months of implementation to ensure compliance. The work will be reported by the use of daily work reporting sheets. Each supervisor will record the following information on a daily basis using the daily work reports.

The daily work report will include:

- Responsible supervisor
- Activity performed
- Location of work
- Resources used
- Date of work performed
- Accomplishments

The completed daily work reports will be entered into the CMMS to allow comparisons of planned and actual values and costing of work.

We anticipate two meetings: one via web meeting and another onsite.

End Product: Standardized work reporting system established.

TASK 23 - DEVELOP WORK CONTROL AND MONITORING PROCESSES

LAC will develop and document work controls, and monitoring processes that will provide answers to the following questions:

- How much work was accomplished versus what was planned?
- How effectively were the available resources utilized?
- What problems require correction to ensure accomplishment of the work program?

In addition, the control reports will include data that identifies:

- Work program progress -- to monitor accomplishments
- Resource utilization -- to monitor actual use of labor, equipment and funds in accomplishing the work program
- Productivity -- to measure the effectiveness and efficiency of the work crews

- Unit Costs -- to measure the cost-effectiveness of work accomplished to the costs incurred

The CMMS system will have standard reports that allow for complete evaluation of the work planned versus actual effort given. Standardized reports will be generated for various staff to use, which will depict labor, equipment, contracts and material by location and activity. Additional reports may be established with vendor assistance to ensure proper operations.

A minimum of two additional custom reports will be created addressing specific needs of the organization.

End Product: Process for monitoring and controlling work.

PHASE 3 CMMS SYSTEM IMPLEMENTATION

This Phase is for actual software configuration and system training. These are estimates and cannot be fully determined until Phase 1 is completed.

TASK 24 – CONFIGURATION OF SOFTWARE

LAC, working with the software vendor, will make sure that the installation and configuration of the software package best matches with the expectations and objectives of the recommendations. LAC will advise the City on issues it believes may conflict with the effective implementation of the software. LAC will make sure that the installation will optimally match the guidelines and goals established in Phase 1 and Phase 2.

Efforts will be taken to make sure all available and relevant data is placed into the new system. If further population of the new database is required, LAC will facilitate the completion of these needs with the vendor. LAC will work with the software vendor to make sure the database is structured in a manner that matches the current mode of operations within the Division. Items such as management units, job classifications, and activity plans will be reviewed to determine if they reside in the appropriate areas and are functional. The effort will include the service requests and work order process parameters.

End Product: Software configuration and setup will be accomplished.

TASK 25 – SOFTWARE SYSTEM TRAINING SUPPORT

It is anticipated that even after basic training has been provided by the Vendor, further training (or coaching) will be necessary to acclimate the operations staff to the new software package and related functionality to the desired work processes. Acting not as an agent to the vendor, but consultants for the City, LAC will provide the City with assistance for solutions. If needed, LAC will make the necessary contact with the software vendor to determine the most appropriate actions to take.

LAC will provide telephonic support and conduct web based and telephonic training sessions if necessary. It is anticipated that the annual maintenance contract for the vendor software package will be purchased for this time frame. The initial training will include system setup, configuration, security, form and screen layout. LAC anticipates the City participating in single (2-3 days) session along with CitiTech.

End Product: LAC will provide backup training, coaching, and support as necessary.

TASK 26 – OVERALL CMMS SYSTEM TRAINING AND ADMINISTRATION

Division managers and supervisors will be trained in all aspects of the CMMS. A series of training sessions (4) will be conducted on the following topics.

- Work order and Query creation
- Work reporting and Interpretation training
- PM templates/master scheduling
- Setup, security and administration

End Product: All staff trained in CMMS system use matching department needs.

TASK 27 - DEVELOP SYSTEM DOCUMENTATION

A series of documents outlining the system and management processes will be developed as a reference and guide for applying the developed system. The following manuals will be included to document the various procedures and processes required for operating and administering the maintenance system:

- Field Manual (3 copies) – for use by employees. This will be a short working paper that will contain work scheduling and reporting procedures, work evaluation and control procedures, and other materials appropriate for field use. It will be guide for work activities and outline the work flow within the CitiTech system.
- Operations Manual (3 copies) – to be used by management level personnel. It will include a system description, detailed operating procedures for maintaining the system and all related documentation on activities, service levels, planning and controlling reports and source data used to develop the system.

End Product: Documentation of the maintenance system.

TASK 28- FINAL EVALUATION AND REPORT

A final report will be prepared after implementation of the system with the overall impact of the effort. This report will document all data collected, results of actions, future steps required to maintain the CMMS system, documented improvements, and any recommendations for future use and improvements in operations.

End Product: Final evaluation and report.

TASK 29- MONTHLY STATUS AND QUALITY CONTROL

Monthly status reports will be prepared for the City for Phase 2 and Phase 3. These reports will include a listing of all the project tasks with a summary status and a percent complete for each task.

End Product: A monthly status report will be provided, along with telephone support.

C. STREET

WORK PLAN

The approach is outlined as follows encompassing two phases and 29 tasks with some having subtasks. Note that they are numbered similar to the Facilities tasks, yet three tasks (2, 8 and 20) have no work assigned. This is because we are assuming that the previous documented report and field conditions are very similar to current operations and that existing employees will assist LAC in the data compilation minimizing need for LAC data collection and support.

These tasks have been outlined in the general order they will be performed. The first phase focuses on the determination of opportunities to enhance and institutionalize the use of a systematic business approach and related system for streets. This is to provide a tool and process to allow them become more effective. Phase 2 focuses on the opportunities to improve the business processes identified in phase 1 and some process additions and/or enhancements to allow for the full functionality of the CitiTech system. Phase 3 is for the review of the functionality of the system needs and what would be needed to implement a complete system that is fully integrated for both groups. Phase 2 and 3 scope tasks cannot be fully developed until Phase 1 is completed. These tasks are used to assist in understanding of a likely scope, however, that will depend on Phase 1 results.

This proposed approach includes several tasks that are directly designed to help facilitate system needs as well as outline a complete approach to managing Street maintenance operations.

STUDY APPROACH

Successful completion of this comprehensive operations study is dependent on successful interaction and participation between LA Consulting (LAC) and City personnel, as well as LAC's background and experience. Our approach and methodology has been developed to

ensure effective and interactive communication -- leading to a comprehensive result that reflects the true needs of the City for street infrastructure.

The general process will include project initiation, compiling baseline information, documenting findings and developing an implementation plan for maintenance operations. The findings and recommendations will be presented to all relevant Department staff. A series of interim working papers with related presentations will be submitted for agency review prior to the final submittal and related systems recommendations.

PHASE 1 EVALUATION OF STREET

This Phase is to evaluate operations and outline system needs and ideas for full integration of a system. LAC assumes that the focus will be on process not work method improvement.

TASK 1 – PROJECT INITIATION

The following tasks are intended to familiarize the City's street staff with the approach that LAC will take to evaluate and systematize the City's maintenance operations. The tasks will also serve to educate LAC on the organization, work processes and features found in the various departments.

Task 1.1 – Project Startup

During this first task, we will begin our team planning efforts associated with the project. LAC will initiate the project immediately after the contract is signed. LAC staff will conduct initial meetings with the Director and street superintendent and other key staff to review the City's objectives and their perception of the approach to the work methods and procedures that are needed to compile and analyze complete operations information.

Structured interviews will also be conducted with a minimum of three key employees, including those that have a major impact on the controlling and directing of maintenance and operations. Further, overview site visits will occur by the LAC team on update of general work and assets. Information and ideas on current aspects of street maintenance will be obtained, which are positive and negative along with concepts for enhancements. The objective of these sessions is to develop working relationships with key staff and a general understanding of each of the objectives. Meetings will be held to further refine our methodology and approach to effectively accommodate the specific needs and desires of the City.

End Product: Key City staff will be consulted and concepts for improvements and enhancements will be prepared.

Task 1.2 – Prepare Detailed Work Plan

Based on our observations and discussions in the initial task, LAC will prepare a detailed schedule and work plan that includes optimized ideas and concerns from elected leaders and City employees. The project tasks will be further defined with milestone changes if the information obtained from Task 1 warrants.

End Product: A detailed schedule will be prepared.

Task 1.3 – Establish a Review Committee

To ensure an effective program, operational effort and credibility with all levels of the organization, a Review Committee of three key members of staff will be established. The group, shall be updated at major milestones and provide direction to LAC. In addition, the Committee will periodically review progress and accomplishments and provide LAC with guidance and counsel. Committee members will develop a firsthand understanding of the study developments as they are documented and presented. This method will promote a sound understanding of the analysis process and ensure the credibility of the findings and recommendations of LAC. It is recommended that the City appoint an in-house coordinator to work closely with LAC. This individual will assist in researching and compiling required maintenance data and act as a liaison between the Committee and LAC.

In Phase 1 they will work with the project team on the current baseline information, identification of best management practices, review of the findings and recommendations and in Phase 2 and 3 in actual implementation.

End Product: A Review Committee and study coordinator appointed to work with LAC to ensure study credibility and assist in data research.

Task 1.4 – Conduct Orientation

In order to establish a uniform understanding of the operations and LAC's role between the Committee and the project team, a general orientation session will be conducted during the second week of the onsite effort for the project. During this meeting, LAC will describe in detail our proposed approach, our schedule, and identify any potential problems. In addition, a review of a systematic approach will be given to all Committee members along with what data will be researched and compiled and the results and benefits that can be expected from the implementation. A single meeting will be conducted with all relevant employees in the City to outline the process being planned and how the system can best assist them.

End Product: A uniform understanding between staff participating in the study and LAC as to the project objectives, work methods, and schedule.

NO TASK 2

TASK 3 – EVALUATE OPPORTUNITIES FOR PROCESS ENHANCEMENT

The LAC team will use existing information and past experience to evaluate opportunities where improvements can occur. The following subtasks will be performed in this effort:

Task 3.1 – Work Flow Analysis

The ideal workflow will be compared to the previously documented processes for work identification, work scheduling, fiscal analysis, and contract determination. Any differences will be identified. Also, opportunities to streamline or eliminate unnecessary steps will be identified including how the City interacts with other programs such as local agencies and finance. This effort will include one day of field review for confirmation

Task 3.2 – Work Method

A sample of several key activities would be discussed with employee teams for equipment, method, quality of work and productivity. From previous consultant's experience, discussions with staff and other agency data, comparisons and opportunities for improvement will be identified. This will include specific activities for the City's various functions.

Task 3.5 – Workload and Budget Evaluation

Using the information from prior efforts and discussions with City staff, the procedures used by the City to develop annual performance budgets based upon the existing service levels will be examined. This review will focus on the relationship of funding to workload. Other areas covered will include sources of funding (revenue, general funds, state and federal funds), allocation of funds, impact of funding and workload changes/constraints and how the City's expenditures are justified.

Task 3.6 – Technology Evaluation

LAC will review the City's current databases, existing software platforms, and associated data models for all streets and system operations as they relate to various maintenance and operations functions. Technology from wireless applications to web enabled capabilities will be outlined. LAC will look at the various inputs and outputs and develop an understanding of how the existing data is processed. A general logic flow will be developed that will outline the process. LAC will interview the staff that manages any databases that were developed and/or implemented.

A comparison of the previously documented City operations will be made with desired goals for the system. Areas not covered or lacking from desired consequences will be documented. An outline of the City's current system with functions that are operational and any efforts needed to meet desired goals will be prepared.

Task 3.7 – Cost allocation policies and procedures

LAC will review funds that are received from various sources to ensure that costs are being appropriately recovered. LAC will review the previously documented process for billing of funds, retrieval of funds and how the funds are allocated to the appropriate sections of the City. Review and determination of overhead used and how applied in the system.

Task 3.8 – Macroscopic Benchmarking

A group of comparable agency performance parameters, from no less than three (3) agencies, will be compared to those of the City by task. Many agencies will be used, but for any particular task, LAC will try to use "best in class" so that opportunities for improvement can be made.

Comparable agencies throughout the US, including contract agencies, and various agencies within the State will be compared on such items as crew size, unit cost and average daily production for each maintenance function. Any areas of opportunity for improvement will be identified. Also, overall parameters such as \$/inventory (miles, intersection, etc.) and labor per inventory (miles, intersection, etc.), will be compared at a macroscopic overview level. Further, detail comparisons of major activities, cost, methods and techniques will also occur.

LAC will compare information collected from their CitiTech database and additional information in Task 3 for micro and macro benchmarking for relevant industry, agency and regional data for managing projects, programs, and other duties. Staff per project or program expenditure, effort to manage all phases of projects and programs will be compiled.

End Product: A complete compilation of systems opportunities in a short presentation format to improve operations will be compiled.

TASK 4– DOCUMENT AND PRESENT FINDINGS

The findings from Task 3 will be compiled and documented by LAC and presented to the Committee onsite and general staff for review and further discussion. This will include all basic management functions from work planning, organization, direction and controlling and improving from best business practices to an automation review of process, methods, resources and technology. The findings will include an evaluation of all aspects of the City including the strengths and weakness of the City in relation to previously documented duties.

Further, LAC will present initial findings in a meeting to all of the City employees for their input. After that presentation, the information will be assembled into a presentation style working paper submitted to the Committee for their comments.

End Product: Draft presentation style working paper that documents the findings (6-8 pages).

TASK 5 – PRESENT RECOMMENDATIONS

After receipt of comments from the Committee, the draft findings and related information will be used to outline a series of recommendations for system enhancement. LAC will present initial recommendations to both the Committee and to all City employees onsite in a meeting for their input to establish desired business processes.

End Product: Prepare the recommendations presentation for feedback and input.

TASK 6 – PREPARE DRAFT REPORT

After the presentation in Task 5 and compilation of the comments from the findings, the information will be assembled into a draft report (8-10 pages) and submitted to the Committee for their comments. Using feedback from the Committee’s review of the working papers, a draft final report will be compiled that has an executive summary, baseline, findings and recommendations. The draft report will be submitted to the Committee and all others for comment.

The report produced during this task will provide the information necessary to document opportunities for improving the system.

Input and counsel from the review Committee and all field staff will be encouraged during both the findings and recommendations presentation to assist LAC in further refining the recommended solutions.

End Product: Draft report will be compiled and submitted that outlines the effort to enhance and systematize the City’s streets.

TASK 7 – DOCUMENT FINAL RECOMMENDATIONS

The report will then be finalized after input from the Committee and key management staff. After the presentation, input and counsel from all will be encouraged to assist LAC in further refining recommended solutions. A final presentation style report will be submitted to the Director of Field and Facilities.

The report will include explicit recommendations that, when implemented, will generate more effective and efficient operations. The benefits and cost will be estimated in both short and long term implementation. The focus will be on working and facilitating with employees at all levels, from management to field crews, to develop a “play book” that will allow for the City to be the most effective through implementation of specific recommendations. Information on past history of work accomplished will be obtained from CitiTech and be used for suggested actions.

The City will relate all recommendations to facts collected from both the consultant and the City employees. This will result in a process that will ensure a buy-in of recommendations that can be implemented.

End Product: A final written presentation style report that documents the findings and recommendations will be submitted to the City.

NO TASK 8

TASK 9 – DEVELOP IMPLEMENTATION PLAN

Once the recommendations have been reviewed with City staff, a detailed implementation plan and timeline will be created. The plan will include a step-by-step process to actually implement the recommendations with a general timeline for each of the tasks within the plan.

A draft plan will be submitted to the committee for review. Once all comments have been made, the plan will be finalized. A single web meeting is estimated to resolve and finalize this effort with some telephonic support.

End Product: A simple implementation plan letter (3-5 pages) and timeline will be created.

TASK 10- MONTHLY STATUS AND SUPPORT

Monthly status reports will be prepared for the City in Phase 1. These reports will include a listing of all the project tasks with a summary status and a percent complete for each task.

End Product: Monthly status report will be provided, along with telephone support.

PHASE 2 WORK PROCESS ENHANCEMENT AND IMPLEMENTATION

The actual implementation task will be finalized only after Phase 1 is completed. Other tasks could be identified for streets but are unknown at this time until Phase 1 completion and the City reaches a decision on the process. The following tasks are estimated for planning only but will be determined specifically after Phase 1 is complete.

TASK 11 – DEFINE AND/OR REVISE WORK ACTIVITY LIST

A list of the significant maintenance work activities performed by each group will be refined, prepared and entered into a database. This list will include a description of the work activity, a unit of measure to calculate the work accomplished and a physical feature inventory item on which the work is performed.

The activity list will be prepared with input from the Committee and presented to the Director during a working meeting held to finalize each item. This will ensure that the description and measurement units exist and are appropriate for each activity.

This list will then be used to determine the annual maintenance requirements for each activity and as a method to measure the amount of work accomplished on a daily basis.

End Product: Activity list will be established with relevant measurement units.

TASK 12– INVENTORY OF PHYSICAL FEATURES

An inventory listing and database of all physical features in the infrastructure network will be prepared. This listing will include the type, quantity and location of features for each infrastructure type (i.e. number of signs, number of residents serviced, etc.). Existing data files will be used to compile an existing database of features. Existing data files are very limited and most inventories will have to be compiled from the beginning.

LAC will identify items that need to be collected and processes required for compiling the missing information. The City would be responsible to collect the necessary data via in-house capabilities or other contractor services to compile. In the task, it is assumed that the collected data will be linked to the new CMMS software by City employees working with the vendor and supported by LAC.

This will include working with City staff to resolve any inconsistencies. These discrepancies, as well as any others, will be resolved and best values determined.

A single meeting is estimated to complete this effort.

End Product: A complete inventory and database of key physical features of infrastructure will be established.

TASK 13 – DETERMINE MAINTENANCE SERVICE LEVELS

Working with the Committee, consultant will facilitate the establishment of the maintenance service levels required for each defined activity, and the quantity and frequency of work expected to be accomplished on an annual basis, per inventory unit by yard. This will include the determination of the desired service level needed to maintain a feature element and a funded service level documenting the service level appropriate to funding constraints. Three examples of these are shown below:

1. Activity – Streets will be swept only twice per month.
2. Activity – Residential refuse collection will be performed twice a week.
3. Activity – Sign replacement will be performed every seventh year.

The existing service level estimates will be based on observation, material usage, schedules and policy. The desired service levels are those that the City wants to accomplish to provide a public service and protect assets. A funded service level is the service level provided within funding guidelines for a given year. The consultant will provide support for the determination of existing service levels and will benchmark against similar agency service levels that are provided to help determine desired service levels. This process will be documented to ensure that they can utilize the system in updating future service levels.

One meeting is estimated to complete this effort.

End Product: Desired and funded service levels for each activity will be determined and processes will be established.

TASK 14– ESTABLISH ROUTINE PROGRAMS

LAC will work with the Committee to establish routines and recurring work orders with CitiTech for several major activities. LAC will work to outline maintenance routines for activities that exist, such as inlet cleaning and tree trimming. The LAC is anticipating establishing three and the City completing the rest.

Employees will be establishing specific routines for key maintenance activities. A complete listing with frequencies will be prepared.

A complete process will be established to determine routines for all activities identified for maintenance.

Two meetings are estimated to complete this effort.

End Product: Routines will be established for key maintenance activities.

TASK 15 – DEFINE WORK METHOD AND GUIDELINES

The most efficient work method will be reviewed or developed for each activity in Task 2-11 and the purpose of this will be to determine:

- The logical sequence of steps to be followed while performing the activity
- The quality checks required to ensure that the activity is done correctly
- The safety requirements associated with performing the activity
- The follow-up (if required) to inspect the results of the work

Work methods will be reviewed, discussed, and developed during a working session with the Committee and will be documented in a systematic format for each defined work activity.

The most efficient approach to each activity will be identified by utilizing the consultant project team's experience with similar agencies throughout the United States. This process will be further enhanced by using the experience of City staff.

LAC will work with agency staff to develop an Activity Guideline for each defined work activity. Each Activity Guideline will include the:

- reason for performing the activity
- description of the activity
- work scheduling criteria, including time of year work is expected to be completed

- optimal size and mix of crew
- equipment and materials required
- the expected average daily production range
- anticipated quality

The Committee members will prepare each guideline under the direction of the consultant, and will compile the guideline from agency drafts and team meetings and, in addition, will establish files for all sections. The drafts will be reviewed, edited and finalized with the input, guidance and counsel of the Committee.

The best management practices will be established for all activities with an additional focus on key activities and some new ones that are relevant. This effort will include detail review of up to three major activities per group where direct cost, productivity and method comparisons can be made.

Focus on matching work and staff sizes will be done. We anticipate three meetings: one via web meeting and another two onsite.

End Product: An activity guideline for each activity with specific work method.

TASK 16– DEVELOP EQUIPMENT RATES AND POPULATE DATABASE

LAC, with Fleet assistance, will develop hourly rates for all equipment that includes all costs. A listing by vehicle will be prepared with rates and classification. A separate FEMA rate will also be compiled by general vehicle classification. The two rates will be identified for each piece of equipment.

LAC will prepare estimates and review them with the Committee. A spreadsheet will be prepared that outlines the costs. A cost will be prepared for both hourly use and “out of yard” hours. These equipment class rates will then be entered into the CMMS.

We anticipate two meetings: one via web meeting and another onsite are anticipated and City staff will be trained for future rate updates.

End Product: Produce list of equipment rates.

TASK 17 – ASSIST DEPARTMENT IN DEVELOPING BOTH AVOIDABLE AND FULL OVERHEAD RATES ALONG WITH FEMA RATE

LAC will work with Finance staff to determine two overheads that reflect the City’s actual cost of performing work. One will be an avoidable cost overhead and another will be a full overhead that would be developed to be used for external billing and reimbursement. Existing, established full overhead rates will be updated to the new rates. Further, the consultant will help document

and develop an annual process to update the overhead rates and integrate the rates into the CMMS.

LAC will work with City staff to determine best practices for FEMA rate determination and outline the cost that should be considered when the rate is computed.

End Product: Assist to establish and document overhead rates and an update process.

TASK 18 – DEVELOP PERFORMANCE-BASED WORK PROGRAM AND BUDGET

After the activities, inventories, and work calendar have been established, a performance-based work program and budget will be prepared by each division, and a balance between desired service levels and available funds will be developed. The system will be established with the ability to compile summaries of plans such as by road class or by a particular group.

The work program and budget in CMMS will include, at a minimum:

- The feature inventory quantity
- The annual work quantity
- The planned crew size
- The total days of work for each activity
- The average daily production for each activity
- The cost of labor, equipment and materials for each activity
- The total annual cost, by activity, and for the entire work program

The individual work programs and budgets for each organizational unit will also be summed to produce an annual work program and budget for the entire operations and maintenance section.

The plan will have the capabilities to project effort for various special events with activities and service levels established. Further, the plan will be used to estimate all work to be done for the year including all after hours and overtime effort.

We anticipate two meetings: one via web meeting and another onsite.

End Product: Annual work program and budget for each activity and the entire division.

TASK 19 – DETERMINE RESOURCE REQUIREMENTS

After the initial work program and budget are determined, the annual labor, equipment and material needs) will be identified by the consultant. An annual calendar showing monthly resource needs will be used to determine the monthly and annual quantities of materials, labor and equipment required to fulfill the annual plan.

This is accomplished through the system by utilizing the schedule information taken from the activity guidelines and the annual work program quantities. LAC is assuming that it will require two meetings.

End Product: A list of required resources to fulfill the annual plan.

NO TASK 20

TASK 21– RE-ESTABLISH WORK SCHEDULING PROCEDURES

LAC will work with the managers and supervisors to reestablish enhance and/or establish short term work scheduling procedures. A process for the identification, assignment and allocation of resources and estimation of time required to complete the various activities will be determined. This, together with a routine for holding the scheduling meetings and monitoring maintenance progress, will be identified.

Future processes for allocating resources to jobs will be outlined that will be integrated with the CMMS capabilities such as a work backlog and work calendar. A procedure will be developed, allowing staff to plan in advance and enable personnel to have the right resources on the right job at the right time. This effort will combine the capabilities of the system with those of the supervisors.

The scheduling procedures will be presented and taught by LAC to the appropriate personnel and will be monitored and directed during the first two months of implementation to ensure compliance and allow fine tuning of all of the processes involved.

We anticipate two meetings: one via web meetings and the other onsite.

End Product: Development of a bi-weekly scheduling system.

TASK 22– ESTABLISH WORK REPORTING PROCEDURES

LAC will enhance, establish and/or implement routine work reporting procedures to properly obtain CMMS data for solid waste. The work reporting procedures will be presented and taught to the appropriate personnel and monitored during the first four months of implementation to ensure compliance. The work will be reported by the use of daily work reporting sheets. Each supervisor will record the following information on a daily basis using the daily work reports.

The daily work report will include:

- Responsible supervisor
- Activity performed
- Location of work
- Resources used

- Date of work performed
- Accomplishments

The completed daily work reports will be entered into the CMMS to allow comparisons of planned and actual values and costing of work.

We anticipate two meetings: one via web meeting and another onsite.

End Product: Standardized work reporting system established.

TASK 23 - DEVELOP WORK CONTROL AND MONITORING PROCESSES

LAC will develop and document work controls, and monitoring processes that will provide answers to the following questions:

- How much work was accomplished versus what was planned?
- How effectively were the available resources utilized?
- What problems require correction to ensure accomplishment of the work program?

In addition, the control reports will include data that identifies:

- Work program progress -- to monitor accomplishments
- Resource utilization -- to monitor actual use of labor, equipment and funds in accomplishing the work program
- Productivity -- to measure the effectiveness and efficiency of the work crews
- Unit Costs -- to measure the cost-effectiveness of work accomplished to the costs incurred

The CMMS system will have standard reports that allow for complete evaluation of the work planned versus actual effort given. Standardized reports will be generated for various staff to use, which will depict labor, equipment, contracts and material by location and activity. Additional reports may be established with vendor assistance to ensure proper operations.

A minimum of two additional custom reports will be created addressing specific needs of the street department.

End Product: Process for monitoring and controlling work.

PHASE 3 CMMS SYSTEM IMPLEMENTATION

This Phase is for actual software configuration and system training. These are estimates and cannot be fully determined until Phase 1 is completed.

TASK 24 – CONFIGURATION OF SOFTWARE

LAC, working with the software vendor, will make sure that the installation and configuration of the software package best matches with the expectations and objectives of the recommendations. LAC will advise the City on issues it believes may conflict with the effective implementation of the software. LAC will make sure that the installation will optimally match the guidelines and goals established in Phase 1 and Phase 2. LAC will coordinate with the City and software vendor to convert the current databases that have been compiled for work plans, resources, unit cost and activities.

Efforts will be taken to make sure all available and relevant data is moved over to the new system for street maintenance and operations. If further population of the new database is required, LAC will facilitate the completion of these needs with the vendor. LAC will work with the software vendor to make sure the database is structured in a manner that matches the current mode of operations within the Division. Items such as management units, job classifications, and activity plans will be reviewed to determine if they reside in the appropriate areas and are functional. The effort will include the service requests and work order process parameters.

End Product: Software configuration and setup will be accomplished.

TASK 25 – SOFTWARE SYSTEM TRAINING SUPPORT

It is anticipated that even after basic training has been provided by the Vendor, further training (or coaching) will be necessary to acclimate the operations staff to the new software package and related functionality to the desired work processes. Acting not as an agent to the vendor, but consultants for the City, LAC will provide the City with assistance for solutions. If needed, LAC will make the necessary contact with the software vendor to determine the most appropriate actions to take.

LAC will provide telephonic support and conduct web based and telephonic training sessions if necessary. It is anticipated that the annual maintenance contract for the vendor software package will be purchased for this time frame. The initial training will include system setup, configuration, security, form and screen layout. LAC anticipates the City participating in single (2 days) session along with CitiTech.

End Product: LAC will provide backup training, coaching, and support as necessary.

TASK 26 – OVERALL CMMS SYSTEM TRAINING AND ADMINISTRATION

Division managers and supervisors will be trained in all aspects of the CMMS. A series of training sessions (3) will be conducted on the following topics.

- Work order and Query creation
- Work reporting and Interpretation training

- PM templates/master scheduling
- Setup, security, and administration

End Product: All staff trained in CitiTech system use matching department needs.

TASK 27 - DEVELOP SYSTEM DOCUMENTATION

A series of documents outlining the system and management processes will be developed as a reference and guide for applying the developed system. The following manuals will be included to document the various procedures and processes required for operating and administering the maintenance system:

- Field Manual (3 copies) – for use by employees. This will be a short working paper that will contain work scheduling and reporting procedures, work evaluation and control procedures, and other materials appropriate for field use. It will be a guide for work activities and outline the work flow within the CitiTech system.
- Operations Manual (3 copies) – to be used by management level personnel. It will include a system description, detailed operating procedures for maintaining the system and all related documentation on activities, service levels, planning and controlling reports and source data used to develop the system.

End Product: Documentation of the maintenance system.

TASK 28- FINAL EVALUATION AND REPORT

A final report will be prepared after implementation of the system with the overall impact of the effort. This report will document all data collected, results of actions, future steps required to maintain the CMMS system, documented improvements, and any recommendations for future use and improvements in operations.

End Product: Final evaluation and report.

TASK 29- MONTHLY STATUS AND QUALITY CONTROL

Monthly status reports will be prepared for the City for Phase 2 and Phase 3. These reports will include a listing of all the project tasks with a summary status and a percent complete for each task.

End Product: A monthly status report will be provided, along with telephone support.

C. WORK SCHEDULE

Schedule

LAC estimates a 9-month work schedule for Facilities and Solid Waste, Fleet and Streets to complete the tasks outlined assuming that efforts in utilities by LAC are ongoing concurrently.

TASK	MONTHS									
	1	2	3	4	5	6	7	8	9	
City of Prescott										
Phase 1 Facilities /Solid Waste, Fleet and Streets										
1 Project initiation	█									
2 Examination of services and field review	█	█								
3 Evaluate opportunities for process enhancement		█	█							
4 Document and present findings			█	█						
5 Present recommendations			█	█						
6 Prepare draft report			█	█						
7 Document final report with recommendations			█	█						
8 Evaluate capabilities to meet recommendations				█						
9 Develop Implementation plan			█	█						
10 Monthly status and quality control
Phase 2 Facilities /Solid Waste and Streets										
11 Define activity list			█	█						
12 Inventory of physical features			█	█						
13 Determine maintenance service levels			█	█						
14 Establish routine programs			█	█						
15 Define work methods and guidelines			█	█						
16 Develop equipment rates and populate database			█	█						
17 Assist developing overhead rates				█						
18 Develop performance-based work program				█	█					
19 Determine resource requirements				█	█					
20 Implement work request system				█	█					
21 Establish Scheduling				█	█					
22 Establish work reporting				█	█					
23 Develop Work Control and Monitoring Processes				█	█					
Phase 3 Facilities /Solid Waste and Streets										
24 Configuration of software				█	█					
25 Software system training				█	█					
26 Overall CMMS system training and administration				█	█					
27 Develop system documentation				█	█					
28 Final evaluation and report				█	█					
29 Monthly status and quality control			

Schedule Adherence

LAC's successful process as outlined in our scope requires considerable staff involvement and commitment to work together collectively. If the City is to meet the proposed schedule, the following will be needed to be provided by the City:

- ✓ Integrated project management and concurrent approach for Streets, Facilities and Solid Waste, Fleet, and Utilities.
- ✓ Project Coordinator with detailed City background in the work and a good working relationship with key employees. This person would help LAC schedule meetings, presentations and reviews and direct response and comments to LAC.
- ✓ Employees must be made available for interviews.
- ✓ Assistance provided to schedule meetings, presentations locations, etc.
- ✓ Key staff must attend all relevant meetings.

- ✓ Documents requested must be produced within ten (10) days of request.
- ✓ Provide data in electronic format, as much as possible, to expedite the process.
- ✓ The documents produced by LAC must each be reviewed by the City within twelve (10) working days.
- ✓ Provide remote access for LAC to City automated CMMS.
- ✓ Allowance to use remote video conferencing for some meeting and communication.
- ✓ Provide relevant input with corresponding support data for working papers response.
- ✓ Staff must be available for meetings and follow-up within a week's notice.

D. Cost

LAC estimates a cost for each of the three phases for Fleet, Streets, Facilities and Solid Waste outlined assuming that LAC effort for City Utilities are ongoing concurrently. Note only Phase 1 is estimated for Fleet. The Phase 1 cost would be \$6,486 for Streets, \$17,829 Facilities and Solid Waste and \$7,609 for Fleet. The total cost for all phases is \$72,508 with the breakdown as shown below. Note the actual scope of Phase 2 and 3 are dependent on Phase 1. Also, the estimate is based on the City's utilization of the existing system for fleet and others so that if the City decided to use another system(s) the Phase 2 and 3 effort cost could change. The planned effort for Fleet is only in Phase 1.

City of Prescott

Tasks

Phase 1 Facilities/Fleet and Streets/Solid Waste	Streets	Facilities/Solid Waste	Fleet	Total
1 Project initiation	\$487	\$812	\$325	\$1,623
2 Examination of services and field review	\$0	\$3,882	\$1,664	\$5,546
3 Evaluate opportunities for process enhancement	\$1,048	\$2,097	\$1,048	\$4,194
4 Document and present findings	\$785	\$2,354	\$785	\$3,923
5 Present recommendations	\$974	\$1,623	\$649	\$3,247
6 Prepare draft report	\$1,461	\$2,435	\$974	\$4,870
7 Document final report with recommendations	\$703	\$1,759	\$1,055	\$3,517
8 Evaluate capabilities to meet recommendations	\$0	\$974	\$243	\$1,217
9 Develop Implementation plan	\$812	\$1,353	\$541	\$2,706
10 Monthly status and quality control	\$216	\$541	\$325	\$1,082
Phase 1 Subtotal	\$6,486	\$17,829	\$7,609	\$31,925
Phase 2 Facilities and Streets/Solid Waste	Streets	Facilities/Solid Waste	Fleet	Total
11 Define activity list	\$703	\$1,055		\$1,759
12 Inventory of physical features	\$162	\$649		\$812
13 Determine maintenance service levels	\$237	\$710		\$947
14 Establish routine programs	\$1,488	\$1,488		\$2,976
15 Define work methods and guidelines	\$1,082	\$1,082		\$2,164
16 Develop equipment rates and populate database	\$663	\$284		\$947
17 Assist developing overhead rates	\$609	\$609		\$1,217
18 Develop performance-based work program	\$1,353	\$1,353		\$2,706
19 Determine resource requirements	\$568	\$379		\$947
20 Implement work request system	\$0	\$1,894		\$1,894
21 Establish Scheduling	\$1,894	\$1,894		\$3,788
22 Establish work reporting	\$947	\$947		\$1,894
23 Develop Work Control and Monitoring Processes	\$1,623	\$1,623		\$3,247
Phase 2 Subtotal	\$8,739	\$10,065	\$0	\$25,297
Phase 3 Facilities and Streets/Solid Waste	Streets	Facilities/Solid Waste	Fleet	
24 Configuration of software	\$1,623	\$1,623		\$3,247
25 Software system training	\$1,495	\$805		\$2,300
26 Overall CMMS system training and administration	\$1,671	\$900		\$2,570
27 Develop system documentation	\$2,236	\$1,231		\$3,517
28 Final evaluation and report	\$1,495	\$805		\$2,300
29 Monthly status and quality control	\$879	\$473		\$1,353
Phase 3 Subtotal	\$9,449	\$5,837	\$0	\$15,286
Total	\$24,674	\$33,731	\$7,609	\$72,508

COUNCIL AGENDA MEMO – September 25, 2012
DEPARTMENT: Public Works
AGENDA ITEM: Adoption of Resolution No. 4147-1307 approving an Intergovernmental Agreement with the Yavapai County Flood Control District for the FEMA Studies Finalization & Outreach Project and acceptance of \$140,000.00 in funding

Approved By:	Date:
Department Head: Mark Nietupski	9/13/2012
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	9-18-12

Item Summary

On August 6, 2012, the Yavapai County Board of Supervisors, in their capacity as the Flood Control District Board of Directors, approved the attached intergovernmental agreement (IGA) to fund \$140,000.00 for the Federal Emergency Management Agency (FEMA) Studies Finalization & Outreach Project. This effort is consistent with the City's Master Drainage Plan to update all existing FEMA Flood Insurance studies within Prescott.

Background

During the past three years, approximately 45 miles of Prescott area FEMA regulatory floodplains have been updated and submitted for review and approval. It is anticipated that the City, its contract engineers, and representatives from FEMA, will be presenting the first of the recently completed updated floodplains to the public during this fiscal year. As part of that effort, neighborhood "open-houses" will be scheduled for property owners to receive specific information regarding their property and relationship to the updated flood studies.

In addition to the \$140,000.00 amount of this IGA, the Yavapai County Flood Control District and City also approved \$750,000.00 previously, authorized under separate IGAs, bringing the FY 13 funding total to \$890,000.00. The \$750,000.00 will fund engineering and/or construction projects in Yavapai Hills, Blackhawk, Cliffrose, subdivisions and Willow Creek, all of which will be presented to Council in the future for action.

Attachments

- Intergovernmental Agreement – FEMA Studies Finalization & Outreach Project
- Resolution No. 4147-1307

Recommended Action: MOVE to adopt Resolution No. 4147-1307.
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RESOLUTION NO. 4147-1307

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE CITY OF PRESCOTT TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT (YCFCD) FOR THE FEMA FLOOD STUDIES FINALIZATION AND OUTREACH PROJECTS AND AUTHORIZING THE MAYOR AND STAFF TO TAKE ANY AND ALL STEPS NECESSARY TO ACCOMPLISH THE ABOVE

RECITALS:

WHEREAS, the City and Yavapai County Flood Control District wish to enter into an Intergovernmental Agreement and accept funds from YCFCD in FY13 for the FEMA Studies Finalization & Outreach Projects: and,

WHEREAS, the Yavapai County Board of Supervisors in their capacity as the Flood Control District Board of Directors approved the attached IGA and funded the FEMA Studies Finalization & Outreach Project; and

WHEREAS, the City of Prescott and the Yavapai County Flood Control District have the authority to enter into the foregoing agreements pursuant to ARS Sections 11-952, 48-3603(9) and 9-240(5).

ENACTMENTS:

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

Section 1. THAT the City of Prescott hereby approves the attached Intergovernmental Agreement with the Yavapai County Flood Control District for City to accept funds from YCFCD in FY13 for the FEMA Studies Finalization & Outreach Project.

Section 2. THAT the Mayor and Staff are hereby authorized to execute the attached Intergovernmental Agreement and to take any and all steps deemed necessary to accomplish the above.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this ___ day of _____, 2012.

Marlin Kuykendall, Mayor

ATTEST:

APPROVED AS TO FORM:

LYNN MULHALL
City Clerk

G. EUGENE NEIL
Interim City Attorney

When recorded in the Office of the
Yavapai County Recorder, return to:

Yavapai County Flood Control District
500 S. Marina St.
Prescott, AZ 86303

INTERGOVERNMENTAL AGREEMENT

THIS AGREEMENT, made this 6th day of August 2012, by and between the YAVAPAI COUNTY FLOOD CONTROL DISTRICT, a special district legally created in the State of Arizona (hereinafter called "District") and the City of Prescott, a municipal corporation of the State of Arizona, (hereinafter call "City") for a period commencing, August 6, 2012, and extending through completion of the named project.

This agreement provides for financial contribution from the District to the City in support of the FEMA Studies Finalization & Outreach Project. This agreement is funded in an amount not to exceed \$140,000 for Fiscal Year 2012/2013. Funding contributions for the project in future fiscal years will be dependant on project progress and funding availability. Funding for future Fiscal Years must be requested in writing and will be at the discretion of the Board of Directors of the Yavapai County Flood Control District. All design, engineering, bidding, contracts, inspection and project management shall be the sole responsibility of the City. The District's involvement in the project is limited to financial contribution as approved by the Board of Directors.

WITNESSETH:

WHEREAS, the District and the City have the authority to enter into Intergovernmental Agreements pursuant to Arizona Revised Statutes, Section 11-952, Section 48-3603(9) and Section 9-240(5); and,

WHEREAS, the City lies within the legal boundaries of the District (Yavapai County); and,

WHEREAS, property owners within the corporate limits of the City pay ad valorem taxes to support the District; and,

WHEREAS, the City has experienced storm water control and flooding problems for a number of years in various locations; and,

WHEREAS, the District is authorized to expend funds for flood control projects (including storm water control) and has approved and budgeted amounts necessary to provide funding assistance for flood mitigation work.

NOW, THEREFORE, IT IS AGREED as follows:

PURPOSE

1. The purpose of this Agreement is to authorize the Flood Control District to pay and contribute to the City funds in support of the City's FEMA Studies Finalization & Outreach Project. Funding for Fiscal Year 2012-2013 shall not exceed One Hundred Forty Thousand Dollars (\$140,000.00). Funding contributions for the project in future

fiscal years will be dependant on project progress and funding availability and will be at the discretion of the Board of Directors of the Yavapai County Flood Control District. The District shall make said contributions to the City in partial payments based upon periodic invoices from the City. Invoices shall be provided to the District for review prior to reimbursement. The District agrees to pay said invoices monthly or upon an alternate schedule as agreed to between the City and District.

2. The City shall use said District funds exclusively for reimbursement of approved costs associated with the project described above.
3. The City shall be responsible for the administration, right-of-way acquisition, design, construction, inspection and materials necessary to complete the project.

DURATION

The term of this Agreement is for the entire period of construction of the FEMA Studies Finalization & Outreach Project. This Agreement is subject to cancellation pursuant to ARS §38-511.

RENEWAL

The Parties may, upon mutual written consent, extend this agreement as necessary to carry out its purposes. Upon a written request from the City, the Board of Directors of the District may provide additional funding for this agreement in future Fiscal Years if the project is not completed within Fiscal Year 2012/2013.

SEVERABILITY

The parties agree that if any part or parts of this Intergovernmental Agreement are held to be void or unenforceable by a court of competent jurisdiction, the remaining parts of the Agreement shall remain in full force and effect.

ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties with respect to the subject matters herein, and it may be amended, modified, or waived only by an instrument in writing signed by both parties.

CONFLICT OF INTEREST

This Agreement is subject to cancellation pursuant to ARS §38-511.

INDEMNIFICATION

The City and the Flood Control District each agree to hold the other party harmless and indemnify the other for any loss, liability, or damages arising from any action, omission, or negligence of each party's employees, officers, or agents, regarding the performance of this Intergovernmental Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

CITY OF PRESCOTT

YAVAPAI COUNTY FLOOD
CONTROL DISTRICT

Marlin Kuykendall, Mayor

Thomas Thurman, Chairman
Yavapai County Flood Control District
Board of Directors

ATTEST:

ATTEST:

Title:
City of Prescott

Anna Wayman-Trujillo, Clerk of the Board
Yavapai County Flood Control District

APPROVED AS TO CONTENT
AND FORM:

APPROVED AS TO CONTENT
AND FORM:

City Attorney

Deputy County Attorney

INTERGOVERNMENTAL AGREEMENT DETERMINATION

In accordance with A.R.S. §11-952, this proposed Intergovernmental Agreement for funding contributions for flood mitigation work performed by the City has been reviewed by the undersigned city attorney who has determined that said Agreement is in appropriate form and is within the powers and authority of the City of Prescott.

City Attorney

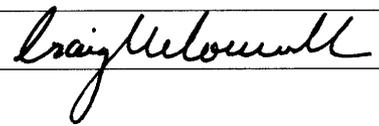
Date: _____

In accordance with A.R.S. §11-952, this proposed Intergovernmental Agreement for funding contributions for flood mitigation work performed by the City has been reviewed by the undersigned attorney who has determined that said Agreement is in appropriate form and is within the powers and authority of the Yavapai County Flood Control District.

Deputy County Attorney

Date: _____

COUNCIL AGENDA MEMO – September 25, 2012
DEPARTMENT: Public Works
AGENDA ITEM: Award of bid and contract to CLM Earthmovers, LLC, for the Zone 19 Reservoir, Piping, and Pump Station Replacement Project in the amount of \$3,143,028.51

Approved By:	Date:
Department Head: Mark Nietupski	8/31/2012
Finance Director: Mark Woodfill	
City Manager: Craig McConnell 	9-6-12

Item Summary

Approval of this item will award a contract to CLM Earthmovers, LLC, for construction of a new 1.0 million gallon water storage tank off Wickwood Lane near Copper Basin Road, 2,056 lineal feet of 12" water main extending from South Rancho Vista Drive along Copper Basin Road to the new tank, and a new 1,200 gallons per minute (GPM) pump station at the southeast corner of the Sierra Vista Drive and Copper Basin Road intersection.

Background

The need for Zone 19 (maps attached) water system improvements was identified in the City's 2005 Potable Water System Model and from Water Operations experience. The project has been in development since 2008 and began with a review of water system requirements and a tank siting analysis. Project engineering was subsequently completed. Real property and easements necessary for construction of the improvements have been acquired. Several meetings with the public were held to solicit input from area residents during the siting and design phase.

The project will enhance water system capacity and capability in the Zone 19 service area by replacing aged and undersized equipment including decommissioning and removing the existing Sierra Vista pump station; the building will be demolished by contractor with mechanical, generator, and electrical components salvaged to the City. The Village Tank will be demolished by the contractor with the hydro-pneumatic tank and building remaining in place. The Tank Road tank will be demolished by the contractor with the generator salvaged to the City.

Bid Results

A mandatory pre-bid meeting was held on June 21, 2012, and bids were opened Thursday August 9, 2012.

AGENDA ITEM: Award of bid and contract to CLM Earthmovers, LLC, for the Zone 19 Reservoir, Piping, and Pump Station Replacement Project in the amount of \$3,143,028.51

Six bids were received with the following results:

<u>Company</u>	<u>Location</u>	<u>Bid Amount</u>
CLM Earthmovers LLC	Prescott, AZ	\$3,143,028.51
Fann Contracting	Prescott, AZ	\$3,497,491.00
Felix Construction Company	Coolidge, AZ	\$3,773,443.00
Hunter Contracting Company	Gilbert, AZ	\$4,119,863.00
Jonovich Companies	Globe, AZ	\$4,181,823.40
A. Miner Contracting, Inc.	Prescott AZ	\$4,252,988.00
Engineer's Estimate		\$4,422,885.00

Written confirmation of bid has been received from CLM Earthmovers, LLC. Verification of the company's license, bonding, references, and past performance of similar projects has been accomplished.

Project Schedule

Pending contract award, issuance of Notice to Proceed is anticipated in mid-September 2012. The contract allows 300 calendar days for construction.

Commence Construction	September 2012
Completion	June 2013

Budget

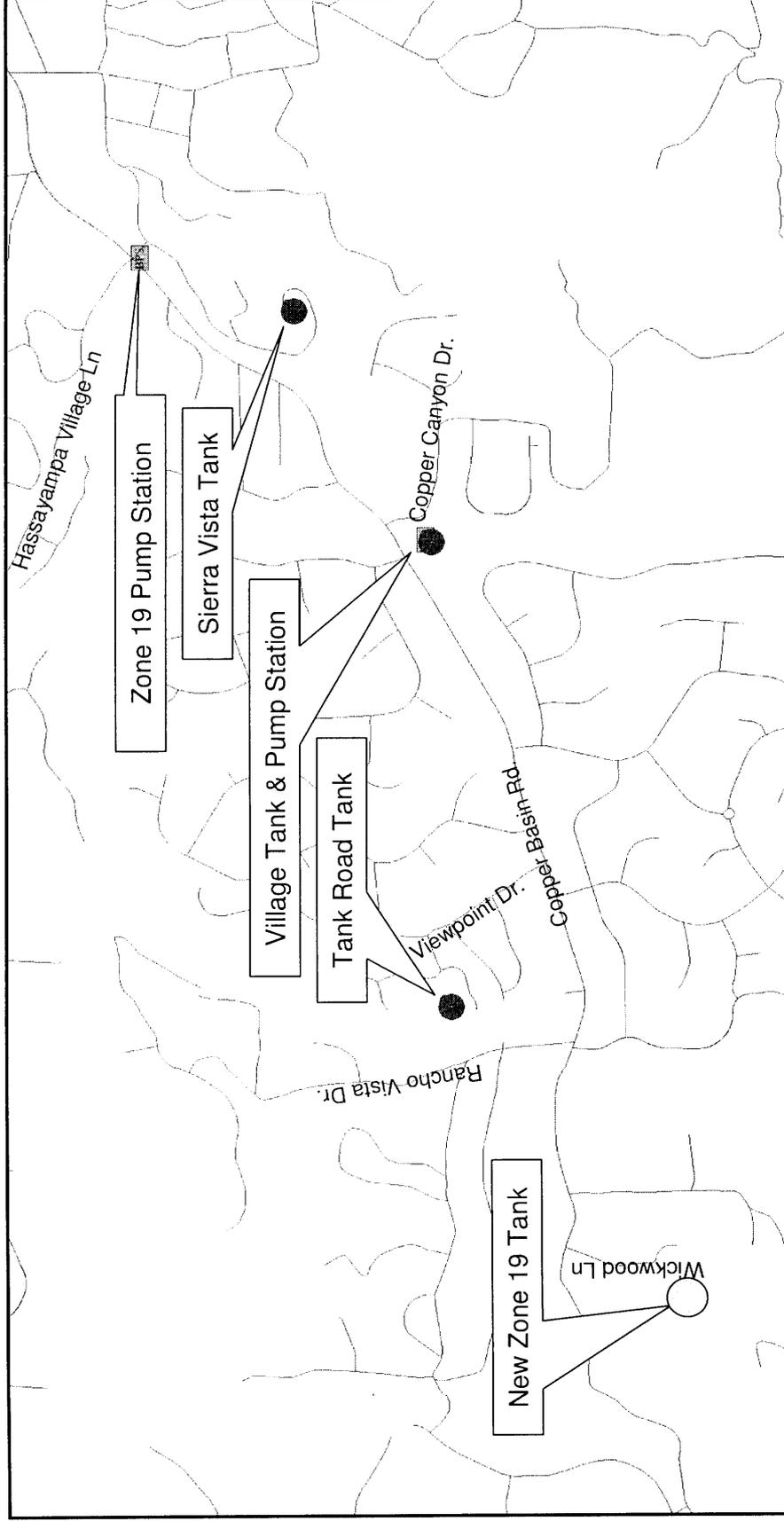
FY13 funding is available from the Water Fund for the Zone 19 Water System Improvements Projects.

Attachments

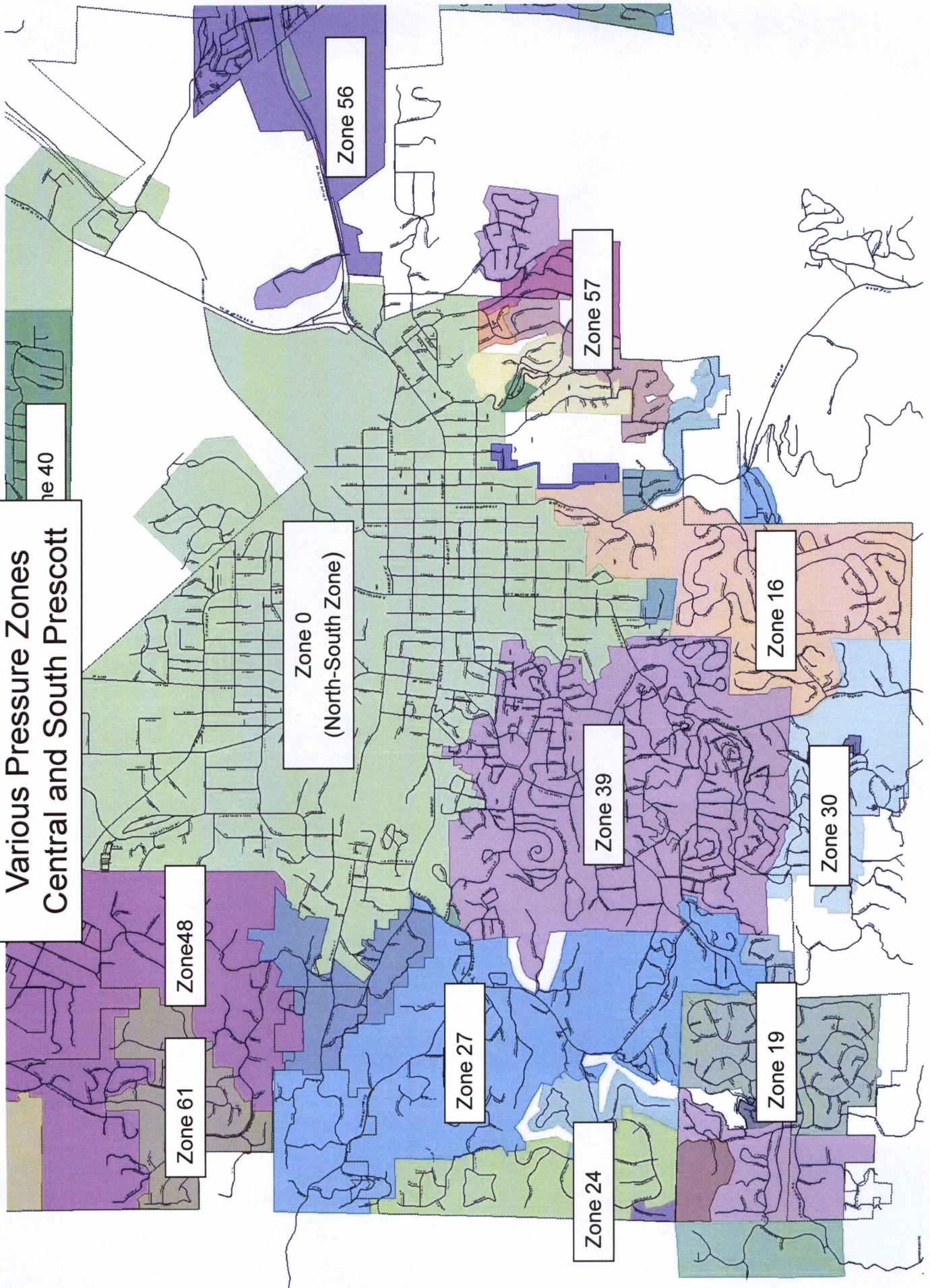
- Project Location Map
- Water System Zones Map

Recommendation: MOVE to award the bid and contract to CLM Earthmovers, LLC, for the Zone 19 Reservoir, Piping and Pump Station Replacement Project, in the amount of \$3,143,028.51.

Zone 19 Reservoir, Piping And Pump Station Project



Various Pressure Zones Central and South Prescott



COUNCIL AGENDA MEMO – September 25, 2012
DEPARTMENT: Public Works
AGENDA ITEM: Willow Creek 14-inch Transmission Main Reconstruction Project: (1) Approval of Contract Amendment No. 3 and final payment to Earth Resources Corporation in the amount of \$33,860.74; (2) Approval of a Settlement Agreement and Release with Civiltec Engineering, Inc.

Approved By:	Date:
Department Head: Mark Nietupski	9/13/2012
Finance Director: Mark Woodfill	
City Manager: Craig McConnell 	9-18-12

Item Summary

Item (1) is to approve Contract Amendment No. 3 for the Willow Creek 14-inch Transmission Main Reconstruction Project and final payment to Earth Resources Corporation (ERC). Due to plan errors and omissions and changed conditions, additional work was required to complete the project. The original contract in the amount of \$424,027.00 was approved by City Council February 14, 2012. The final contract amount is \$457,887.74.

Item (2) is to approve an agreement that will settle the claim and demand for reimbursement made by the City against Civiltec Engineering, Inc., associated with engineering errors and omissions which increased construction costs for this project, and authorize City acceptance of the settlement amount of \$37,564.57.

Background

ERC began construction on March 12, 2012, to replace an existing 12-inch water transmission main crossing Willow Creek between Willow Creek Road and Willow Lake Road. Discrepancies in the project plans in relation to existing conditions caused additional work and increased costs in order for the project to be properly completed. A complete redesign and change of construction methods for the water main crossing of Willow Creek was required due to inaccurate geotechnical information developed during project engineering. Further, the existing transmission main in Willow Creek Road was found to be significantly deeper (15 feet) than identified on the project plans (8 feet). The depth of the existing main necessitated changes in construction methods and equipment needed to perform the work. The Contractor completed additional work and incurred costs that could not be anticipated at the time of bid with the information shown on the plans. A similar issue with inaccurate plan information for the water main in Willow Lake Road was also encountered.

When the full nature of the extra work and costs became known, and due to the imminent paving of Willow Creek Road under another contract, there was insufficient time to seek prior Council approval of a contract amendment without delaying two contractors and further increasing project costs.

Agenda Item: Willow Creek 14-inch Transmission Main Reconstruction Project: (1) Approval of Contract Amendment No. 3 and final payment to Earth Resources Corporation in the amount of \$33,860.74; (2) Approval of a Settlement Agreement and Release with Civiltec Engineering, Inc.

The contractor worked closely with the City to minimize the impacts of design errors on the project. The project engineer also provided new plan sheets and redesign of certain project elements to reduce costs.

On May 1, 2012, a notice of inaccuracies regarding the project design was sent to the project design engineer Civiltec Engineering. On August 21, 2012, the City revised the notice and added items that became known and notified Civiltec of the updated City claim and demand for reimbursement of increased project costs associated with engineering errors and omissions. Over the ensuing weeks, Public Works and Civiltec representatives met in an effort to resolve the claim and avoid litigation.

As a result of those efforts, Civiltec has submitted a written offer of settlement in the amount of \$37,564.57. The attached Release and Settlement Agreement recites the associated provisions.

In arriving at the proposed settlement it was necessary for the parties to consider the project intent, standard of care in design, betterment (i.e., if work would have been required anyway), and damages. During project construction, Civiltec provided timely engineering services and redesign of certain project elements at no extra cost to the City; these services did reduce additional construction costs.

The following contract reconciliation illustrates the final construction costs pending approval of Contract Amendment No. 3 and the Release and Settlement Agreement.

Original Contract Amount	\$ 424,027.48
Contract Amendment No. 1 (Creek Conditions)	\$ 70,708.97
Contract Amendment No. 2 (Roadway Conditions)	\$ 34,147.83
Bid Item Quantity Adjustments	\$ 9,003.94
Contract Allowance	<u>\$ (80,000.00)</u>
Final Contract Amount	\$ 457,888.22
Contract Amendment No. 3 (Final Payment)	\$ 33,860.74
Amount of Release and Settlement Agreement	\$ 37,564.57
Adjusted Construction Cost	\$ 420,323.65

Budget

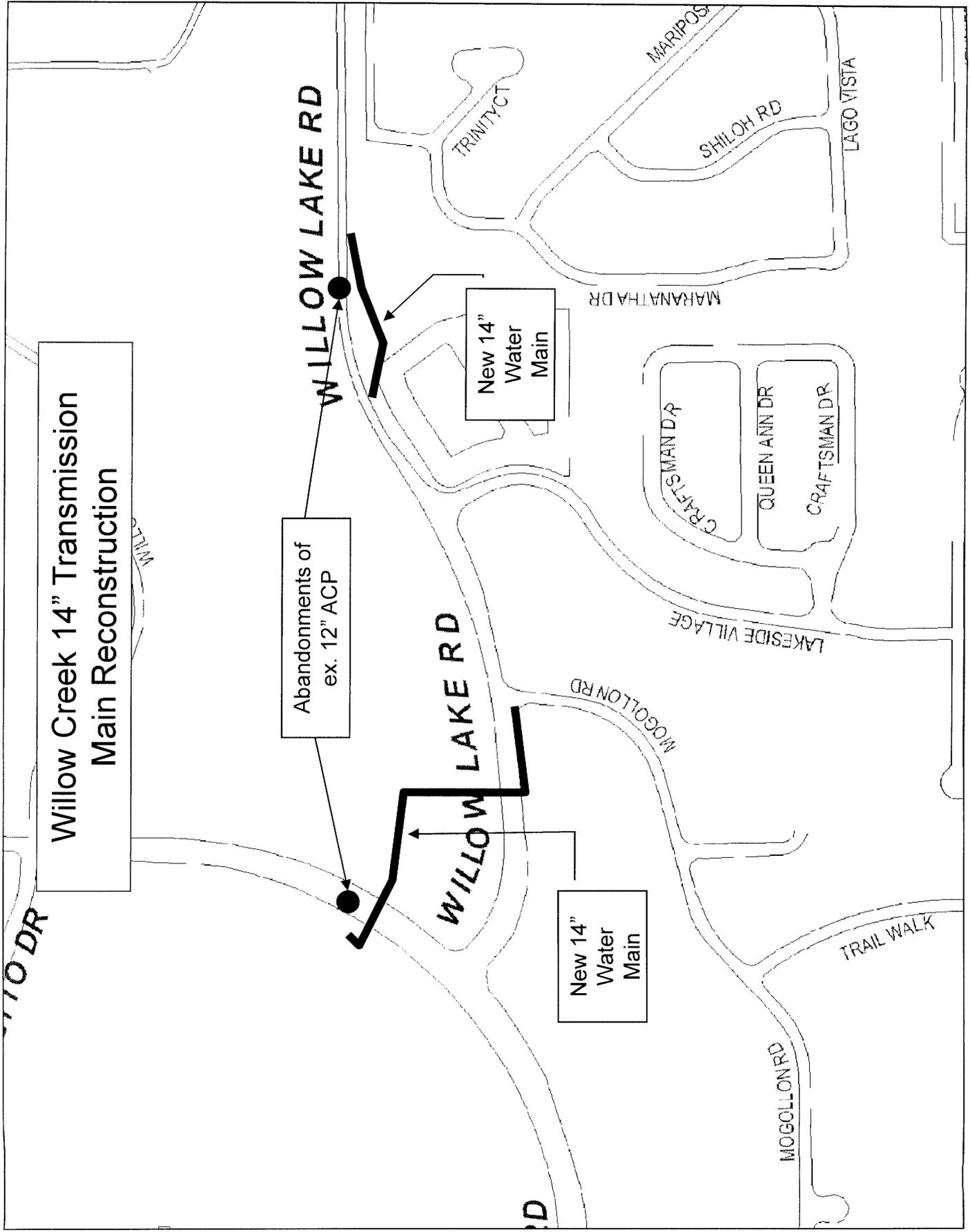
FY 13 funding was budgeted and is available for the Willow Creek 14-inch Transmission Main Reconstruction Project in the Water Fund. This fund will be reimbursed \$37,564.57 by Civiltec Engineering to offset increased project costs attributable to engineering errors and omissions.

Agenda Item: Willow Creek 14-inch Transmission Main Reconstruction Project: (1) Approval of Contract Amendment No. 3 and final payment to Earth Resources Corporation in the amount of \$33,860.74; (2) Approval of a Settlement Agreement and Release with Civiltec Engineering, Inc.

Attachments

- Area Plan
- Settlement Agreement and Release

Recommended Action: **MOVE** to approve Contract Amendment No. 3 for the Willow Creek 14-inch Transmission Main Reconstruction Project and final payment to Earth Resources Corporation in the amount of \$33,860.74; and (as a separate motion) **MOVE** to approve a Release and Settlement Agreement with Civiltec Engineering, Inc., for the Willow Creek 14-inch Transmission Main Reconstruction Project.



Willow Creek 14" Transmission
Main Reconstruction

Abandonments of
ex. 12" ACP

New 14"
Water
Main

New 14"
Water
Main

WILLOW LAKE RD

WILLOW LAKE RD

MARIPOSA

SHILOH RD

LAGO VISTA

MARANATHA DR

TRINITY CT

CRAFTSMAN DR

QUEEN ANN DR

CRAFTSMAN DR

LAKESIDE VILLAGE

MOGOLLON RD

...IO DR

MOGOLLON RD

TRAIL WALK

RELEASE AND SETTLEMENT AGREEMENT

This Release, Settlement, and Confidentiality Agreement ("Agreement") is entered into by and between **City of Prescott**, a municipal corporation of the State of Arizona and **Civiltec Engineering, Inc.**, an Arizona corporation. This Agreement relates to all claims or potential claims by City of Prescott against **Civiltec Engineering, Inc.**, for professional engineering services provided by **Civiltec Engineering, Inc.**, under City of Prescott Contract Number 2008-181, which professional services were utilized by the City for a public works project that generally involved the replacement of existing water transmission main between Willow Creek Road and Willow Lake Crossing at Willow Creek, located in Prescott, Arizona. This Agreement is comprised of four (4) pages.

WHEREAS, the above-referenced parties entered into a Professional Services Agreement (No. 2012-1372008-181) regarding the provision of professional engineering services for a public works project involving the replacement of existing transmission mains between Willow Creek Road and Willow Creek Crossing, in Prescott, Arizona; and

WHEREAS, the above-referenced parties have disputes regarding the quality and reasonableness of the engineering services provided; and

WHEREAS, the parties hereto desire to resolve all disputes arising between themselves including all disputes relating in anyway to the provision of professional engineering services under City of Prescott Contract Number 2008-181.

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. Payment and General Release. Civiltec Engineering, Inc., shall pay to the City of Prescott, a sum of **Thirty Seven Thousand Five Hundred Sixty Four Dollars and Fifty Seven Cents (\$37,564.37)** as follows:
 - a. A check made payable to the City of Prescott in the sum of eighteen Thousand Seven Hundred Eighty Two Dollars and Nineteen Cents (\$18,782.19) upon execution of this Agreement.
 - b. A check made payable to the City of Prescott in the sum of Eighteen Thousand Seven Hundred Eighty Two Dollars and Eighteen Cents (\$18,782.18) on or before November 12, 2012.

The payment of the sum of Thirty Seven Thousand Five Hundred Sixty Four Dollars and Thirty Seven Cents (\$37,564.37) shall be in full settlement of any and all claims the City of Prescott has against Civiltec Engineering, Inc., its officers, directors, shareholders, agents, attorneys, heirs, executors, administrators or assigns, for the provision of engineering services under City of Prescott Contract Number 2008-181, including any and all of the City of Prescott's claims for damages, equitable relief, costs, fees, and attorneys' fees

that City of Prescott alleges it is entitled. Upon receipt of the above-referenced funds, City of Prescott agrees to fully, forever, irrevocably and unconditionally remise and discharge Civiltec Engineering, Inc., from any and all claims, charges, complaints, demands, actions, causes of action, suits, rights, debts, sums of money, costs, accounts, reckonings, covenants, contracts, agreements, promises, doings, any and all negligent acts or omissions, damages, executions, obligations, liabilities and expenses, medical expenses and/or medical liens (including attorneys' fees and costs), of every kind and nature, known or unknown, which the City of Prescott has ever had or now may have against the Civiltec Engineering, Inc., including, but not limited to, all claims arising out of the professional engineering services provided by Civiltec Engineering, Inc., arising out of the provision of professional engineering services under City of Prescott Contract Number 2008-181.

2. Voluntary Settlement. It is agreed and understood by the parties that they are not required to settle this matter at this time, that they could continue with the filing of necessary claims and lawsuits, and raise necessary defenses and file counterclaims and crossclaims and avail themselves to any and all legal remedies available to them; that the parties could continue to investigate the matter involved in the claim, but the parties are voluntarily choosing to finally resolve the matter at this time by entering into this Agreement. The parties, in deciding to enter into this settlement at this time, are not relying on any representations, statements, actions, disclosures of information, or failures to disclose information by either party, or either party's representatives, or their attorneys other than as expressly stated in this Agreement.
3. Acknowledgment Of Scope Of Agreement. City of Prescott acknowledges that the money set forth in paragraph 1 is all of the money that they will ever receive from the Civiltec Engineering, Inc., relating to any matter arising out of those professional engineering services provided by Civiltec Engineering, Inc., under City Contract Number 2008-181 as of the date of this Agreement. The parties acknowledge and agree that the Agreement and discharge set forth above is a general Agreement.
4. Reliance On Counsel. In entering into this Agreement, both parties represent and warrant that they each had the opportunity to seek the advice of legal counsel and were encouraged to have this Agreement reviewed by legal counsel of their own choosing. Further, Civiltec Engineering, Inc., acknowledges and affirms that they have not received any legal advice concerning this settlement or its tax consequences from the City of Prescott or its legal counsel.
5. Warranty and representation regarding comprehension of Agreement. Both parties expressly warrant and represent that the agents entering this Agreement are of sound mind and are legally, physically, and mentally capable of understanding and executing this Agreement and they in fact understand the terms of this Agreement. Civiltec Engineering, Inc., understands that this warranty and representation was material to the City of Prescott's decision to settle with them.

6. No Admission Of Liability. It is mutually understood and agreed upon by the parties hereto that the resolution set forth herein in no way shall constitute any admission on the part of Civiltec Engineering, Inc., or any facts or matters of law asserted by the City of Prescott, and is undertaken solely for the purposes of resolving a disputed civil matter regarding the professional engineering services provided to the City of Prescott by Civiltec Engineering, Inc., under City of Prescott Contract Number 2008-181. Accordingly, this Agreement shall not be deemed to be an admission of any wrongdoing, notice, or any other admission of liability or factual issue of any kind on the part of the Civiltec Engineering, Inc., in any proceeding. The City of Prescott acknowledges that Civiltec Engineering, Inc., denies any and all liability stemming from its relationship with the City of Prescott regarding the provision of professional engineering services under City of Prescott Contract Number 2008-181 and warrants no promises or inducements have been made other than stated in this Agreement.
7. Governing Law And Disputes. This Agreement shall be construed and interpreted in accordance with the laws of Arizona. In the event that a dispute arises regarding this Agreement, both sides voluntarily waive a right to trial by jury, and shall submit the matter to a bench trial. The parties hereto expressly agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorneys' fees, either pursuant to agreement, pursuant to A.R.S. Sections 12-341.01(A) and (B), or pursuant to any other state or federal statute, court rule, case law or common law.
8. Entire Agreement And Successors-In-Interest. This Agreement constitutes the complete understanding between the City of Prescott and Civiltec Engineering, Inc., and supersedes any and all prior agreements, promises, representations, or inducements, no matter what their form. No promises or agreements made subsequent to the execution of this Agreement by the parties shall be binding unless reduced to writing and signed by authorized representatives of these parties. This Agreement shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors, and assigns of the City of Prescott and Civiltec Engineering, Inc.
9. Paragraph Headings. The paragraph headings used in this Agreement are included for the convenience of the parties, only and do not limit or otherwise affect the language used in this Agreement.
10. Effectiveness. This Agreement shall become effective immediately following execution by the parties.

CITY OF PRESCOTT

CRAIG MCCONNELL, CITY MANAGER

STATE OF ARIZONA)
) ss.
County of _____)

SUBSCRIBED AND SWORN to before me this _____ day of September, 2012,
by Craig McConnell.

My Commission Expires:

Notary Public

APPROVED AS TO FORM:

G. EUGENE NEIL, City Attorney
City of Prescott

RICHARD H. SHROADS, PRESIDENT
CIVILTEC ENGINEERING, INC.

STATE OF ARIZONA)
) ss.
County of _____)

SUBSCRIBED AND SWORN to before me this _____ day of _____,
2012, by Richard H. Schroads.

My Commission Expires:

Notary Public

I, undersigned counsel for Civiltec Engineering, Inc., (a) approve this Agreement as to form, and (b) expressly warrant that I have no reason to suspect that the agent for Civiltech is not of sound mind, or is not legally, physically, and mentally capable of understanding and executing this Agreement, or does not understand this Agreement.

_____, counsel for Civiltec
Engineering, Inc.

Date

COUNCIL AGENDA MEMO – September 25, 2012	
DEPARTMENT:	Finance
AGENDA ITEM:	Adoption of Resolution No. 4148-1308 authorizing application for a Drinking Water State Revolving Fund loan from the Water Infrastructure Financing Authority of Arizona (WIFA)

Approved By:		Date:
Finance Director:	Mark Woodfill	
City Manager:	Craig McConnell 	9-18-12

Item Summary

This resolution will authorize an application to WIFA for financing of the projects outlined below in the total amount of \$15,921,582.00. If the WIFA Board approves the financing, there will be additional action items presented to Council for completion of the transaction.

The three water system reservoir projects for Zone 12, Zone 19, and Zone 27 were identified to be financed through a debt issue in the City's FY2013 budget process. These projects are budgeted in the Water Fund and are eligible to be financed through WIFA's drinking water program.

The next step, upon Council authorization would be for WIFA to consider the financing at their December 19, 2012, meeting. The debt would be backed and repaid with customer revenue from the Water Fund during the twenty-year term.

Recommended Action: MOVE to adopt Resolution No. 4148-1308

RESOLUTION NO. 4148-1308

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, TO AUTHORIZE THE APPLICATION FOR A DRINKING WATER STATE REVOLVING FUND LOAN FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA (WIFA)

RECITALS:

WHEREAS, the City of Prescott of Yavapai County has identified a need for a water capital improvement project; and

WHEREAS, pursuant to Arizona Revised Statutes 9-521 through 540, and specifically A.R.S. 9-571, the City of Prescott may obligate the revenues generated by its water system to repay a loan from WIFA; and

WHEREAS, the City of Prescott of Yavapai County certifies that the population of the community is under 50,000 in population as the most recent U.S. Census Date; and

WHEREAS, it is in the City of Prescott's best interest to pursue and apply for, financial assistance from WIFA of an amount not to exceed \$15,921,582 for the Zones 12, 19, and 27 Water Infrastructure Projects; and

WHEREAS, the City of Prescott population at the time of this request is 39,843, which meets the requirement under A.R.S. 9-571.

ENACTMENTS:

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

SECTION 1. THAT, the Finance Director of the City of Prescott is hereby authorized to apply for Drinking Water State Revolving Fund financial assistance from the Water Infrastructure Finance Authority of Arizona.

SECTION 2. THAT, the Finance Director is authorized to take such actions as are necessary to apply for financial assistance in an amount not to exceed \$15,921,582 payable from revenues for the water system.

SECTION 3. THAT, all actions of the officers and agents of the City of Prescott which conform to the purposes and intent of this resolution and which further the completion of the application as contemplated by this resolution, whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the City of Prescott are hereby authorized and directed to do all such acts and things and to execute and deliver all such application documents on behalf of the City of Prescott as may be necessary to carry out the terms and intent of this resolution.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, this 25th day of September, 2012.

MARLIN KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

LYNN MULHALL, City Clerk

G. EUGENE NEIL, Interim City Attorney

COUNCIL AGENDA MEMO – September 25, 2012	
DEPARTMENT:	Tourism
AGENDA ITEM:	Approval of a Downtown Management Agreement with the Prescott Downtown Partnership (PDP) for Fiscal Year 2013

Approved By:		Date:
Department Head:	Don Prince	
Finance Director:	Mark Woodfill	
City Manager:	Craig McConnell 	9-19-12

Summary

The City and Prescott Downtown Partnership (PDP), an Arizona non-profit organization, have entered into annual Downtown Management Agreements since 2001. The attached agreement will continue the management relationship through June 30, 2013.

The Agreement provides for PDP Downtown Manager responsibility for the following:

- Administration of the Prescott Main Street program
- Organization of downtown special events
- Encouragement and facilitation of the physical development of downtown
- Acting as a downtown liaison between PDP and the City

The Agreement further calls for PDP to:

- Maintain requirements for Prescott to retain its Arizona Main Street Community and National Main Street designation
- Strategic planning that includes strategies outlined in the Focused Future II Strategic Plan for Economic Development
- Make an annual report of prior year activities to the Mayor and Council

In return for the services provided, the City will compensate PDP 60% of all vendor fees (\$25 per vendor) calculated on the basis of events held on the Courthouse Plaza. The City’s financial assistance is to be used solely for funding the Downtown Manager position responsible for the administration of the services set forth in the agreement. A schedule detailing the amount due is attached as Exhibit “A”.

Financial Impact

As mentioned above, the payment to PDP of \$16,275.00 is based on 60% of 2011 vendor fees, which totaled \$27,125.00. The Transient Occupancy (Bed) Tax Fund is the source of budgeted funding for this Agreement.

Attachment - Downtown Management Agreement

Agenda Item: Approval of a Downtown Management Agreement with the Prescott Downtown Partnership (PDP) for Fiscal Year 2013

Recommended Action: **MOVE** to approve the Downtown Management Agreement with Prescott Downtown Partnership for Fiscal Year 2013.

DOWNTOWN MANAGEMENT AGREEMENT

City of Prescott

And

Prescott Downtown Partnership

THIS AGREEMENT, by and between the CITY OF PRESCOTT (hereinafter referred to as "City"), an Arizona municipality, and the PRESCOTT DOWNTOWN PARTNERSHIP (hereinafter referred to as "PDP") a non-profit organization existing under the laws of the State of Arizona.

WHEREAS the City has the authority to enter into this Agreement pursuant to ARS § 9-493 and ARS Section 9-500.11; and

WHEREAS it is in the best interests of the City to enter into this Agreement in order to ensure the future viability of Prescott and its downtown area and participation in the Arizona and National Main Street Programs.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. The City shall pay to PDP a sum in an amount of SIXTEEN THOUSAND, TWO HUNDRED SEVENTY FIVE and NO/100 DOLLARS (\$16,275.00) for FY 2013 as set forth in Exhibit "A" hereto attached . Aid payment is based on sixty percent (60%) of vendor fees collected for events held on the Courthouse Plaza in 2011 as determined by the City's Budget and Finance Department; and shall be made within thirty (30) following the approval of this agreement.

2. PDP shall use all funds received from the City pursuant to Paragraph 1 above solely for the following purposes: to assist in funding a downtown manager position, who, in turn, will be charged with responsibilities including, but not limited to, the following: administration of the Prescott Main Street program; organization of downtown special events; the encouragement and facilitation of appropriate physical development of downtown; acting as the downtown liaison between downtown property owners, merchants, and other parties, and the City; and other tasks as assigned by the PDP Board of Directors.

3. PDP shall continue to fulfill all of the requirements to maintain an active Arizona Main Street Community.

4. Working in concert with the Arizona Commerce Authority or its designee, PDP shall continue to meet the standards of performance required for National Main Street designation.

5. Strategic planning for the PDP shall include items outlined in the Focused Future II Strategic Plan for Economic Development.

6. The City will appoint a member of the City Council as liaison to the PDP Board of Directors. The City Tourism Director will act as staff liaison to the PDP Board of Directors.

7. PDP shall make an annual report to the City Council of the City of Prescott of PDP's activities for the prior year. Said report shall be made in the first quarter of each fiscal year.

8. PDP shall allow representatives of the City to review and make available for inspection any and all records, disbursements, expenditures and other documents relating to the expenditure of the above funds during normal business hours at the offices of the PDP.

9. PDP, as Contractor under this agreement, agrees to defend, indemnify and hold harmless the City, and its employee officers, agents and representatives from all suits, including attorneys' fees and cost of litigation, actions, loss, damage, expense, cost or claims, of any character or any nature arising out of the work done in fulfillment of the construction of the improvement under the terms of this agreement or on account of any act, claim or amount whether arising or recovered under Workmen's Compensation law, or arising out of the failure of the Contractor or those acting under Contractor to conform to any statutes, ordinance, regulation, law or court decree. It is the intent of the parties to this contract that the City shall, in all instances, be indemnified against all liability, losses and damages of any nature whatever for or on account of any injuries to or death of persons or damages to or destruction of property belonging to any person arising out of or in any way connected with the performance of this Agreement, whether the liability, loss or damage is caused by, or alleged to be caused in whole or in part by the negligence or fault of the Contractor or of its officers, agents or employees, or subcontractors.

10. Pursuant to A.R.S. Section 38-511, the City may cancel this Agreement, without

penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party of the agreement with respect to the subject matter of the Agreement. In the foregoing event, the City further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City of Prescott from any other party to the Agreement arising as a result of this Agreement.

11. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court.

12. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, except as otherwise specifically provided herein, neither party shall be entitled to an award of attorneys' fees, either pursuant to the Contract, pursuant to ARS Section 12-341.01(A) and (B), or pursuant to any other state or federal statute.

13. PDP, with regard to the work performed by it after award and during its performance of this Agreement, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and retention of subcontractors, including procurement of materials and leases of equipment. PDP will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, and Executive Order 99-4.

14. It is expressly agreed and understood by and between the parties that PDP is an independent contractor, and as such neither PDP, its employees or agents shall become a City employee, and are not entitled to payment or compensation from the City or to any fringe benefits to which other City employees are entitled other than that compensation as set forth in Section 1 above. As an independent contractor, PDP further acknowledges that it is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement. As an

independent contractor, PDP further agrees that it and its employees and agents will conduct themselves in a manner consistent with such status, and that they will neither hold themselves out nor claim to be an officer or employee of the City by reason thereof, and that they will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City, including but not limited to workmen's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

15. This Agreement is the result of negotiations by and between the parties. Although it has been drafted by the Prescott City Attorney, it is the result of the negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

16. This Agreement is non-assignable by PDP unless approved in writing and in advance by the City.

17. This Agreement shall be construed under the laws of the State of Arizona.

18. Nothing in the Agreement shall be construed to make either party the legal representative or agent of the other party, nor shall either party have the right or authority to assume, create or incur any liability or any obligation of any kind, either expressed or implied, in the name of or on behalf of the other party. The relationship created by the Contract shall be that of independent Facility Owner, not joint venture, agent or business partners.

19. PDP understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

20. Under the provisions of A.R.S. §41-4401, PDP hereby warrants to the City that PDP and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

21. A breach of the Contractor Immigration Warranty shall constitute a material breach of this Agreement and shall subject PDP to penalties up to and including termination of the sole discretion of the City.

22. The City retains the legal right to inspect the papers of PDP or a Subcontractor's

employee who works on this Agreement to ensure that PDP or Subcontractor is complying with the Contractor Immigration Warranty. PDP agrees to assist the City in regard to any such inspections.

23. The City may, at its sole discretion, conduct random verification of the employment records of PDP and any of subcontractors to ensure compliance with Contractor's Immigration Warranty. PDP agrees to assist the City in regard to any random verification performed.

24. Neither PDP nor any of Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if PDP or a Subcontractor establishes that it has complied with the employment verification provisions prescribed by section 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

25. The provisions of the foregoing articles shall be included in any contract PDP enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor.

26. This Agreement is valid through June 30, 2013. This Agreement may be renewed under the same terms and conditions of this Agreement upon the mutual consent of the parties for two additional one-year periods. Notwithstanding the foregoing, this Agreement may be terminated by the City upon ten (10) days written notice, with or without cause.

DATED this _____ day of _____, 2012.

MARLIN KUYKENDALL
Mayor

DATED this _____ day of _____, 2012.

PRESCOTT DOWNTOWN PARTNERSHIP

By: _____
ANITA PAYNE, President

ATTEST:

APPROVED AS TO FORM:

LYNN MULHALL
City Clerk

G. EUGENE NEIL
Interim City Attorney

EXHIBIT "A"

COP Transient booth numbers

2011 Vendor/booth list			
Event	Sponsor	# of Vendors	X \$25
Earth Day	Open Space Alliance	19	\$475.00
Prc Fine Art & Wine Fest.	MAG	150	\$3,750.00
Western Art Show & Sale	Phippen Museum	115	\$2,875.00
Woof Down Lunch	United Animal Friends	47	\$1,175.00
A.O.S.- Spring show	Thumb Butte Questers	43	\$1,075.00
Territorial Days	Chamber	138	\$3,450.00
Tsunami on the Square	Tsunami	17	\$425.00
Prescott Rodeo Days	PDP, Inc.	140	\$3,500.00
Williamson Vly F.D.	Williamson Vly Fire Dist	42	\$1,050.00
Fine Arts & Crafts Festival	MAG	101	\$2,525.00
Faire on the Square	Chamber	126	\$3,150.00
AOS - Fall Show	Thumb Butte Questers	37	\$925.00
Dog-toberfest	City of Prescott	14	\$350.00
Fallfest in the Park	Chamber	96	\$2,400.00
	TOTAL		\$27,125.00

To PDP (60%): \$16,275.00

COUNCIL AGENDA MEMO – September 25, 2012	
DEPARTMENT:	Tourism
AGENDA ITEM:	Approval of an Agreement for Services with the Prescott Area Arts and Humanities Council (PAAHC)

Approved By:		Date:
Department Head:	Don Prince	
Finance Director:	Mark Woodfill	
City Manager:	Craig McConnell <i>Craig McConnell</i>	9-18-12

Summary

This item provides an opportunity to update an expired 2006 service agreement with the Prescott Area Arts and Humanities Council (PAAHC).

Approval of the new Agreement will continue the City's relationship with PAHHC through June 30, 2013, and provide an option for up to two additional one-year extensions upon mutual agreement of the parties.

Key objectives of the Agreement are for PAAHC to facilitate making available City funds to performing and cultural arts entities, and to promote recognition of the City's role in providing funding to arts and cultural organizations and activities in the community. The grant process is conducted annually by PAAHC in accordance with the criteria and procedures set forth in "Exhibit A" to the agreement. The criteria were adopted by the City Council in 2006.

In addition to their grant processing roles, PAAHC will act in its non-profit capacity to increase the cultural profile of Prescott in the following ways.

- Supporting Prescott non-profit arts and humanities organizations in the marketing and production of their programs
- Stimulating public and private support for arts and cultural endeavors,
- Promoting and preserving Prescott's uniquely diverse arts and cultural communities and organizations
- Increasing opportunities for all Prescott residents to experience arts and culture in a meaningful way
- Utilizing and developing existing artistic and cultural expertise in the community
- Increasing opportunities for educational experiences in the arts of Prescott students

Financial Impact

Funding for this Agreement is provided from the Transient Occupancy (Bed) Tax. This fiscal year \$30,000 was approved by Council on August 28, 2012, as part of the FY 2013 Transient Occupancy (Bed) Tax allocations.

Agenda Item: Approval of an Agreement for Services with the Prescott Area Arts and Humanities Council.

The agreement specifies that PAAHC will retain \$750 of the \$30,000 for administrative expense, directing use of the balance toward arts and humanities grant funding during FY 2013. Any unused funds must be carried over by PAAHC to the FY 2014 grant process or refunded to the City upon termination of the agreement.

Attachment - Agreement for Services

Recommended Action: **MOVE** to approve the Agreement for Services with the Prescott Area Arts and Humanities Council.

AGREEMENT FOR SERVICES

City Of Prescott and Prescott Area Arts and Humanities Council

This Agreement made by and between the City of Prescott (City), a municipal corporation with offices at 201 S. Cortez Street, Prescott, Yavapai County, Arizona, and the Prescott Area Arts and Humanities Council, Inc. (PAAHC), an Arizona non-profit corporation, mailing address: Prescott Area Arts and Humanities Council, P. O. Box 2292, Prescott, AZ 86302, effective as of the date indicated below.

RECITALS

- A. The City seeks the services of a non-profit¹ entity to increase the cultural profile of Prescott by supporting Prescott non-profit arts and humanities organizations in the production and marketing of their programs²; by stimulating public and private support for arts and cultural endeavors in Prescott; by promoting and preserving Prescott's uniquely diverse arts and cultural communities and organizations; by increasing opportunities for all Prescott residents to experience arts and culture in a meaningful way; by utilizing and developing existing artistic and cultural expertise in the community; by increasing opportunities for educational experiences in the arts of Prescott students; and by managing a granting program that distributes available City funding to arts and cultural activities that meet these goals; and,
- B. PAAHC is a local arts and cultural agency dedicated to promoting, supporting, coordinating, developing and advocating arts and humanities organizations and programs in the Prescott area for the public benefit. As a public agency with representation by the leadership of a major portion of the arts and cultural community in the Prescott area, PAAHC is able to and offers to provide the services required by the City.

For the reasons recited above, and in consideration of the mutual covenants contained in this Agreement, COP and PAAHC agree as follows:

1 SERVICES TO BE PERFORMED BY PAAHC

- 1.1 Build support for the arts, culture, and humanities in the community of Prescott;
- 1.2 Serve as a coordinating agency for arts, cultural and humanities programs in the Prescott area, and provide a free arts and culture calendar on the internet for Prescott residents and visitors to the area;
- 1.3 Expand Prescott's role as a center for arts and culture while meeting the needs of the Prescott area, and expand Prescott's role as a cultural destination, collaborating with the Prescott Office of Tourism;

¹ Non profit as determined by federal registration under the 501(c)(3).

² Programs may be construed to result in the creation of an object.

- 1.4 Promote recognition of the City's role in providing funding to arts and cultural organizations and activities in the community.
- 1.5 Coordinate its activities with community, state and federal long-range plans of the Arizona Commission on the Arts, the National Endowment for the Arts, and the Arizona Arts Education Plan.
- 1.6 Provide technical assistance and guidance in management of arts and cultural organizations, individuals or groups, as requested by these entities and with the approval of the PAAHC Board of Directors;
- 1.7 Make grants of available City funds to performing and/or cultural arts entities in accordance with the criteria and procedures set forth in Exhibit A, and criteria as adopted by the City Council. In order to do this:
 - 1.7.1 PAAHC will appoint a five-person review panel composed of Prescott residents, leaders in the local arts community, and local businesspersons, with one member appointed by the City Director of Tourism, which will review each funding request according to the criteria in Exhibit A.
 - 1.7.2 PAAHC will present allocations approved by its Board of Directors to the City, providing written justification for all recommendations.
 - 1.7.3 PAAHC will be responsible for notifying organizations of reporting requirements and payment schedules and for enforcing these requirements. PAAHC shall ensure that it and all grantees operate within the guidelines set forth in the City's policy on arts funding.
 - 1.7.4 PAAHC will disburse approved allocations and otherwise administer all funds covered by this agreement, monitoring funded programs and finances, and will submit an annual report to the City on the status of these programs no later than June 30 of each year during the term of this agreement or any extensions thereof.
 - 1.7.5 PAAHC will ensure that each funded program properly recognizes the City and PAAHC as sponsors.
- 1.8 PAAHC will provide the following deliverables:
 - 1.8.1 Request for proposals document.
 - 1.8.2 Service Contract between PAAHC and funded organizations.
 - 1.8.3 Recommendations for funding (organization, amount requested, amount recommended, project description and other pertinent information).
 - 1.8.4 Rating or evaluation form used in scoring applicant proposals.

- 1.9 Insurance certificate for each funded organization, with the City and PAAHC named as additional insured, in an amount of not less than one million dollars (\$1,000,000) on a policy approved by COP's Risk Manager.

2 COMPENSATION

- 2.1 PAAHC shall make every possible effort to obtain funding from sources other than the City, including financial participation agreements with other governments and government agencies, grants, donations, and any other sources of funding as may become part of the annual budget.
- 2.2 The City will pay seven hundred and fifty dollars (\$750) to PAAHC as support to PAAHC, which will be paid to PAAHC in one payment no later than December 1, 2012.
- 2.3 Funds remitted to PAAHC by the City and which remain in PAAHC's possession at the end of the term of this Agreement will either be refunded to COP within fifteen (15) days after termination of the Agreement or carried over to the next year's funding cycle; however, the \$750 for PAAHC's administrative expenses shall be retained by PAAHC.

3 ACCOUNTABILITY

- 3.1 PAAHC shall submit to the City a financial statement detailing all of its revenues and expenditures no later than June 30 of each year during the term of this Agreement or any extensions thereof. This report shall be in a manner approved by the City.
- 3.2 PAAHC shall establish and maintain an accounting system which will comply with generally accepted accounting principles.
- 3.3 The City may withhold or nullify, in its sole discretion, in whole or in part, the appropriated funds as may be necessary for the following reasons:
- 3.4 Services not rendered, as revealed by investigation by the City; or
- 3.5 Failure to supply information or reports as requested by the City in a timely and reasonable fashion; or
- 3.6 Non-compliance with agreed upon disbursement documentation, accounting procedures, and performance; or
- 3.7 Failure of PAAHC to make payments, disbursements or grants to subcontractors or grant recipients.

4 GENERAL PROVISIONS

- 4.1 This Agreement shall be effective upon approval by the City Council, and shall continue in force until June 30, 2013. This Agreement may be renewed under the

same terms and conditions of this Agreement upon the mutual consent of the parties for two additional one-year periods. Notwithstanding the foregoing, this Agreement may be terminated by the City upon ten (10) days written notice, with or without cause.

- 4.2 Pursuant to A.R.S. Section 38-511, the City may cancel this agreement without penalty or further obligation, if any person significantly involved in initiating, negotiation, securing, drafting or creating the Contract on behalf of the City is, at any time while the agreement or any extension of the agreement is in effect, an employee or agent of any other party to the Contract in any capacity or a consultant to any other party of the agreement with respect to the subject matter of the agreement. In the foregoing event, the City further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiation, securing, drafting or creating this agreement on behalf of the City from any other party to the agreement, arising as a result of the agreement.
- 4.3 Any notices to be given by either party to the other must be in writing and personally delivered or mailed by prepaid postage and certified mail, at the following addresses:

City of Prescott
Director of Tourism
201 S. Cortez
Prescott, AZ 86303

With copies to:

City of Prescott
Budget and Finance Director
201 S. Cortez
Prescott, AZ 86303

PAAHC President
110 S. Montezuma Street, Suite H
Prescott, AZ 86303

- 4.4 It is expressly agreed and understood by and between the parties that PAAHC is an independent contractor, and as such PAAHC shall not become a City employee, and is not entitled to payment or compensation from the City or to any fringe benefits to which other City employees are entitled other than that compensation as set forth in the Compensation Section of the Contract. As an independent contractor, PAAHC further acknowledges that it is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Contract, or as a result of its employment of a business manager. As an independent contractor, PAAHC further agrees that it will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City, including but not limited to workmen's compensation coverage, unemployment insurance benefits, social security coverage, or

retirement membership or credit. The parties expressly acknowledge that provisions of this Paragraph shall also be binding upon PAAHC's business manager, and that PAAHC shall include this paragraph in any employment contract or contracts into which it enters.

- 4.5 This Agreement is non-assignable by PAAHC.
- 4.6 This Agreement is the result of negotiations by and between the parties. Although it has been drafted by the Prescott City Attorney, it is the result of the negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.
- 4.7 This Agreement shall be construed under the laws of the State of Arizona.
- 4.8 This Agreement represents the entire and integrated Agreement between the City and PAAHC and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and PAAHC. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.
- 4.9 In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provisions, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.
- 4.10 PAAHC hereby agrees to indemnify and hold harmless the City, its departments, and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of PAAHC's participation pursuant to this Agreement, whether said claims, liabilities, expenses or lawsuits arise by the acts or omissions of PAAHC or its agents. PAAHC further releases and discharges the City, its departments and divisions, its agents and employees, and any and all persons legally responsible for the acts or omissions of the City, from any and all claims which PAAHC has or may have against the City, its agents or employees, arising out of or in any way connected with PAAHC's activities as set forth below, other than those acts which occur due to the negligence of the City, its employees or agents.
- 4.11 All insurance required pursuant to this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a Certificate of Authority as defined in ARS Section 20-217, a copy of which certificate is to be attached to each applicable policy or binder.
- 4.12 PAAHC, with regard to the work performed by it after award and during its performance of the agreement, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and

retention of subcontractors, including procurement of materials and leases of equipment. PAAHC will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, the Americans with Disabilities Act (“ADA”) (Public Laws 101-336, 42 U.S.C. 12101-12213) and all federal regulations under the ADA and Arizona Governor’s Executive Orders 99-4 and 2000-4 as amended.

- 4.13 The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The parties hereto further expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorneys fees, either pursuant to the Contract, pursuant to ARS Section 12-341.01(A) and (B), or pursuant to any other state or federal statute. PAAHC further agrees that this provision shall be contained in all contracts for funding entered into pursuant to this Agreement.
- 4.14 Non-Availability of Funds: Fulfillment of the obligation of the City under this Agreement is conditioned upon the availability of funds appropriated or allocated for the performance of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the City at the end of the period for which the funds are available. No liability shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments as a result of termination under this paragraph.
- 4.15 Pursuant to A.R.S. Sections 35-391.06 and 35-393.06, each Party certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section, the term “scrutinized business operations” shall have the meanings set forth in A.R.S. Section 35-391 and/or 35-393, as applicable. If any Party determines that another Party submitted a false certification, that Party may impose remedies as provided by law including terminating this Agreement.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this ____ day of _____, 2012.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

LYNN MULHALL
City Clerk

G. EUGENE NEIL
Interim City Attorney

DATED this ____ day of _____, 2012.

PRESCOTT AREA ARTS AND HUMANITIES COUNCIL

By: _____
Name: _____
Title: _____

EXHIBIT "A"



CITY OF PRESCOTT CULTURAL/PERFORMING ARTS GRANT AWARDS 2012 - 2013

THE PROCESS

How will PAAHC make the determination for which programs receive funding?

All applications received by PAAHC will be turned over to a Grant Review Panel. The Panel will be made up of five leaders in the arts and business community: one appointed by the Mayor and four appointed by PAAHC.

Panelists will read all applications in advance and then attend a Panelists' meeting. At the Panelists' meeting, all grants will be reviewed and discussed with the full Panel present. PAAHC will moderate the discussion, but will not lead Panelists either for or against any proposal. Panelists who might have a conflict of interest will be asked to recuse themselves and will not participate in the discussion of those applications.

This meeting will be open to the public, but does not allow for public comment. Applicants and their staff may attend and may be questioned during the review process. Anyone attempting to influence a Panelist during the meeting will be asked to leave.

After discussion of each application, Panelists will be directed to rank the application on a ranking sheet provided by PAAHC. Applications will be ranked separately for each of the four criteria, as listed in the Funding Criteria page.

Following the Panelists' meeting, PAAHC will tally all rankings for the application and order them highest to lowest. Available funding will be applied to each request based on the rankings. Some of the winning applicants will receive more funding than other successful applicants will, if their ranking was higher.

PAAHC will then present the panelists recommendations (approved by the Board of Directors) to the City of Prescott, providing written justification for all recommendations. Those recommendations will go before City Council during a regularly scheduled Study Session and Voting Session.

Once approved by the Prescott City Council and funding is received by PAAHC's Treasurer, grant awards will be publicly announced and funds made available to recipients within 45 days from council approval. This is anticipated to occur sometime in April 2012.

CITY OF PRESCOTT CULTURAL/PERFORMING ARTS GRANT AWARDS
2012 -2013

FUNDING CRITERIA

Well-written applications will address each of the four criterion in the order listed below. Applicants may use two single-sided typed pages with a font size no smaller than 12 point to respond to the following criteria in a narrative. Requested attachments include the application form, resume of the person responsible for the program, list of Board of Directors (if any), budget form, proof of non-profit status, and program media or brochures (limit two pieces, but provide six sets). No other documents should be included.

Funding Criteria:

Artistic or creative quality of the program (one page)

- Describe the event and list its dates, times, and locations.
- Include the mission statement of the organization or individual.
- What are the artistic or cultural goals of the event?

Program's ability to serve the needs of the Prescott Community (one page)

- What is the event's primary target audience?
- Is the event supported by volunteers and experts in the field?
- Show outreach or requests for community participation in the event.
- Show any collaboration with other local organizations and schools.

Appropriateness of budget; effective management; history (one page -not including budget)

- Provide a separate page detail of the budget for expenses and income for the program.
- Include a narrative briefly explaining the key points in the budget.
 - Include the current fiscal-year budget for the organization.
 - How will the applicant use the funds requested?
 - List the person responsible for production of the program, and additional staff.
 - Attach resume for the person responsible for the production of the program.
 - List of Board of Directors, their community affiliations, and contact info.
 - Explain how the organization evaluates the effectiveness of the event.
 - Briefly state the history of the event and of the organization in producing events.

Tourism impact on the community of Prescott (one page)

- What are the organization's promotional strategies?
- Document any event spectator data from previous years.
- **NEW!!!** For organizations who have received an '11-'12 P AAHC Grant, a survey to document the following information must be performed and included in the final report. Any information/documentation which speaks to the three questions below can also be included in the

narrative for the '12 -'13 Grant request. Organizations receiving funds for the '12 -'13 season must also perform this survey .

- Documentation of the numbers of Prescott area residents at the event.
- Documentation of the numbers of out-of-town visitors.
- Documentation of the numbers of overnight (patrons staying in a Prescott hotel) visitation.

·NOTE REGARDING FINAL REPORTS: Failure to submit your final report 60 days after the end of the funded event will result in your organization being excluded from applying for a PAAHC grant for the following fiscal year.

If a qualifying organization receives a grant award from the COP's Office of Tourism (Signature Event Grant) AND a grant from PAAHC, the organization must forfeit the PAAHC Grant Award and, if PAAHC funds have already been received, must return PAAHC funds to PAAHC in full.

NOTE: The PAAHC Grant Committee recommends an event staff person or volunteer performing an informal survey by circulating among approximately 15% of your patrons and verbally asking them the three questions above, recording answers on a sheet of paper, and then projecting the numbers forward based on the total attendance figures.

NEW!!! READ!!! The dollar amount of funds an organization may request are now based on the budget of the event/program. Use the table below to determine the limit of funds your organization may request. If your request exceeds the funding limit allowed, the request will be adjusted to the allowable request criteria. Event Budget

Amount (expenses)	Funds Request Limit
\$0 - \$10,000	\$1,000
\$10,001 - \$30,000	\$2,000
\$30,001 - \$50,000	\$3,000
\$50,001 and up	\$4,000

COUNCIL AGENDA MEMO – September 25, 2012
DEPARTMENT: Community Development
AGENDA ITEM: Approval to submit 2013 Rural Economic Development Grant application to the Arizona Commerce Authority

Approved By:	Date:
Department Head: Tom Guice	
Finance Director: Mark Woodfill	
City Manager: Craig McConnell <i>Craig McConnell</i>	<i>9-19-12</i>

Background

On August 28, 2012, the Arizona Commerce Authority (ACA) issued a grant opportunity to help rural communities (50,000 or less in population) initiate and sustain economic development projects that will directly result in base industry (e.g., manufacturing, warehousing, exporting) job growth and capital investment. The total amount available statewide for distribution is \$1.5 million, with the source for this year's program the State of Arizona General Fund. Applications are due to ACA by 4:00 pm, October 1, 2012. Grants will be awarded in November 2012; each project must be completed within 12 months from the date of award.

Grants will be awarded for private sector business creation, expansion, or location projects. Desirable outcomes include: job creation; employee training, advancement, and wage growth; plant capital investment; foreign direct investment; and increased exports. The detailed grant opportunity announcement is available in the Community Development Department.

This grant program does not require a local match, however, leveraging of private sector dollars will be part of the evaluation criteria. The City of Prescott, if successful, will not need to contribute funding, rather, only administer the grant award, document project outcomes, regularly report to ACA, and distribute funds to the projects.

This grant is an opportunity for the City to support Prescott businesses in their growth, job creation and job training. The Northern Arizona Council of Governments (NACOG) and Prescott Chamber of Commerce are in support of this grant application.

Grant Application Details

The Community Development Department, on behalf of the City, is proposing to apply for a maximum of four (4) projects in a total amount to be determined, to facilitate business growth, job creation and job training as set forth below:

Davidson's, Inc. Purchase of equipment and OSHA certified training for eight (8) employees

Total amount of request for this project = \$59,019.10

Agenda Item: Approval to Submit 2013 Rural Economic Development Grant Application to the Arizona Commerce Authority

Grant details and amounts of the requests for three other potential projects will be presented at the Council meeting

Financial

The total amount of the grant request will be presented at the Council meeting. As mentioned, the program does not require local matching funds. If awarded the grant, the City of Prescott would act as the Grant Administrator.

Recommended Action: **MOVE** to approve the submittal of an application for the 2013 Rural Economic Grant Program of the Arizona Commerce Authority.

FILED WITH
CITY CLERK
Date 9/4/12 Hr. 3:30 P.M
Sign. [Signature]

**PETITION FOR THE PRESCOTT CITY COUNCIL, PRESCOTT, ARIZONA
TO ADOPT RESOLUTION SUPPORTING "CORPORATIONS ARE NOT
PEOPLE" AMENDMENT TO THE UNITED STATES CONSTITUTION**

In accordance with City of Prescott Charter, Article II, Section 18, and Article VII, I, Thomas Atkins, the undersigned citizen of the City of Prescott, County of Yavapai, State of Arizona, respectfully petition the Prescott City Council to consider, approve, and adopt the attached resolution, which is incorporated into this petition by this reference, in the form presented.

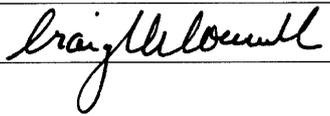
I have personally signed this petition with my first and last names. I am a qualified elector of the State of Arizona, County of Yavapai, City of Prescott.

[Signature]

Thomas S. Atkins, Petitioner
309 South Washington Avenue
Prescott, AZ 86303

4/9/2012
Date

COUNCIL AGENDA MEMO – September 25, 2012	
DEPARTMENT:	City Manager
AGENDA ITEM: Action on a petition submitted by Thomas S. Atkins requesting adoption of a resolution supporting “Corporations are not People,” an amendment to the United States Constitution	

Approved By:	Date:
City Manager: Craig McConnell 	9-19-12

Summary

Mr. Thomas S. Atkins presented the attached petition at the Council Workshop of September 4, 2012. In accordance with the City of Prescott Charter, Article II, Section 18, Consideration of Petitions (recited below), this item is being brought forth for action.

Any citizen of the city may appear before the council at any regular meeting and present a written petition; such petition shall be acted upon by the council, in the regular course of business, within thirty (30) days.

The resolution attached to the petition is a response in opposition to the recent Citizens United v. the FEC Supreme Court decision. Approval of the requested resolution would lend support to a cause that would call on Arizona “Legislators to request an amendment to the U.S Constitution to abolish corporate personhood, affirm that money is not speech, and return our democracy and our elections to America’s people.” It also encourages nearby communities to “encourage lively discussion about Corporate Personhood” and to enact similar resolutions.

Attachments – Petition of Thomas S. Atkins with requested resolution

<p>Council Action: Council's pleasure. Alternatives for action include the following:</p> <p>(1) MOVE to grant the petition of Thomas S. Atkins and direct staff to bring a resolution of the City Council back for consideration of adoption at a future meeting</p> <p style="text-align: center;"><u>OR</u></p> <p>(2) MOVE to deny the petition request of Thomas S. Atkins.</p>
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The OP RESOLUTION

Whereas, the U.S. Constitution and the Declaration of Independence guarantee people the right to life, liberty, property, and the pursuit of happiness, and;

Whereas, people are rightfully recognized as flesh and blood human beings with feelings and thoughts, and;

Whereas, corporations are entirely human-made legal fictions that are not and never have been human beings, are not mentioned in the Constitution, exist solely through human-made laws, and therefore are rightly subservient to human beings as our legal creations, and;

Whereas, the recent Citizens United v. the FEC Supreme Court decision now allows unlimited money to influence elections and persuade candidates for elected office to promote special interests and neglect the essential needs of the human beings they represent in order to compete for corporate campaign funds, and;

Whereas, free and fair elections are essential to democracy and candidates should be able to be elected to public office without reliance on funding from special interests, and;

Whereas, the Arizona State Constitution explicitly makes unlawful that corporations make any contributions for the purpose of influencing elections (Art. 14; sec. 18), and;

Whereas, thousands of people and many city councils of Albany and New York City, NY; Duluth, MN; Los Angeles and Oakland, CA.; Moab, UT; Portland, OR; have passed resolutions, as well as that Boulder, CO; Madison, WI; Missoula, MT and more than 100 other cities (and growing) are developing resolutions or ballot measures calling for an amendment to the U.S. Constitution declaring corporations are not people and money is not speech;

Therefore, be it resolved that Prescott City Council hereby calls on our legislators to join the tens of thousands of citizens, community organizations and local governments across the country to call for an amendment to the U.S. Constitution to Abolish Corporate Personhood, affirm that money is not speech, and return our democracy and our elections to America's people.

Be it further resolved that Prescott City Council calls on Prescott Valley, Chino Valley, Dewey-Humboldt and other communities to encourage lively discussion about Corporate Personhood and join with us in this action by passing similar Resolutions.