

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
WILLDAN FINANCIAL SERVICES, INC.**

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into as of March 5, 2019, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town") and Willdan Financial Services, Inc., a(n) California corporation (the "Consultant").

RECITALS

A. Pursuant to Section 7.1 of the Town's Procurement Policy and Section 3-3-26 of the Town Code, the Town may directly select certain consultants for professional and technical services.

B. The Consultant possesses the specific skill and experience required to perform a user fee study for the Town.

C. The Town desires to enter into an Agreement with the Consultant to perform the Services, more particularly set forth in Section 2 below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Consultant hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until March 5, 2020 (the "Initial Term"), unless terminated as otherwise provided in this Agreement. After the expiration of the Initial Term, this Agreement may be renewed for up two successive one-year terms (the "Renewal Term") if (i) it is deemed in the best interests of the Town, subject to availability and appropriation of funds for renewal, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Consultant requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the Town Manager's signature thereon, which approval may be withheld by the Town for any reason. The Consultant's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Consultant, elect to waive this requirement and renew this Agreement. The Initial Term and the Renewal Term are collectively referred to

herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. Consultant shall provide the Services as set forth in the Proposal attached hereto as Exhibit A and incorporated herein by reference.

3. Compensation. The Town shall pay the Consultant an aggregate amount not to exceed \$36,865.00 at the rates set forth in the Proposal and included in Exhibit B.

4. Payments. The Town shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. This Agreement must be referenced on all invoices.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town.

6. Consultant Personnel. Consultant shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Consultant agrees to assign specific individuals to key positions. If deemed qualified, the Consultant is encouraged to hire Town residents to fill vacant positions at all levels. Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Consultant shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses; Materials. Consultant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Consultant. The Town has no obligation to provide Consultant, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The Town has no obligation to provide tools, equipment or material to Consultant.

9. Performance Warranty. Consultant warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

10. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an “Indemnified Party”), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys’ fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (“Claims”), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, breach of contract, in connection with the work or services of the Consultant, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

11. Insurance.

11.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town’s option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Consultant. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers’ Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Consultant shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting the Town and Consultant. Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Consultant will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Consultant's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days

prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title or this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., (“ISO”) Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Consultant’s insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers’ Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Consultant under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

11.2 Required Insurance Coverage.

A. Commercial General Liability. Consultant shall maintain “occurrence” form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof,

including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Consultant shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Consultant's owned, hired and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work in any way related to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of \$2,000,000 each claim and \$2,000,000 annual aggregate.

D. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

11.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days' prior written notice to the Town.

12. Termination; Cancellation.

12.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause after receipt by Consultant of written notice

by the Town. Upon termination for convenience, Consultant shall be paid for all undisputed services performed to the termination date.

12.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Consultant for the undisputed portion of its fee due as of the termination date.

12.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Consultant in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the Town to the Consultant for the undisputed portion of its fee due as of the termination date.

12.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a Consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

12.5 Gratuities. The Town may, by written notice to the Consultant, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Consultant an amount equal to 150% of the gratuity.

12.6 Agreement Subject to Appropriation. This Agreement is subject to the provisions of ARIZ. CONST. ART. IX, § 5 and ARIZ. REV. STAT. § 42-17106. The provisions of this Agreement for payment of funds by the Town shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. The Town shall be the sole judge and authority in determining the availability of funds under this Agreement and the Town shall keep the Consultant fully informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is a current

expense of the Town, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of the Town. If the Town Council fails to appropriate money sufficient to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of then-current fiscal year and the Town and the Consultant shall be relieved of any subsequent obligation under this Agreement.

13. Miscellaneous.

13.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Consultant, its employees or subcontractors. The Consultant, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Consultant meets the requirements as agreed in Section 2 above and in Exhibit A. Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Consultant do not intend to nor will they combine business operations under this Agreement.

13.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

13.3 Laws and Regulations. Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations; (B) existing and future State and Federal laws; and (C) existing and future Occupational Safety and Health Administration standards.

13.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Consultant.

13.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

13.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not

affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

13.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

13.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Consultant without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Consultant in violation of this provision shall be a breach of this Agreement by Consultant.

13.9 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Consultant.

13.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

13.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

13.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

13.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

13.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Grady E. Miller, Town Manager

With copy to: Pierce Coleman PLLC
4711 East Falcon Drive, Suite 111
Mesa, Arizona 85215
Attn: Aaron D. Arnson, Town Attorney

If to Consultant: Willdan Financial Services, Inc.
27368 Via Industria, Suite 200
Temecula, California 92590
Attn: Chris Fisher, Vice President

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

13.15 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that

information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Consultant's duties under this Agreement. Persons requesting such information should be referred to the Town. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under this Agreement.

13.16 Records and Audit Rights. To ensure that the Consultant and its subcontractors are complying with the warranty under subsection 13.17 below, Consultant's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Consultant and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 13.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Consultant pursuant to this Agreement. Consultant and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Consultant or its subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

13.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

13.18 Israel. Consultant certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in ARIZ. REV. STAT. § 35-393, of Israel.

13.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, the Proposal, any Town-approved invoices, and the RFP, the documents shall govern in the order listed herein.

13.20 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

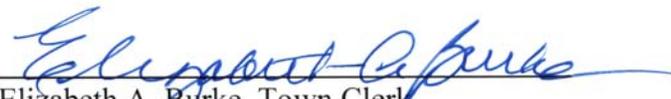
“Town”

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation



Grady E. Miller, Town Manager

ATTEST:



Elizabeth A. Burke, Town Clerk

APPROVED AS TO FORM:

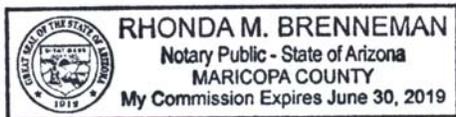


Aaron D. Arnson, Town Attorney

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On March 5, 2019, before me personally appeared Grady E. Miller, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the Town of Fountain Hills.





Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

“Consultant”

WILLDAN FINANCIAL SERVICES, INC.,
a(n) California corporation

By:  _____

Name: Mark Risco

Title: President & CEO

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On _____, 2019, before me personally appeared _____, the
_____ of WILLDAN FINANCIAL SERVICES, INC., a(n) California
corporation, whose identity was proven to me on the basis of satisfactory evidence to be the
_____ of the corporation.

Notary Public

(Affix notary seal here)

See attached

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California _____)
County of Riverside)
On February 22, 2019 before me, Nicolle Stormon Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Mark Russo
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature N Stormon
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Professional Services Agreement
Document Date: March 5, 2019 Number of Pages: 53
Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: Mark Russo
 Corporate Officer — Title(s): President
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: Wellspan Financial Services

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

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
WILLDAN FINANCIAL SERVICES, INC.

[Consultant's Proposal]

See following pages.

TOWN OF **FOUNTAIN HILLS**

PROPOSAL FOR

COMPREHENSIVE USER FEE STUDY





January 25, 2019

Mr. Craig Rudolphy, Finance Director
Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, AZ 85268

Re: Town of Fountain Hills RFP – Comprehensive User Fee Study

Dear Mr. Rudolphy:

As you are well aware, it is critical for towns and cities to ensure that their fees for requested services have been developed or updated to ensure maximum appropriate cost recovery, so that the revenues generated by fees cover the cost of those services to the best extent possible. Policymakers need a clear understanding of standards, service levels, and the associated costs to provide them. Recognizing this, the Town of Fountain Hills ("Town") has responded by soliciting proposals for a Comprehensive User Fee Study. To properly address the needs of the Town, Willdan is partnering with Pat Walker Consulting, LLC.

Experience with the Town of Fountain Hills — Willdan successfully partnered with the Town of Fountain Hills on the recent SDF Biennial Audit and will bring this same level of professionalism and expertise to this proposed engagement. Through this project, our incorporated project team has gained a strong and unique working knowledge of the organization, and positive relationships with Town staff. Our knowledge of the Town, procedures, and staff will allow us to effectively gather data and information and clarify questions. ***We will leverage our knowledge of the Town's operations and key staff to facilitate this study in a cost-effective and efficient manner; focusing less time on data gathering, and more on analysis, resulting in lower project cost and higher value.***

Unique Combination of Services and Expertise/Public Engagement — Willdan has provided the requested services to municipal clients for nearly two decades; and is the only firm providing these types of consulting services that also has a long history of providing contract staff support to public agencies for the delivery of municipal services. This direct experience as "staff" provides us with firsthand understanding of Town operations and is uniquely useful in determining the full effort associated with service delivery and in developing a fee schedule that is easy to communicate and implement.

Our models and project approach are geared toward delivering work on schedule and presenting analysis results at public meetings and Council workshops. The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance-oriented individuals and facilitates discussion. I have coordinated or participated in numerous public and staff workshops regarding fees and cost of service-based charges.

Our objective is to provide useful, detailed information to the Town Council and staff, so that they have the information necessary to make important decisions. Our experience ensures that we can meet this objective. Whether policymakers are considering subsidizing or increasing fees, the process may be subject to public discussion among the Town Council and community stakeholders. Our response to these sensitive political issues is to employ a real-world approach to completing user fee studies, in determining the technically defensible reasonable costs of providing services. Our intimate knowledge of each portion of the service delivery function provides for greater accuracy, reduces the likelihood of potential challenges, results in fee schedules that are easier to implement, and increases the likelihood of acceptance by stakeholders.

We are excited about this opportunity to use our skills and expertise to continue to assist the Town of Fountain Hills. Willdan acknowledges herein its willingness to maintain all specified fees and services for a period of ninety (90) days from the closing date of January 28, 2019.

Sincerely,

WILLDAN FINANCIAL SERVICES

A handwritten signature in blue ink, appearing to read 'Mark Risco', is written over a light blue horizontal line.

Mark Risco, President & CEO



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Qualifications and Experience

Firm Profile

Willdan Financial Services is one of four operating divisions within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly-traded company on NASDAQ (ticker: WLDN). WGI, through its subsidiaries, provides professional technical and consulting services that ensure the quality, value and security of our nation's infrastructure, systems, facilities, and environment. The firm has pursued two primary service objectives since its inception—ensuring the success of its clients and enhancing its surrounding communities.

In doing so, Willdan has gained a notable reputation for technical excellence, cost-effectiveness, and client responsiveness in providing superior consulting services. The company's service offerings span a broad set of complementary disciplines that include engineering and planning, energy efficiency and sustainability, financial and economic consulting, and national preparedness. Willdan has crafted this set of integrated services so that, in the face of an evolving environment—whether economic, natural, or built—Willdan can continue to extend the reach and resources of its clients.

Currently, WGI has 1,200 employees operating from offices in **Arkansas, Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Illinois, Kansas, Kentucky, Maryland, Nevada, New Jersey, New York, Ohio, Oregon, Utah, Texas, and Washington.**



ENGINEERING, PLANNING & INFRASTRUCTURE



ENERGY EFFICIENCY & SUSTAINABILITY



FINANCIAL & ECONOMIC CONSULTING SERVICES



NATIONAL PREPAREDNESS & TRAINING

Willdan Financial Services

Established on June 24, 1988, Willdan Financial Services, a California Corporation, is a national firm, and is one of the largest public sector financial consulting firms in the United States. Our staff of 80 full-time employees supports our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

Primary Contacts

Contact Information	
Corporate Office Contacts	Local Office Contact
Chris Fisher	Kevin Burnett
Vice President – Group Manager	Senior Project Manager
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Email: CFisher@Willdan.com	Email: KBurnett@Willdan.com



Financial Responsibility

Willdan Group, Inc. (WGI) has sustained a healthy financial performance record due to the outstanding performance of the four operating divisions and a strong, dependable reputation in municipal consulting. A snapshot of WGI's financial statistics are provided to the right demonstrating our financial position and stability.

As a publicly traded company (NASDAQ ticker: WLDN), must provide public financial information as required by the SEC. Detailed financial statements and annual reports are included on our webpage (<http://ir.willdangroup.com/>).

Financial Stability

- In business for over 50 years
- Market capitalization of \$242.6M (as of end of 2nd Quarter, 2017)
- Fiscal 3rd Quarter 2018 revenue (3 months) of \$71.5M
- Fiscal Year 2017 revenue of \$273.49M
- \$35 million Line of Credit with the ability to increase up to \$60 million (as of end of 3rd Quarter, 2018)
- \$16.7M in cash and cash equivalents (as of end of 3rd Quarter, 2018)

Cancelled Contracts

In the previous five years, Willdan Financial Services has not had an agreement cancelled for performance.

Current Litigation

Willdan Financial Services is not currently involved in any condition (e.g., bankruptcy, pending litigation, planned office closures, impending merger) that may impede our ability to complete this engagement.

Past Litigation

The following information is provided solely to comply with the requirements identified within the Fountain Hills RFP. A summary of the litigation initiated against Willdan Financial Services is as follows.

City of Glendale v. Willdan Financial Services. Orange County Superior Court Case No. 30-2014-00761905-CU-PN-CJC. The City of Glendale alleged that a water cost of services analysis prepared by WFS was in error resulting in the City collecting less revenue than expected. This matter has been settled to the satisfaction of both Parties.



Background and Project Summary Schedule

Project Understanding

Willdan Financial Services (“Willdan”) is confident that we can meet the Town of Fountain Hills’s request for a Comprehensive User Fee Study.

The end product will include a user-friendly Excel-based model, which Town staff will retain, and can be easily updated to add or remove services and/or costs, update budgets in future years, determine the proper allocation of expenditures, and on-going full cost of services provided by the Town. Most importantly, we will ensure that the results and recommendations are clear and understandable, defensible, and easily implementable.

We will coordinate directly with departmental representatives at the Town at the beginning of the project, to discuss the approach and process for the studies. Discussions will include ways to combine tasks and efforts among the Study components in order to maximize efficiencies and ensure adherence to specified timelines.

It is important to have a thorough understanding of specific Town policies and objectives, the structure and organization of the Town, and the relationships between the central and operating departments for a successful and effective engagement.

We will work directly with personnel at the Town who provide the services, in order to understand the services provided to residents and customers, the procedures and processes involved in providing those costs, and identify the associated costs. The cost of the services will primarily include direct staff costs (salaries and benefits) associated with personnel involved in the activities, along with appropriate overhead allocations from both the department and Town levels.

Willdan possesses the resources, practical experience, creative thinking, and collaborative consulting skills necessary to complete this important project. Key distinct advantages that Willdan brings to the Town include the following:

On-site Data Gathering

Our experience has taught us that working together, via face-to-face discussions, is the most efficient and thorough way to ensure that results are accurate, and that studies are completed in a timely manner, which again, is critical in this proposed engagement. Consequently, through on-site interviews with your staff, Willdan will collect the majority of required data for studies. This method is better than the typical “time and motion surveys” that are provided to agency staff when studies like these are conducted. This process ensures that we gather the data we need in one coordinated step, rather than having to go through repeated follow-up and clarification. ***This approach and the dedication of our staff will help ensure we meet the Town’s timeline and objectives and provide important information to Town staff and the Town Council as soon as possible.***

Public Engagement

Our models and project approach are geared toward delivering our work on schedule and presenting our analysis results at public meetings and Council workshops. While we understand that the Town Council and local business community may be generally supportive of increasing fees where necessary, it will be important to present recommendations to them in a way that clearly demonstrates the rationale and supporting analysis.

The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance-oriented individuals and facilitates discussion. Our proposed project manager for this engagement has coordinated or participated in numerous public and staff workshops regarding fees and cost of service-based charges. As previously mentioned, our objective is to provide useful, detailed information to the Town Council and Town staff, necessary to make important decisions. Our experience ensures that we can meet this objective.



User-friendly Models and Reports

Willdan prides itself on creating user-friendly Excel-based models that the Town can retain and **conducting our analyses and developing the models collaboratively with Town staff**. With Town staff's immediate input and collaboration, Willdan will design extremely flexible, intuitive Excel-based models. In the future, as the Town assumes new responsibilities, modifies existing processes, and/or eliminates unnecessary services or programs, the models will be capable of adding or deleting funds, objects, departments, programs, staff positions, and activities. Willdan understands that issues facing the Town are unique; consequently, we design our models to match your immediate and desired needs to ensure that end-results exceed staff expectations.

The models are then the Town's to retain, after our services are completed, and allows for the creation of revenue projections, highlighting potential new revenues, and levels of subsidy.

A key element of these studies is presenting results and recommendations in a straightforward manner, that allows the Town Council and Town staff to confidently make fee setting policy decisions and understand the impacts of those decisions. Rather than using an inflexible proprietary software program, we construct our models from the ground up, as previously discussed, mirroring the Town's budget format wherever possible. As a result, the information contained in our models is easy for Town staff to interpret, and the familiar software ensures ease of navigation. As the models are being designed and constructed, we will work together with Town staff to determine the best and most effective features to include. After the project is completed, we will provide training, so that your staff can independently and efficiently evaluate the effects of changes in certain factors. Created directly from the models, our reports clearly and graphically illustrate bases for the full cost recovery level of fee programs, provide projections of revenue from fee programs, both at full cost recovery and at recommended levels, and present the fee methodologies.

The models will be developed to allow the Town to run "what-if" scenarios to address possible changes in staffing levels,

User Fee Study Methodology

The following describes our project understanding, proposed approach, and work plan for a User Fee Study.

To comprehensively update fees, the Town should develop a user fee schedule that accurately accounts for the true cost of providing services. Once the study is complete, the fee study model must be flexible so that the Town can add, delete, and revise fees in the future. To meet this goal, we will bring our expertise and unique perspectives to your fee study by approaching the project with these three principles:

1) Defensibility

Our user fee projects have not been legally challenged since the inception of this practice area in our firm. We have accomplished this by closely working with legal counsel familiar with user fee studies, our engineering division and with agency staff. In this way, we can tailor the correct approach to ensure full cost recovery combined with a sound and reasonable basis for each user fee you implement.

2) Project and Staff Time

The Town must have a sound and technically defensible fee schedule to ensure costs are appropriately recovered, as applicants approach the Town for its services. Our standards and approaches serve to get to the issues of your fee study quickly. Starting with the project kick-off, we will make certain that your staff understands the purpose and scope of the study and its corresponding on-site departmental interview. As Willdan is able to communicate directly with the service providers, this face-to-face interaction provides valuable time estimates.

3) Responsiveness

We take great pride in providing responsive service to our client agencies. Frequent communication is critical to a successful user fee study experience. We will provide a list of data requirements in advance of the project kick-off. Due to this simple step, the introductory meeting can focus on the survey input process,

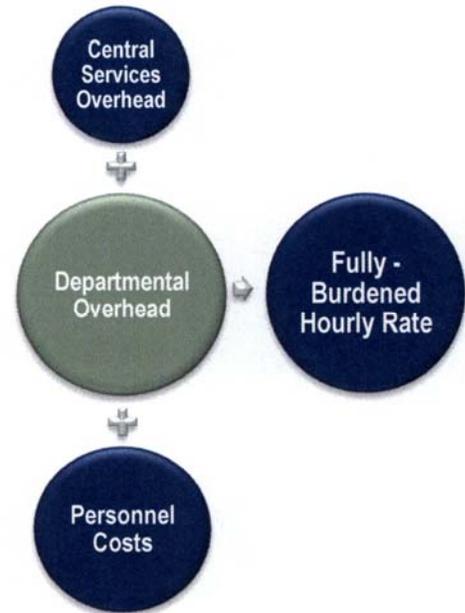


answering questions, determining policy goals, and defining next steps in the project. We will follow up weekly with you at each step in the fee study process to make sure that staff “buys in” to the fee study approach and results.

Approach

Our approach to preparing the user fee study and documentation for Fountain Hills includes:

- Close coordination with your staff to devise a consensus approach. Different programs and/or different service delivery methods will necessitate different approaches. We will discuss specific pros and cons with Town staff as we determine which methods work best for various categories of fees;
- Strict adherence to key legal and policy issues with regard to user fees, including the percent of cost recovery that the Town seeks to achieve. A user fee shall not be set higher than the reasonable cost of providing a fee-generating service. Our approach provides you with a fee schedule that achieves maximum legal cost recovery while ensuring that each fee is supported by technically defensible documentation; and
- Technical analysis necessary for project participants to resolve policy issues.



As described below, there are two basic approaches to calculating user fees:

Approach 1: Case Study Method

This is also sometimes referred to as a cost build-up approach. Using a time and materials approach, the “Case Study Method” examines the tasks, steps and Town staff involved in providing a particular ‘unit’ of service, such as a permit review, and then uses that information to develop estimates of the actual labor and material costs associated with providing a unit of service to a single user. It is often used when a service is provided on a regular basis, and staff and other costs associated with the service can be segregated from available budget data.

A typical case study fee model should comprise the following three general cost layers:

1) Central Services Overhead: This category may involve such costs as labor, services, and supplies that benefit more than one department, division, or project. The exact benefits to specific areas are impossible to ascribe to a single activity. Examples are purchasing, human resources, and liability insurance. As part of the user fee study, these costs are calculated in the overhead cost review.

2) Department Overhead: This category may include expenses related to such items as office supplies, outside consultants, and membership dues. It may include management, supervision, and administrative support that are not provided to a direct fee-generating service. Typically, these items are charged, on an item-by-item basis, directly to the department, division, or project.

3) Personnel Costs: This category refers to direct salary and benefit costs of staff hours spent on providing a fee-generating service (e.g., on-site building inspector).

Approach 2: Average Cost Method

This is also sometimes referred to as a programmatic approach, because it looks at costs at a program level, and then allocates them to participants on an occurrence basis. By taking total service costs across a substantial sample period (a year) and dividing by the total number of service units delivered over that same period, costs per unit of service is estimated.

This approach is useful when services or programs are provided in a more aggregate manner, where it might be difficult to identify a specific sequence of steps associated with one user or participant; or where it is not feasible to cost-effectively segregate costs associated with specific activities.



Work Plan

Our proposed work plan, described in detail by task, is provided below. We propose to maximize efficiency and cost-effectiveness by combining meetings and data gathering efforts between the studies wherever possible.

We explain how each task will be accomplished and identify associated meetings and deliverables. We want to ensure our work plan provides quality and clarity and is responsive to the Town's needs and specific local circumstances. We will work in concert with the Town to adjust scopes as needed during the course of the studies.

User Fee Study

Task 1: Initial Document Request

Objective: Initial due diligence; obtain study-related data.

Description: Prior to the kick-off meeting, we will obtain and review relevant documentation to further enhance our understanding of the services, fees, and rates to be studied. A written request for data will be sent to the Town. Please note that Time Survey data is not part of this request and will be gathered during the on-site interviews described in Task 5.

We will request information and documentation on current fees and fee programs, activity levels, and budget and staffing information (to the extent not already available) related specifically to programs and activities which have associated fees, and for which the Town has this level of detail.

Deliverables: **Willdan Team:** Submit information request to Town.

Town: Provide requested data to Willdan (prior to Task 3, Kick-off Call/Refine Scope). As with the cost allocation plan, we will follow up with the Town to confirm receipt of requested data and information and highlight data elements that are outstanding.

Task 2: Compile Inventory of Current and Potential Fees/Review Existing Cost Allocation Method

Objective: The Willdan Team will identify a schedule of fees and methodology for calculating the fees, obtain and review the Town's current methodology and approach to allocating indirect service costs, and obtain staffing, salary and benefit information.

Description: Based on the results of the initial document request and independent research, incorporate into our model the existing fees, provided by the Town, to comprise the parameters of the fee study.

As mentioned in the Project Understanding, we will work with staff to incorporate reasonable indirect overhead factors to include central service cost support. This engagement does not include the development of a full Town-wide cost allocation plan.

We will obtain data necessary to confirm or develop indirect cost allocation percentages to use in developing fully-burdened hourly personnel rates. We will gather and review data and supporting analysis as necessary, related to the Town's cost allocation approach. This information will be used to verify the allocation of indirect service costs to operating departments, and then will be incorporated with staffing, and salary and benefit data to develop a comprehensive schedule of Fully-Burdened Hourly Rates (FBHR). If an indirect cost plan is not currently in use by the Town, we utilize a Town-wide overhead factor determined by budget analysis or utilize the more stringent "de minimis" rate established by the Office of Management and Budget for federal cost allocation compliance. These rates will form a basis for the calculation of the costs of providing services to residents and customers, for which fees are charged.

Meetings: It is possible that a conference call with the Town may be necessary to discuss new fees to implement or existing fees that may no longer be required.



Deliverables: **Willdan Team:** One (1) draft list of current fees based on initial data provided (to be discussed and finalized during the kick-off call), and a schedule of Fully-Burdened Hourly Rates.

Town: Review completed fee schedules with comments/revisions to be discussed during the kick-off meeting.

Task 3: Kick-off Conference Call / Refine Scope

Objective: Confirm goals and objectives for the User Fee Study. Identify and resolve policy issues typically raised by a User Fee Study, address gaps in data, and refine appropriate existing or new fee categories (based on Task 2).

Description: Verify our understanding of the Town's goals, the Town's cost-recovery policy for user fees, and to fill any gaps in data/information necessary for the project. It is important for the Town and the Willdan Team to identify and address any foreseeable problems and maintain open communication throughout the process.

During this call, we will ask that the Town identify a project manager who will serve as the primary contact for the project. The project manager shall have responsibility for ensuring that all available data is provided in a timely manner, thereby maintaining adherence to the project's schedule.

Meetings: One (1) project kick-off call to initiate the entire project, discuss data needs, and address policy issues.

Deliverables: **Willdan Team:** 1) Revised project scope and schedule (if needed); and 2) brief summary of policy decisions (if needed).

Town: 1) Provide further data needs; and 2) determine/introduce Town's project manager.

Task 4: Develop User Fee Model, Incorporate Town Overhead Factors

Objective: Develop and test model.

Description: This task involves the development of the model ultimately used to calculate the fees, based on data and information gathered in previous tasks and in the Time Survey Interviews described in Task 5, and based on Indirect Overhead allocation factors or percentages provided by the Town. To ensure that Town policies are met through the imposition of the calculated fees, the model will be formatted to include appropriate costs.

Key model inputs will include staff and allocated overhead costs per position, and relevant budget data on salaries and benefits. This information will be obtained directly from the Town and incorporated directly into the user fee model. We will request clarification and/or additional data if necessary.

As this project does not include the development of a separate Cost Allocation Plan, we will utilize the Town's existing indirect cost allocation methodology/plan/analysis or include the calculations of said factors as described in Task 2, to determine the appropriate indirect cost factors to apply to personnel rates, to develop fully-burdened hourly rates. These rates will serve as a basis for calculating the full cost of providing services.

Deliverables: **Willdan Team:** One (1) user-friendly model in Microsoft Excel format, which, when finalized, Town staff can use to calculate fee changes annually, or as often as deemed appropriate by the Town Council.

Task 5: Time Survey Interviews and On-site Information Gathering

Objective: Meet with Town staff to complete Time Surveys and understand service delivery processes.

Description: In order to assist staff with the completion of the survey worksheets, we will schedule one (1) full day of on-site meetings with staff; however, the number of meetings needed may vary depending on the number of staff and departments involved.

The Willdan Team will conduct interviews with supervisors/managers, as well as other staff, as deemed appropriate and/or necessary, from each department involved in the user fee



study to determine the average time required by Town staff to provide each of the services for which a fee is collected.

The fee model is designed so that full cost recovery fees are calculated immediately upon input of staff time. These full costs are also compared to current cost recovery levels. This will allow the Willdan Team and Town staff to conclude with a final meeting to review the draft full cost recovery fees, and adjust any times as necessary, once all information has been compiled and input into the fee model. We will schedule the interviews with staff to minimize any disruption to their normal workflow.

Meetings: One (1) full business day of on-site meetings/staff interviews.

Deliverables: **Willdan Team and Town:** Time surveys and draft full cost recovery fees.

Task 6: Common Fees Comparison

Objective: Examine the user fees charged by up to five (5) cities within Maricopa County, or jurisdictions that are similar to the Town.

Description: We will access and use our knowledge of other jurisdictions to benchmark the Town's five (5) most common fees or highest yielding fees with comparable jurisdictions agreed.

Fee schedules are rarely readily or directly comparable from agency to agency due to definitional and operational differences. For example, a grading permit in one jurisdiction may include the plan check service, while the same permit in another jurisdiction may not, resulting in similar sounding services with widely varying costs. For this reason, the Willdan Team takes a selection of the Town's most commonly used and/or highest yielding fees.

The survey will contain the following, a comparison of common or similar fees and charges used by the Town and other jurisdictions; current and proposed fees and charges unique to the Town of Fountain Hills; fees and charges used by other public entities not currently used in the Town; and if possible, identify characteristics and processes unique to the Town that account for significant variances in fees and charges used by other jurisdictions.

Deliverables: **Willdan Team:** Recommendations provided in Task 8 will incorporate the data gathered during our examination.

Task 7: Data Analysis and Final User Fee Schedule

Objective: Incorporate information obtained from on-site surveys to fully develop model.

Description: We will update the model, based on information received during the on-site surveys, to generate a comprehensive user fee schedule. In addition, it is very common that a supplemental data request may be necessary, based on new fees identified that the Town is not currently collecting. Where appropriate, we will suggest and discuss with staff alternate approaches to existing fee programs (i.e. building fees) and suggest potential areas where fees could be collected where they are not currently. We will present the full cost recovery level for fees, both current and projected under the new calculated fees, and revenue projections, given certain assumptions about the levels of subsidy for different fees. Current levels of cost recovery will be compared to actual full costs calculated during the course of this study. Cost will be calculated at reasonable activity levels and include all appropriate direct and indirect costs and overhead.

The user fee data analysis and model development may take three (3) to four (4) weeks with frequent correspondence with Town staff to discuss current cost recovery amounts, necessary to recover full cost and frequency activity.

Meetings: Conference calls to finalize fee schedule.

Deliverables: Final user fee model for Town Council presentation and discussion.



Task 8: Prepare and Present Draft Report

Objective: Prepare draft report.

Description: This task involves the preparation of the draft report that discusses the study's background, the methodologies utilized in the study, and the results and presentation to various stakeholder groups. As noted below, meetings may occur during this or the next task as appropriate. The calculations used to generate the user fee study will be included textually, as well as in easy to understand tables. Individual fee summaries by department and a comprehensive fee schedule will be included.

The draft report will include the following:

- Key results and findings;
- Basic descriptions of each service;
- The full cost of each service and current cost recovery levels;
- Costs broken down graphically into indirect and direct components, with a graphic display of the level of cost recovery;
- Fee recommendations with associate levels of cost recovery;
- Projections of potential fee revenue;
- Assessment of reasonableness of each Town's costs;
- Review of reasonableness of current consultant cost structure;
- As appropriate, recommend alternative methodologies for building permit fee calculation; and
- Summary and recommendations.

The objective of the report is to communicate the recommendation of appropriate fees, which include the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic.

Meetings: One (1) meeting with the Town Staff and/or Committee, to present draft results address questions and receive feedback.

Deliverables: **Willdan Team:** Draft report for Town review and comment.

Town: Review of draft report, with comments and edits.

Task 9: Revise Draft Report/Determine Cost Recovery Levels for Recommended Adoption

Objective: Review of draft report and fee model.

Description: The goal of this task is to conduct an in-depth review of the draft report and model, incorporate feedback and changes as a result of previous discussions, and arrive at an optimum fee structure. Often through the course of an engagement, Town staff will volunteer insightful likes and dislikes regarding the existing fee structure. We listen to this feedback carefully because your staff members know the community best.

Comments usually revolve around issues of:

- Understandability;
- Fairness to applicants;
- Ease of calculation;
- Appropriate levels of cost recovery; and
- Full cost recovery hourly rates.

When adjusting fee recovery levels, we believe it is important to address these concerns.

Following one (1) round of comments from Town staff on the draft report and feedback from Town staff, we will prepare the final report for presentation to the Town Council.

Meetings: One (1) online demonstration (WebEx) to review the model.

Deliverables: Draft report, revised draft /final report.



Task 10: Prepare and Present Final Report/Train Staff on Model

- Objective:** Prepare and present final report to the Town Council. Train staff on the operation and use of the model for future modifications.
- Description:** This task is the culmination of the entire project. Based on staff comments received regarding the draft report, we will prepare the final report for presentation.
- Meetings:** One (1) meeting with the Town Council to present the results and adopt the updated fee schedule. We will also provide staff training on the operation and use of the model on the same day, during regular business hours.
- Deliverables:** Provide one (1) electronic PDF file copy of the final report and models; and if requested provide five (5) bound copies, and one (1) unbound copy to the Town. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided on CD-ROM.

Town Staff Support

To complete our tasks, we will need the cooperation of Town staff. We suggest that the Town of Fountain Hills assign a key individual to represent the Town as the project manager who can function as our primary contact. We anticipate that the Town's project manager will:

- Coordinate responses to requests for information;
- Coordinate review of work products; and
- Help resolve policy issues.

We will ask for responses to initial information requests in a timely manner. If there are delays on the part of the Town, we will contact the Town's project manager to steer the project back on track. We will keep the Town's project manager informed of data or feedback we need to keep the project on schedule.

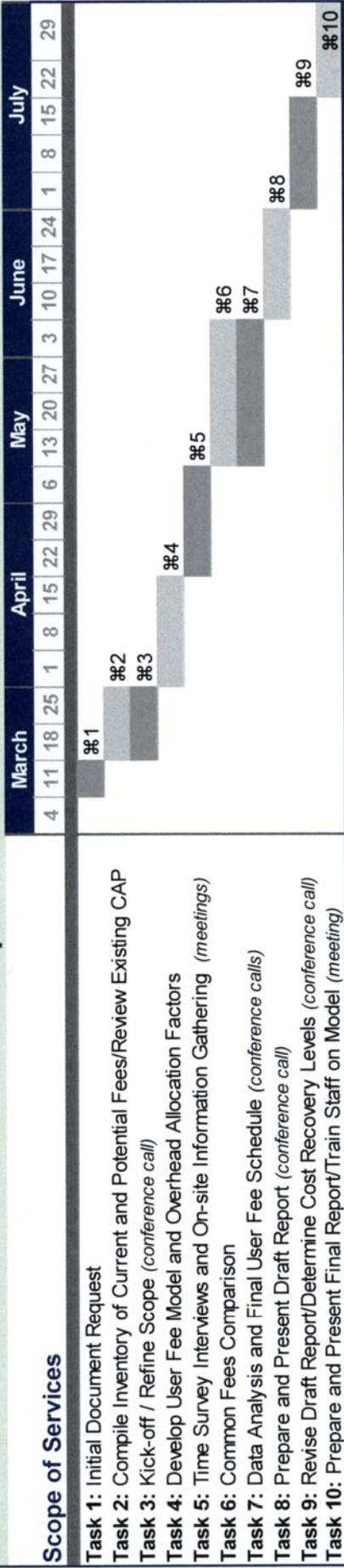
Willdan will endeavor to minimize the impact on Town staff in the completion of this project.

The Willdan Team will rely on the validity and accuracy of the Town's data and documentation to complete this project. The Town of Fountain Hills acknowledges that the Willdan Team is relying upon the accuracy of the information provided by the Town or their designees, and that the Willdan Team shall not be liable for any inaccuracies contained therein.

Schedule

Willdan understands time is of the essence for the Town to begin this engagement. This schedule can only be met with the cooperation of Town staff. Delays in responding to our requests for data and review will result in corresponding delays to the project schedule. If that is the case, we will notify the Town immediately of the possible impact on the schedules.

Town of Fountain Hills Comprehensive User Fee Study Implementation Schedule



Legend:

- %1: Information Request
- %2: Revised Project Scope and Schedule (if needed)
- %3: Draft List of Current Fees
- %4: User-friendly Model in Microsoft Excel
- %5: Time Surveys and Draft Full Cost Recovery Fees
- %6: Common Fee Comparison
- %7: Draft Fee and Rate Model Review
- %8: Draft Report
- %9: Revised Draft Report/Final Report
- %10: Final Report – Hard and Electronic Copies



Staffing

Key Personnel

Our management and supervision of the project team is very simple: staff every position with experienced, capable personnel in sufficient numbers to deliver a superior product to the Town, on time and on budget. With that philosophy in mind, we have selected experienced professionals for this engagement. We are confident that our team possesses the depth of experience that will successfully fulfill your desired work performance.

Willdan has conducted studies for public agencies throughout the United States. Our employees know and understand the problems facing local government under the current economic climate, and we have oriented our practice to support an agency's modified budget policies and public service priorities.

Mr. **Chris Fisher** will administer the Town of Fountain Hills project as the **Principal-in-Charge**. He will apply his extensive financial rate design/modeling experience and ability to clearly communicate results through the facilitation of numerous stakeholder forums. In this role, he will attend meetings and presentations, provide technical guidance, produce key study elements, and will be responsible for work deliverables.

Mr. **Tony Thrasher** will serve as the **Technical Project Manager** and primary contact for the User Fee Study portion of the engagement. He will work closely with Mr. Fisher to develop the analyses under the Town's scope of services and develop complete and accurate models that will best fit the project needs.

Mr. **Kevin Burnett** will serve as **Lead Analyst**; he will assist in presentations and discussions as well as share his knowledge of the Town with the project team. He will provide analytical support for this project based upon extensive knowledge and experience throughout Arizona.

Ms. **Priti Patel** will provide **Analytical Support** as the project analyst, she will work closely with Mr. Burnett and Mr. Thrasher, and the Town, to ensure that data is collected, interpreted, researched, and correctly entered into the model.

Ms. **Pat Walker** will provide quality assurance/quality control to this engagement in the role of **Local Liaison, Quality Assurance/Technical Advisor**. Ms. Walker will review the models as a third-party internal reviewer prior to their submittal to Town staff. Her continual review of data entry and model development assures that the draft, and final products have been thoroughly evaluated for potential errors; thus, providing quality client deliverables, and high levels of integrity and outcomes throughout the duration of the project.

Staff Continuity

Mr. Fisher has been assigned to serve as the Town's representative; and has been selected for this role due to his extensive experience, which includes the preparation and supervision of numerous Fee Studies, as well as his experience presenting to governing bodies, stakeholders, and industry groups.

It is important to note that Mr. Fisher has been with Willdan for more than 19 years ensuring the Town of Fountain Hills of continuity and dedication in staffing during the completion of the project.

Project Management

Furthermore, to ensure that the project stays on schedule, and is properly focused on Town objectives, Mr. Fisher in collaboration with the entire project team, will provide Town staff with updates to summarize our progress against the project timeline, and update the status of upcoming deliverables. We will also document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis and model.

The Project Team will utilize a detailed Project Management Plan from the outset of the engagement to manage and control all proposed activities, deliverable deadlines, client and stakeholder engagement, and quality control.



Willdan will meet with staff to enhance our understanding of the project objectives, review the project timelines, and seek assistance in identifying the best information sources to obtain the necessary inputs to evaluate the Town.

Finally, following key stakeholder discussions, we will schedule a call to summarize findings and direction with Town staff, to make certain that we are in agreement with stated objectives, and that feedback is incorporated as appropriate. These steps guarantee that as the project moves forward success will be achieved by continually aligning our approach and work with stakeholder and Town objectives, adjusting where necessary.

Sub-Consultant

Pat Walker Consulting, LLC

Pat Walker Consulting, LLC (“PW Consulting”) is an Arizona based firm with over 40 years “hands on” experience in municipal finance, management, and planning services and has worked with municipalities throughout the United States. As the City of Chandler Arizona’s



Management Services Director/CFO, Ms. Walker was responsible for the City’s financial statements and budget, and had direct oversight of the City’s information management, human resources, accounting, purchasing, utility billing, customer service, meter reading, sales tax, risk management, environmental services and fleet operations. While serving Chandler, she was also responsible for developing numerous budgets, user and impact fee studies, financial models and capital financing plans. In 2007, she became a municipal management and financial consultant to cities, towns and utilities across the country.

In 2012, she formed Pat Walker Consulting LLC to continue her consulting work independently to municipalities, garnering the respect of numerous client cities throughout Arizona and beyond. The key to a successful project is listening to the needs of each community, creating a variety of problem resolutions, and collaborating with the client to bring a solid solution. PW Consulting uses this approach for each project and specializes in preparing impact and user fee studies, budget preparation, and strategic financial planning. Ms. Walker has completed numerous fee studies throughout Arizona.

Ms. Walker has a strong ongoing working relationship with Willdan over the past 5 years, conducting numerous projects with the Financial Consulting Services Group.

Resumes

Resumes for Willdan’s project team are presented on the following pages.



Chris Fisher

Principal-in-Charge

<p>Education <i>San Francisco State University, Bachelor of Science, Finance</i></p>	Mr. Chris Fisher, Vice President and Group Manager of Willdan's Financial Consulting Services group, will serve as Principal-in-Charge for the Town of Fountain Hills's project. He will also share his extensive knowledge related to cost-of-service principles with members of the project team.
<p>Areas of Expertise <i>Cost of Service Analyses</i></p>	Mr. Fisher joined Willdan in April of 1999, and during that time has managed an array of financial consulting projects for public agencies in California, Arizona, Colorado and Florida, coordinating the activities of resources within Willdan, as well as those from other firms working on these projects. He is one of the firm's leading experts for special district financing related to public infrastructure, maintenance, and services, including public safety.
<p><i>Multi-disciplinary Team Management</i></p>	
<p><i>Special District Formations</i></p>	<p>Related Experience</p> <p>City of Richmond, CA – Cost Allocation Plan: As principal-in-charge, Mr. Fisher oversaw the development and review of the recent Cost Allocation Plan study for the City of Fountain Hills. He provided review of deliverables, and technical guidance as necessary.</p>
<p><i>Client Presentations</i></p> <p><i>Proposition 218</i></p>	
<p>Affiliations <i>California Society of Municipal Finance Officers</i></p>	<p>City of Petaluma, CA — Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study: Mr. Fisher served as project manager for the project team and provided oversight for this thorough and intensive study for the City of Petaluma.</p>
<p><i>Municipal Management Association of Northern California</i></p>	<p>City of Hayward, CA — Cost Allocation Plan and User Fee Study: Mr. Fisher served as the project manager for the City's full overhead cost allocation plan and OMB A-87 cost allocation plan, along with a comprehensive master user fee study. He worked with the City and Willdan staff to gather the necessary data and is overseeing Willdan's development of the cost allocation model. The City has a complicated and detailed budget and the cost allocation plan that Willdan developed is tailored to their structure and includes provision for several Internal Service Funds.</p>
<p><i>California Municipal Treasurers Association</i></p>	
<p>19 Years' Experience</p>	<p>City of Irvine, CA — OMB Cost Allocation Plan and Comprehensive User Fee Study: Willdan completed a cost allocation plan and user fee study for the City of Irvine. Mr. Fisher managed and provided quality assurance to this project, ensuring the accuracy of the models, as well as the final reports. He also presented the results to the City's Finance Commission and to the City Council.</p>
	<p>City of Belmont, CA — Master Fee Study and Cost Allocation Refinement: Mr. Fisher served as the project manager for Willdan's work with the City of Belmont and the Belmont Fire Protection District's fee study. Willdan completed a Master Fee Study and an analysis and review of the existing Cost Allocation Plan for the City of Belmont, and a Fee and Rate Study for the Belmont Fire Protection District.</p>
	<p>City of Salinas, CA — Comprehensive Fee Study and Full Cost Allocation Plan: Mr. Fisher served as the project manager for the City of Salinas engagement, to prepare an OMB compliant full cost allocation plan and comprehensive fee study for the development of a master list of fees. Mr. Fisher led an all-departments overview meeting, where the framework and general process was reviewed, and global practical and policy questions were addressed. Immediately following the overview meeting, individual meetings were held with representatives from each department to discuss their specific fee related activities and gather necessary information to update fees.</p>



C. Fisher

Resume Continued

City of Union City, CA — Comprehensive Fee and Rate Study & Overhead Cost Allocation Plan: Mr. Fisher served as the principal-in-charge for the City's fee study. He oversaw the development of an overhead cost allocation plan, OMB compliant cost allocation plan, as well as a comprehensive user fee study.

City of Pittsburg, CA —Cost Allocation Plan and User Fee Study: Mr. Fisher provided policy guidance and quality assurance to the City's update and development of a comprehensive user fee study for the development of a master user fee and rate schedule and a cost allocation plan to recover overhead costs related to central service activities.

City of Signal Hill, CA – Cost Allocation Plan and User Fee Study: As principal-in-charge, Mr. Fisher oversaw the development and review of a Full and OMB compliant cost allocation study and a comprehensive user fee and rate study for the City's master list of fees.

Sacramento Public Library Authority, CA — Cost Allocation Plan and OMB Circular: In April 2014, as Project Manager, Mr. Fisher completed the final report for the Sacramento Public Library Authority. Throughout the project, he provided quality assurance to the project, which involved the development of a methodology for this unique venture. Mr. Fisher presented the final report to the Library Authority Board, as well as the Joint Powers Authority. An update to the CAP has just been completed and presented to the Board.



Tony Thrasher

Technical Project Manager

Education

*Bachelor of Science
in Finance
(Econometrics);
California State
Polytechnic
University, Pomona*

Areas of Expertise

Cost Allocation Plans

*Fiscal Analysis for
User Fees and Rates*

Utility Rate Studies

11 Years' Experience

Due to his cost allocation and user fee analyses experience, Mr. Tony Thrasher has been selected to serve as Project Manager for the Town of Fountain Hills's engagement.

Currently, Mr. Thrasher is a Project Manager within the Financial Consulting Services group, whereby his responsibilities include managing projects and conducting fiscal analyses for cost allocation plans, user fees, and utility rate studies.

Mr. Thrasher's prior employment was as a financial analyst working in bond, equity, and mortgage-backed security markets for Wells Fargo Bank, Bank of New York Mellon, and Deutsche Bank. His experience includes portfolio accounting, differential analysis, and forecasting.

Related Experience

City of DeSoto, TX — Comprehensive User Fee Study: Mr. Thrasher is serving as the project manager for the City of DeSoto's ongoing User Fee Study engagement.

City of Richmond, CA — Cost Allocation Plan: Mr. Thrasher serves as the Project Manager for the city's engagement. He works directly with City Staff, and coordinates Willdan resources, to develop the Cost Allocation Model, analysis and report. He coordinates gathering and verification of data, development of the model and report, and delivery of final results.

City of Salinas, CA — Full Cost Allocation Plan and Comprehensive Fee Study: Mr. Thrasher provided analytical support for the City of Salinas OMB compliant full cost allocation plan and comprehensive fee study engagement. He worked closely with City staff to gather and analyze data to produce reports, participated in multiple meetings, and assisted the City appointed Project Manager in the adoption of the new fees.

City of Hayward, CA — Cost Allocation Plan and User Fee Study: For this project, Mr. Thrasher provided analytical support, and was largely responsible for the development of the models. Primary duties include gathering and verifying necessary data, finalizing model figures and generating reports.

City of Petaluma, CA — Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study: Mr. Thrasher provided analytical support for this engagement. His primary duties were to work with City staff to gather data, provide assistance to the project manager, and produce reports.

City of Irvine, CA — OMB A-87 Cost Allocation Plan and Comprehensive User Fee Study: Serving as the project's analyst, Mr. Thrasher provided analytical support; and designed micro-level allocation models to ensure full-cost recovery for public safety, public works, community development, community services, and administrative departments.

City of Mission Viejo, CA — Cost Allocation Plan and User Fee Study: Mr. Thrasher was assigned to work with the City on this project, providing analytical support, gathering data, working with staff to make refinements, and developing cost allocation and fee models to ensure full-cost recovery for building and safety, planning, community development, and public works departments.

City of Cerritos, CA — Development Services User Fee Study: Mr. Thrasher served as the technical project manager for this engagement, whereby he designed micro-level allocation models to ensure full-cost recovery for building and safety, planning, community development, and public works departments.



T. Thrasher
Resume Continued

City of West Covina, CA — Cost Allocation Plan and Comprehensive User Fee Study: Mr. Thrasher provided analytical support in association with the gathering of budget and allocation basis data, and in the development of the model and report for the project. He worked directly with the City contact throughout the engagement.

City of Galt, CA — Cost Allocation Plan: As the assigned technical lead, Mr. Thrasher worked directly with City Staff to develop the Cost Allocation Model and report and worked with Staff to test and adjust the model and methodology where appropriate before finalizing. Following completion of the initial CAP, he worked with the City to update the model for the subsequent budget update.

City of Bellflower, CA — OMB Cost Allocation Plan and Comprehensive User Fee Study Update: In Willdan's initial engagement with the City, Mr. Thrasher provided analytical support, with his primary duties including finalizing model figures and generating reports. In the subsequent update of both the CAP and the Fee Study, Mr. Thrasher assumed a lead technical role, working directly with the client to develop a new Cost Allocation Model, update the comprehensive fee model, and resolve policy and fee setting issues. He was directly responsible for delivery of reports and presentations to the City.

Sacramento Public Library Authority, CA — Cost Allocation Plan and OMB Circular: Mr. Thrasher provides analytical support. His primary duties included finalizing model figures and generating reports.



Priti Patel

Analyst

Education
*Bachelor of Arts;
 Business
 Management,
 Information Systems
 and
 International
 Business,
 University of
 Cincinnati*

Ms. Priti Patel is a Senior Analyst within the Financial Consulting Services group, whereby she supports project managers in conducting utility rate analyses, fee studies, cost allocation plans, monitoring Proposition 218 compliance, and forming special districts.

Coordinating and conducting activities associated with Cost Allocation Plans and User Fee Studies, including database integration and manipulation, revenue and expenditure analyses, and documentation preparation are just some of Ms. Patel's duties. With these duties, she interacts with clients on a regular basis.

Areas of Expertise
*Cost Allocation
 Plans

 User Fee Studies

 Proposition 218*

Ms. Patel joined Willdan, in 2015, as an analyst with the District Administration Group, while with DAS she performed research and analysis needed for local government financial issues related to district administration, including document data entry and updating, database management, research and report preparation. She also provided general information on questions pertaining to Assessment Districts and special taxes (such as Mello-Roos Pools), as well as the status of property delinquencies. Ms. Patel came to Willdan with more than five years' experience as an Analyst.

7 Years' Experience

Related Experience

City of DeSoto, TX — Comprehensive User Fee Study: Ms. Patel is serving as the lead analyst for the City of DeSoto's ongoing User Fee Study engagement. She provides analytical support, gathers budget and allocation basis data for this engagement.

City of Richmond, CA — Cost Allocation Plan: Ms. Patel serves the lead analyst for the City of Fountain Hills's ongoing Cost Allocation Plan project. She provides analytical support, gathers budget and allocation basis data for this engagement. She also develops the Cost Allocation Model and prepares the report summarizing the results.

City of National City, CA — Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study: Ms. Patel is providing analytical support in the preparation of this study, her primary duties include development of the models, finalizing model figures and results, and generating reports.

City of Dinuba, CA — Cost Allocation Plan Update and Utility Rate Study: Ms. Patel assisted with a utility rate study and a cost allocation plan update for the City. Duties included reviewing relevant documentation, gathering information related to indirect staffing and functions, assisting in the preparation of a comprehensive draft cost allocation model and plan, and testing and reviewing the model and results with project management staff.

City of Yucaipa, CA — Cost Allocation Plan and Comprehensive User Fee Study: Currently providing analytical support in the preparation of a cost allocation plan and OMB compliant cost allocation plan and comprehensive fee study for the development of a master list of fees. Ms. Patel is working to identify and take into account direct and indirect costs, along with changes in staffing, structure, and service delivery methods. She is also assisting in the preparation of user-friendly Excel-based models that City staff can easily update in the future to determine the proper allocation of expenditures and ongoing full cost of City-provided services.

City of Laguna Hills, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Patel provided analytical support in the preparation of a full cost allocation plan and comprehensive fee study for the development of a master list of fees.



P. Patel
Resume Continued

City of Fillmore, CA — Full Cost Allocation Plan and User Fee Study: Ms. Patel helped develop a cost allocation plan and model that fully allocated central overhead costs to appropriate operating departments, funds, and/or programs. She assisted in the completion of the model and report and worked directly with senior staff to their feedback and revisions.

City of San Fernando, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Patel is currently providing support to senior team members in the preparation of a cost allocation plan, OMB compliant plan and comprehensive user fee study. The cost allocation plan is being used as a component of the comprehensive user fee study. The user fee study is in progress and expected to be completed in early 2017.

City of Lake Elsinore, CA — User Fee Study and Cost Allocation Plan: Ms. Patel is providing analytical support and gathering budget and allocation basis data for this engagement.

Rainbow Municipal Water District, CA — Cost Allocation Plan and OMB Compliant Plan: Ms. Patel provided analytical support to ensure that the District's Cost Allocation Plan and OMB compliant cost allocation model and plan fairly allocated general and administrative overhead service costs to appropriate activities and departments.



Kevin Burnett

Lead Analyst

Education

Master of Arts,
Economics, State
University of New York,
Buffalo

Mr. Burnett is proposed to serve in the role of lead analyst for the Town's project. He has been selected for this role due to his 18 years of financial consulting experience, which is centered upon financial analysis, utility and non-utility development impact fees in Colorado, Arizona and New Mexico. Mr. Burnett is a senior project manager in Willdan's Financial Consulting Services group.

Select Project Experience

Bachelor of Arts,
University of Waterloo,
Ontario

Town of Fountain Hills, AZ – System Development Fee Audit: Mr. Burnett served as the project manager for the Town's biennial SDF audit. The audits also reviewed the SDF revenues generated as compared to SDF related expenditures, ensuring that only those expenditures that were SDF eligible were funded. The Town's level of service standards was analyzed, and a sample of permits were reviewed to ensure that fees were correctly assessed.

Areas of Expertise

Financial Planning

Cost of Service Studies

Rate Design

Impact Fees

Bond Feasibility

Town of Gilbert, AZ – System Development Fee Audit: Mr. Burnett served as project manager for the Town's first two biennial SDF audits. The purpose of the audits was to review development projections over a two-year period and note any significant variances from projected development per the SDF study.

Affiliations

American Water Works
Association

Town of Paradise Valley, AZ – Sewer Impact Fee Review: Mr. Burnett served as lead analyst on a study to update the Town's sewer impact fees. The prior completed study was reviewed to understand what had changed (capital projects and development projections) in order to help explain to the Town Council the reason for the revision to the Town's sewer impact fees. In addition to the review and update of capital needs and development projections, Willdan staff updated the Town's sewer impact fees to be assessed to new development.

18 Years' Experience

City of Bullhead City, AZ – Sewer Cost of Service Rate and Connection Fee Study: Mr. Burnett served as the project manager for the City's comprehensive study to update sewer rates and connection fees. The study examined the possibility of assessing differential rates based on customer classifications and looked at miscellaneous fees (returned checks, ACH payments) to evaluate whether or not the City was recouping their costs for providing various services. The connection fee review and update was premised upon the idea that new development should be responsible for paying for the cost of infrastructure to serve their new developments and not burden existing customers with growth related costs. Mr. Burnett worked with staff to identify connection fees that were technically defensible and met the needs and goals of the City.

City of Chandler, AZ – System Development Charge Study: Mr. Burnett served as project manager for an update to the City's water system water resource and sewer system development charges. Fees were developed to distinguish between residential and non-residential customers, based on the impact each customer class was anticipated to place on the system. Meetings were held with the development community to obtain buy-in to the process undertaken to update the City's charges.

Town of Buckeye, AZ – Utility and Non-Utility Impact Fees: Served as analyst on a study to develop both utility and non-utility impact fees for the Town. Given the uniqueness of the Town, impact fees were developed by zones in order to accommodate growth projections for distinct service areas within the Town.

Town of Prescott Valley, AZ – Utility Connection Fee and Non-Utility Impact Fee Study: Served as project manager for a comprehensive study to update the Town's water and sewer connection fees as well as non-utility impact fees such as general government, library, police and fire. The project involved multiple meetings with a citizen



K. Burnett
Resume Continued

committee, comprised of various members of the Town, including both residents and developers to help generate support for the updated fees.

Town of Parker, AZ – Water and Roads Impact Fee Study: Served as project manager on a study (and the subsequent update) to develop first time water and roads fees for the Town, a landlocked nearly built-out community of one square mile. The Town acquired property for a future community named Parker South, an annexed parcel of land 20 miles south of the original Town. Existing water usage patterns and estimates of water production was used to estimate the per equivalent dwelling unit water service to the undeveloped community of Parker South.

City of Lake Havasu City, AZ – Non-Utility Impact Fee Study: Mr. Burnett served as project manager for a non-utility impact fee study that examined impact fees for police, fire, general government and transportation. The study identified the proportionate costs to serve each customer class. Meetings were held with the development community in order to explain the process undertaken to develop the fees and to educate the community on the use and application of the fees.

City of Flagstaff, AZ – Water and Sewer Capacity Fee Study: Mr. Burnett served as project manager and lead analyst for a study updating the City's water and sewer capacity fees. Two water capacity fee options were developed, one of which examined the need for long term water resource acquisition. Mr. Burnett met with the City's water advisory group to seek input and recommendations to carry forward to City Council. A component of the water advisory group presentations was educating the members on how the prior capital and land use assumptions had changed and the impact that had on the new capacity fees.

Town of Queen Creek, AZ – Water and Sewer Capacity Fee Review: Mr. Burnett served as lead analyst on a peer review study of the Town's water and sewer capacity fees. The initial purpose of the study was to review the prior study and identify any inconsistencies and any areas of concern with the study methodology, projections and the use of projections. Once the analysis was complete a presentation was made to Town staff identifying areas of concern and inconsistencies with the application of data. The review resulted in a new contract for Willdan to update the Town's water and sewer capacity fees.

Triview Metropolitan District, CO – Utility and Non-Utility Impact Fee Study: Mr. Burnett served as the project manager for the District's comprehensive update to the water and sewer impact fees, as well as storm drainage, park and road impact fees. The purposes of the fees were to ensure that growth was paying for its proportionate share of development costs and did not unnecessarily burden existing development.



Pat Walker

Quality Assurance

<p>Education <i>Master in Organizational Management, University of Phoenix</i></p> <p><i>Bachelor of Science in Business Management, University of Illinois</i></p> <p>Areas of Expertise <i>Impact Fee Studies</i></p> <p><i>Public Presentations</i></p> <p><i>Cost of Service Analyses</i></p> <p>Affiliations <i>Government Finance Officers Association</i></p> <p><i>National Growth and Infrastructure Consortium</i></p> <p><i>American Water Works Association</i></p> <p><i>Water Environmental Federation</i></p> <p>40 Years' Experience</p>	<p>With more than 40 years of experience in local government and municipal finance, Ms. Walker has provided a broad array of management and financial planning services. She served the City of Chandler, Arizona for 23 years as Chief Financial Officer. In this role, she developed numerous budgets, user and impact fee studies, financial models and capital financing plans. In 2007, Ms. Walker became a municipal management and financial consultant to cities, towns and utilities across the country. In 2012, she formed Pat Walker Consulting LLC to continue her consulting work to municipalities. She recently served on the AZ Model City Ordinance Development Impact Fee Committee and is on the board for the National Growth and Infrastructure Consortium. Ms. Walker has extensive experience presenting and facilitating meetings before Councils, City staff, and formal/informal stakeholder groups in a community.</p> <p>Selected Relevant Experience</p> <p>Town of Fountain Hills, AZ – General Government Impact Fee Study and Update: Ms. Walker served as the project manager for the two studies. In 2008, the Town's prior general government impact fee study was updated by applying an inflationary factor. The second was completing a full impact fee study and IIP in 2009 according to new Arizona legislation on impact fees. She also served as the Project Manager for the 2011 update.</p> <p>City of Flagstaff, AZ – Water and Wastewater Capacity Fee Study: Ms. Walker recently served as co-project manager for the City's utility capacity fee study. The proposed fees developed by Willdan and PWC were presented and adopted by Council in 2016.</p> <p>City of Glendale, AZ – Cost Allocation Study: Project Manager for a 2016 Cost Allocation Plan to identify the City's costs related to rendering internal central support services and the allocation of those costs to operating departments or programs that utilize and benefit from them, in a fair and equitable manner.</p> <p>Town of Queen Creek – Water and Sewer Capacity Fee Study: This is an on-going study to update the Town of Queen Creeks water and sewer capacity fees. Ms. Walker is serving as co-project manager, technical and policy advisor.</p> <p>Town of Paradise Valley, AZ – Sewer Rate and Capacity Fee Study: Ms. Walker was the Project Manager on a sewer rate and capacity fee study in conjunction with Willdan. The updated sewer rates were adopted in 2016 and the sewer capacity fee was adopted in 2017.</p> <p>City of Goodyear, AZ – Water and Sewer Cost of Service Study/Organizational Effectiveness: Served as the project lead on the organizational effectiveness study for the water and sewer cost of service rate study. Ms. Walker also facilitated numerous Citizen Rate Committee meetings.</p> <p>City of Surprise, AZ – Water and Sewer Cost of Service Rate Study: Ms. Walker served as project manager for the City's cost-of-service rate study for water and sewer.</p> <p>City of Surprise, AZ – General Government and Utility Impact Fee Update: Project manager for impact fee update required per SB1525. Completed study, presented and City adopted in December 2011.</p> <p>City of Lake Havasu, AZ – Water Rate/Impact Fee Study: As project manager, developed financial plan cost of service and rate structure alternatives.</p> <p>Town of Oro Valley, AZ – General Government Impact Fee Update: As project manager for the update, required per SB1525, completed the study, presented the report and fees were adopted in December 2011.</p>
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References

Below are recent project descriptions, including client contact information, that are similar in nature to those requested by the Town. We are proud of our reputation for customer service and encourage you to contact these clients regarding our commitment to completing the projects within budget and agreed upon timelines. All projects included in the reference section have been conducted by the team members included within this proposal.

Town of Paradise Valley, AZ Planning and Engineering Fee Study

The City of Paradise Valley was in need of a Planning and Engineering User Fee Study, as one had not been completed in some time. Willdan completed this study in a manner that would fully identify and take into account all direct/indirect costs. Willdan reviewed and analyzed existing user fee programs, and based upon conversations with staff, made suggestions, as necessary, for fees that may need to be added to the City's fee schedule for which fees were not currently being charged.

Willdan provided guidance in the noticing process to ensure the City is in compliance with the requirements of the Government Code; the fees were recently adopted by the City Council.

Client Contact: Ms. Dawn Marie Buckland, Deputy Town Manager
Tel #: (480) 348-3555 | Email: dbuckland@paradisevalleyaz.gov

Project Dates: August 2016 – January 2017 **Project Fees:** \$16,485

City of Glendale, AZ Cost Allocation Plan

In collaboration with Pat Walker, Willdan assisted in the preparation of a cost allocation plan for the City of Glendale. The City was seeking an outside consultant to complete a review and update of their current cost allocation plan

Our primary objective for the cost allocation study was to ensure that general government costs were fairly and equitably allocated to appropriate programs and funds, which are based on tailored and well thought out allocation factors in accordance with Office of Management and Budget Cost Principles.

Client Contact: Mr. Tom Duensing, Assistant City Manager
Tel #: (480) 734-6953 | Email: TDuensing@Glendaleaz.Com

Project Dates: November 2015 – August 2017 **Project Fees:** \$54,470

City of Union City, CA Comprehensive User Fee and Rate Study and Full & OMB Compliant Cost Allocation Plan

The City of Union City sought an outside consultant to prepare a comprehensive study of the City's user fees, as well as the preparation of a Full Cost Allocation Plan. Willdan completed these studies in a manner that would fully identify and take into account all direct/indirect costs. Our primary objective for the cost allocation study update was to ensure that general government costs are fairly and equitably allocated to appropriate programs and funds, based on tailored and well thought out allocation factors. The Cost Allocation Plan was also created to develop OMB compliant overhead allocations and indirect rates.

Willdan reviewed and analyzed existing user fee programs, and based upon conversations with staff, made suggestions, as necessary, for fees that may need to be added to the City's fee schedule for which fees were not currently being charged. We developed a cost of service analysis and model that updated existing fees and incorporated new fees and used it to create an updated comprehensive fee schedule.

Client Contact: Mr. Mark Carlson, Finance Director
Tel. #: (510) 675-5338 | Email: MCarlson@unioncity.org

Project Dates: September 2016 – May 2017 **Project Fees:** \$36,585



City of Petaluma, CA

Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rates

Willdan provided an Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rates to the City of Petaluma. After reviewing the City's 2014 Master Fee Schedule, we developed an Overhead Cost Allocation Study, which is OMB A-87 compliant, and a User Fee Study that accurately accounts for the true cost of providing various services within and to each City operation, including capital projects.

As part of this effort, we also developed fully burdened hourly rates for City employees that can be used for work orders, or to charge to specific activities. This included an analysis of administrative and overhead costs associated with activities that are delivered directly to the public, where hourly rates may be charged, to ensure appropriate recovery of costs. Willdan completed these studies concurrently, in a manner that fully identifies and takes into account direct and indirect costs, along with changes in staffing, structure, and methods of service delivery.

Willdan was re-selected to provide an update to the Cost Allocation Plan.

Client Contact:	Ms. Corey Garberolio, Acting Finance Director Tel. #: (707) 778-4352 Email: cgarberolio@ci.petaluma.ca.us		
Project Dates:	March 2014 – March 2016	Project Fees:	\$39,875
Recent Project Dates:	December 2016 – April 2017	Project Fees:	\$5,900

City of Hayward, CA

Full Overhead Cost Allocation Plan, OMB A-87 Cost Allocation Plan, and Comprehensive Master User Fee Study

Willdan completed a full overhead cost allocation plan and OMB A-87 cost allocation plan, along with a comprehensive master user fee study for the City of Hayward. The Willdan team worked with City staff to gather the necessary data to develop the cost allocation model. The City had a complicated and detailed budget and the cost allocation plan that Willdan developed is tailored to their structure and includes provisions for several Internal Service Funds. Willdan staff worked through the course of reorganizing staff functions and/or reducing staff, it was important to revisit the manner and methodology by which indirect overhead costs were distributed to the operating departments and, as appropriate, other chargeable funds and programs. The City was in need of a new cost allocation plan that would ensure the fair and equitable allocation of government expenses to appropriate departments, programs, and funds, while utilizing tailored and well thought out allocation factors.

Furthermore, Willdan updated many of its user fee programs, and the information developed during the cost allocation plan served as the basis for the study.

Willdan has been re-selected to provide Cost Allocation Plan and User Fee updates for multiple years.

Client Contact:	Mr. Dustin Claussen, Director of Finance Tel. #: (510) 583-4010 Email: Dustin.Claussen@hayward-ca.gov		
Project Dates:	March 2013 – September 2015	Project Fees:	\$49,265
Recent Project Dates:	October 2018 – Ongoing	Project Fees:	\$29,300



Similar Services

Listed in the table below, are public agencies in which similar services have been completed, or are currently in progress, in the previous five years.

Willdan Financial Services Cost Allocation Plan and User Fee Study Experience	
Contracting Agency	Project Description
Burney Fire Protection District, CA	Ambulance User Fee Study
City of Banning, CA	Cost Allocation Plan, User Fee Study and User Fee Study and Development Impact Fee Study
City of Bell, CA	User Fee Study
City of Bellflower, CA	Overheard and OMB A-87 Cost Allocation Plan and Citywide User Fee Study
City of Bellflower, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Belmont, CA	User Fee Study and Refinement of Cost Allocation Plan
City of Blythe, CA	Cost Allocation Plan and OMB Compliant Plan
City of Brea, CA	Police Department Cost Allocation Plan
City of Brea, CA	Police Department Cost Allocation Plan (Placentia Dispatch)
City of Calexico, CA	EMS User Fee Study
City of Cerritos, CA	Development Services User Fee Study
City of Chino Hills, CA	Cost Allocation Plan, and Comprehensive User Fee Study
City of Claremont, CA	Cost Allocation Plan and User Fee Study
City of Coalinga, CA	User Fee and Rate Study
City of Colton, CA	User Fee Study
City of Compton, CA	Master Fee Study and Development Impact Fee Study
City of Dinuba, CA	Cost Allocation Plan
City of El Centro, CA	Comprehensive User Fee Study
City of El Cerrito, CA	Cost Allocation Plan and Community Development Department User Fee Study
City of Encinitas, CA	Development Services User Fee Study and Cost Allocation Plan
City of Escondido, CA	Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study
City of Fillmore, CA	Cost Allocation Plan, OMB Compliant Plan, and User Fee Study
City of Fullerton, CA	Community Development Department User Fee Study
City of Galt, CA	Cost Allocation Plan and OMB Compliant Plan
City of Gardena, CA	Cost Allocation Plan
City of Gilroy, CA	Cost Allocation Plan, OMB Compliant Plan, and User Fee Study
City of Glendale, AZ	Cost Allocation Plan
City of Goleta, CA	Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study
City of Hawthorne, CA	Cost Allocation Plan



Willdan Financial Services
Cost Allocation Plan and User Fee Study Experience

Contracting Agency	Project Description
City of Hawthorne, CA	Comprehensive User Fee Study
City of Hayward, CA	Comprehensive Master User Fee Study
City of Hayward, CA	Full Overhead Cost Allocation Plan
City of Hayward, CA	Rental Inspection Program Fee Analysis
City of Hemet, CA	Cost Allocation Plan and User Fee Study
City of Hesperia, CA	Cost Allocation Plan
City of Indian Wells, CA	Comprehensive User Fee Study
City of Irvine, CA	Comprehensive User Fee Study and Full Cost Allocation Plan
City of Irvine, CA	Cost Allocation Plan and Fee Analysis Services
City of Irwindale, CA	Cost Allocation Plan, User Fee Study and Development Impact Fee Study
City of La Mirada, CA	Cost Allocation Plan and User Fee Study Update
City of La Puente, CA	Cost Allocation Plan, OMB Compliant Plan, and User Fee Study
City of Laguna Hills, CA	Comprehensive User Fee Study and Cost Allocation Plan Update
City of Lake Elsinore, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Los Banos, CA	Full Cost Allocation Study, OMB Compliant Plan, and Comprehensive User Fee Study
City of Lynwood, CA	User Fee Study and Cost Allocation Plan
City of Lynwood, CA	City Hall Renovation Cost Allocation Plan
City of Mesquite, TX	Cost Allocation Plan and OMB Compliant Plan
City of Mission Viejo, CA	Comprehensive User Fee Study and Cost Allocation Plan
City of Missouri City, TX	Full and OMB Compliant Cost Allocation Plan and User Fee Study
City of Montebello, CA	Cost Allocation Plan Update
City of Montebello, CA	Transit Cost Allocation Plan
City of Monterey Park, CA	Cost Allocation Plan and User Fee Study, and Updates
City of Monterey Park, CA	Cost Allocation Plan Update
City of Monterey, CA	Cost Allocation Plan and Indirect Cost Rate
City of Monterey, CA	Cost Allocation Plan Update
City of Murrieta, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of National City, CA	Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study
City of Oroville, CA	Cost Allocation Plan
City of Pacifica, CA	Comprehensive Citywide User Fee Study and Charges Rate Study
City of Palm Desert, CA	Ambulance User Fee Study
City of Patterson, CA	Comprehensive User Fee Study, Full Cost Allocation Plan, and OMB Compliant Plan



**Willdan Financial Services
Cost Allocation Plan and User Fee Study Experience**

Contracting Agency	Project Description
City of Petaluma, CA	Cost Allocation Plan, User Fee Study, CIP Admin Rate & Work Order Rate Analysis, Hourly Overhead Rates, and ISF Allocation Study
City of Petaluma, CA	Cost Allocation Plan Update
City of Pittsburg, CA	User Fee Study and Cost Allocation Plan
City of Red Bluff, CA	Cost Allocation Plan
City of Rocklin, CA	User Fee Study
City of Richmond, CA	Cost Allocation Plan and Updates
City of St. Helena, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Salinas, CA	Full Cost Allocation Plan and Comprehensive Fee Study
City of San Anselmo, CA	Full Cost Allocation Plan and Comprehensive User Fee Study
City of San Bruno, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of San Fernando, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Santa Ana, CA	User Fee Study
City of Signal Hill, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of Soledad, CA	User Fee Study
City of Surprise, AZ	Full Cost Allocation Plan
City of Tulare, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Twentynine Palms, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Union City, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Watsonville, CA	Comprehensive User Fee and Rate Study, Cost Allocation Plan, and OMB Compliant Plan
City of West Covina, CA	Cost Allocation Plan and User Fee Study
City of Yucaipa, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
County of San Benito, CA	User Fee Study and Development Impact Fee Study
Kentuckiana Works, KY	OMB Cost Allocation Plan and Updates
Rainbow Municipal Water District, CA	Cost Allocation Plan and OMB Compliant Plan
Sacramento Public Library, CA	Cost Allocation Plan, and Updates
Town of Paradise Valley, AZ	Planning and Engineering Services Fee Study



Required Forms

Vendor Information Form

TOWN OF FOUNTAIN HILLS
FINANCE DIVISION

SECTION A

IV. VENDOR INFORMATION FORM

By submitting a Proposal, the submitting Vendor certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

Willdan Financial Services
VENDOR SUBMITTING PROPOSAL

33-0302345
FEDERAL TAX ID NUMBER

Mark Risco, President & CEO
PRINTED NAME AND TITLE

AUTHORIZED SIGNATURE

27368 Via Industria, Suite 200
ADDRESS

(800) 755-6864 (888) 326-6864
TELEPHONE FAX #

Temecula, California 92590
CITY STATE ZIP

January 25, 2019
DATE

WEB SITE: www.Willdan.com

E-MAIL ADDRESS: MRisco@Willdan.com

SMALL, MINORITY, DISADVANTAGED AND WOMEN-OWNED BUSINESS ENTERPRISES (check appropriate item(s):

- Small Business Enterprise (SBE)
- Minority Business Enterprise (MBE)
- Disadvantaged Business Enterprise (DBE)
- Women-Owned Business Enterprise (WBE)

Has the Vendor been certified by any jurisdiction in Arizona as a minority or woman-owned business enterprise?

If yes, please provide details and documentation of the certification.



Addendum 1

Request for Proposals
Comprehensive User Fee Study
Contract AD2019-01

Addendum No. 1

The following changes are made to RFP document:

- Page A-2 – Section 2.2 F – Pricing: the RFP indicates a sample fee proposal is attached. There is no sample and Vendors are free to submit their pricing in the format they deem best.
- Page A-4 – Section 1.10 – Vendor Licensing and Registration: The requirements of this section do not need to be submitted with the Proposal or prior to the award. The requirements must be met prior to the execution of the contract.
- Page A-8 – Section 2.2 E – Project Schedule: Remove statement “shall not exceed 60-day period”. The schedule will be mutually agreed upon by the Vendor and the Town.
- Page B-1 – Section 1 – Term of Agreement: The date and renewals contained in this section are subject to mutual agreement by the parties.

Questions that were asked:

- Are building fees to be included in the study? Answer: Yes, all fees listed on the Town’s fee schedule, excluding development impact fees, are to be included in the study.
- When was the Building Code and Fire Code last updated? Answer: The Codes were last updated in 2012. A current effort is underway to adopt the 2018 Codes by June, 2019.
- What prompted the study? Answer: To the best of our knowledge, the Town has never had a fee study performed. Based on new statutory language requiring justification for any fee changes, the Town wants a study to support any possible fee changes.
- Does the City have a cost allocation plan currently in place, allocating citywide overhead across all programs? If yes, I assume that it will be made available so that the consultant may incorporate that overhead into the user fee calculations. If no, are you interested in having a quote for cost plan services as an additional option to the user fee study? Answer: The Town does not have a cost allocation plan. Since the Town has not and does not anticipate receiving any Federal funds, the need for a cost allocation plan is not apparent and therefore not requested as part of this study.
- According to the RFP, the pricing information is to be submitted separately from the rest of the proposal. Does the separate pricing section count against the 20-page limit? Answer: The pricing section does not count toward the 20-page limit.
- The RFP indicates a 60-day timeframe for project completion. Is there a reason for this timeframe? Our experience is that a 60-day schedule is fairly aggressive. If you’ve had a study done in the recent past, that would be helpful. But if there hasn’t been a study done fairly



recently (or at all), then I would suggest you consider the amount of time that may be necessary for staff to understand the process and methodology, provide time estimates and volume statistics, absorb the results, and develop thoughtful recommendations for possible fee adjustments. Answer: As stated previously, the 60-day completion is being removed from the RFP. The schedule will be mutually agreed upon by the Vendor and the Town.

- Can you explain the schedule? I saw your note regarding completion by 6/30 but you said you'd explain on the call. Answer: The 60-day requirement is being eliminated. The schedule will be mutually agreed upon by the Vendor and the Town.
- The last page of the RFP, Schedule C, indicates there are pricing forms but there were no additional pages following the header sheet for Schedule C. can you circulate? Answer: There will not be a sample pricing form. Each Vendor may submit their pricing in their own format.
- Regarding the rental rates for park facilities and community center rooms and equipment, is the Town intending these items to be part of the scope of work? Answer: Yes.
- Pertaining to Submittal Quantities noted on page A-1, Part 1.2, item B: instead of a CD-ROM, is a PDF file provided via Flash Drive approved by the Town? Answer: Yes.
- Has the Town of Fountain Hills prepared or had prepared a recent full cost allocation plan? Answer: To my knowledge, the Town has never had a full cost allocation plan prepared.
- Regarding the rental rates for park facilities and community center rooms and equipment, is the Town intending these items to be part of the scope of work? Answer: Yes.
- Pertaining to Submittal Quantities noted on page A-1, Part 1.2, item B: instead of a CD-ROM, is a PDF file provided via Flash Drive approved by the Town? Answer: Yes.

Vendor acknowledges that Vendor has received and read this ADDENDUM NO. 1, and that the information contained herein has been incorporated in formulating Vendor's Bid.

January 25, 2019

Signed

Date

Mark Risco

Print Name

President & CEO

Title

Willdan Financial Services

Vendor Name



27368 Via Industria, Suite 200

Address

Temecula, CA 92590

City, State, Zip Code

END OF ADDENDUM NO. 1



1555 South Havana, Suite F-305
Aurora, Colorado 80012
800.755.6864 | Fax: 888.326.6864
www.willdan.com



EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
WILLDAN FINANCIAL SERVICES, INC.

[Fee Proposal]

See following pages.



January 25, 2019

Mr. Craig Rudolphy
Finance Director
Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, AZ 85268

Re: *Town of Fountain Hills RFP –Comprehensive User Fee Study*

Dear Mr. Rudolphy,

Willdan Financial Services (“Willdan”) is pleased to present the following Fee Proposal to the Town of Fountain Hills (“Town”) to conduct a Comprehensive User Fee Study. This submission reflects our understanding of the Town’s Request for Proposal (RFP).

Willdan acknowledges herein its willingness to maintain all specified fees and services for a period of ninety (90) days from the closing date of January 28, 2019.

Willdan is excited about this opportunity to continue to serve the Town of Fountain Hills. To discuss any aspect of our technical and/or fee proposal, please contact Mr. Chris Fisher at (800) 755-6864 or via e-mail at CFisher@Willdan.com.

Sincerely,

WILLDAN FINANCIAL SERVICES

A handwritten signature in blue ink, appearing to read 'Mark Risco', is written over a light blue horizontal line.

Mark Risco
President & CEO



Cost Proposal

Comprehensive User Fee Study

Willdan Financial Services ("Willdan") proposes a **fixed fee of \$36,865** for the Comprehensive User Fee Study engagement. Below we have presented a breakdown of each specific phase of the project.

Town of Fountain Hills Comprehensive User Fee Study							
Fee Proposal							
	C. Fisher Principal-in- Charge	T. Thrasher Tech Project Manager	P. Patel Analytical Support	K. Burnett Lead Analyst	P. Walker Local Liaison QA/QA		Total
	\$ 250	\$ 165	\$ 125	\$ 185	\$ 200	Hours	Cost
Scope of Services							
Task 1: Initial Document Request	-	-	1.0	1.0	-	2.0	\$ 310
Task 2: Compile Inventory of Current and Potential Fees	-	1.0	2.0	-	-	3.0	415
Task 3: Kick-off /Refine Scope	-	4.0	1.0	4.0	4.0	13.0	2,325
Task 4: Develop User Fee Model, Incorporate Overhead	1.0	6.0	16.0	12.0	4.0	39.0	6,260
Task 5: Time Survey Interviews and Information Gathering	0.5	2.0	8.0	4.0	4.0	18.5	2,995
Task 6: Common Fees Comparison	-	2.0	12.0	8.0	4.0	26.0	4,110
Task 7: Data Analysis and Final Fee and Rate Schedule	1.0	4.0	24.0	16.0	8.0	53.0	8,470
Task 8: Prepare and Present Draft Report	0.5	4.0	12.0	4.0	4.0	24.5	3,825
Task 9: Revise Draft/Determine Cost Recovery Levels	0.5	6.0	8.0	4.0	4.0	22.5	3,655
Task 10: Prepare and Present Final Report/Train Staff on Model	0.5	4.0	-	4.0	4.0	12.5	2,325
Total Labor – User Fee Study	4.0	33.0	84.0	57.0	36.0	214.0	\$ 34,690
Expenses – User Fee Study							\$ 2,175
Total Cost – User Fee Study							\$36,865

Notes

- The cost of preparing the User Fee Study can be included in the resulting new fee schedule. Therefore, over time, the Town can recover the initial outlay of funds that was required to complete the studies.
- Our fee includes all direct expenses associated with the project.
- We will invoice the Town monthly based on percentage of project completed.
- Additional services may be authorized by the Town and will be billed at our then-current hourly overhead consulting rates.

Hourly Fee Schedule

Our current hourly rates are listed below.

Willdan Hourly Rate Schedule	
Position	Hourly Rate
Group Manager	\$250
Managing Principal	\$240
Principal Consultant	\$210
Senior Project Manager	\$185
Project Manager	\$165
Senior Project Analyst	\$135
Senior Analyst	\$125
Analyst II	\$110
Analyst I	\$100