

CONTRACT AGREEMENT
BETWEEN

FINANCIAL CONSULTING SOLUTIONS GROUP, INC.
Redmond Town Center
7525 – 166th Ave. NE, Suite D-215
Redmond, Washington 98052

AND

City of College Place
625 South College Avenue
College Place, WA 99324

PROJECT: Ambulance Utility Cost of Service and Rate Analysis

THIS AGREEMENT combines all understandings between the Parties regarding professional services for the Project named above and supersedes all prior proposals, quotations, solicitations, negotiations, representations, agreements or understandings, whether written or oral.

The performance of the professional services herein described and authorized by the **City of College Place**, as well as payment for such services, shall be in accordance with the terms and conditions presented in this Agreement and the following Sections and Exhibits which are attached and incorporated by reference which, taken together, shall constitute the whole Agreement.

- Section I - Relationship of the Parties**
- Section II - Contract Provisions**
- Exhibit A - Scope of Work and Task Plan**
- Exhibit B - Fee Schedule**


IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this 11th day of January, 2018.

APPROVED:

APPROVED:

FINANCIAL CONSULTING SOLUTIONS GROUP, INC.

City of College Place





Peter Moy
Principal

Date: 1/18/18

Date: 1-11-2018

ATTEST:



Lisa R. Neissl, City Clerk

SECTION I: RELATIONSHIP OF THE PARTIES

The **City of College Place** ("Client") desires to conduct an Ambulance Utility Cost of Service and Rate Analysis ("Project"). In furtherance of the Project, the Client hereby contracts with **Financial Consulting Solutions Group, Inc.** ("FCS GROUP") to perform the professional services described in Exhibit A of this Agreement. All services shall be performed under the joint supervision of the Client's Representative, Sarah K. Killgore, or a designee or designees identified in writing to FCS GROUP by the Client's Representative.

This Agreement shall inure to the benefit of and be binding upon successors, assigns, and legal representatives of each of the Parties hereto. Any assignment or transfer of an interest in this Agreement by either Party without the written consent of the other shall be void.

SECTION II: CONTRACT PROVISIONS

1. Scope of Work: FCS GROUP shall perform the service for the Client which as defined in Exhibit A of this Agreement.

2. Time for Completion: The Scope of Work for the conduct of the study as set forth above is anticipated to be completed by FCS GROUP within a time frame approximating that shown by the following schedule:

Notice to Proceed: Upon signature of Contract Agreement by both Parties

Completion of Analysis: On or before April 16, 2018

Completion of Project: Dependent on when the City Council presentation is scheduled, but no later than May 31, 2018.

FCS GROUP agrees to perform the work described in the Scope of Work according to the contract schedule. Any delays shall be agreed upon by FCS GROUP and Client prior to the due date. Changes in the schedule caused by Client delays may require additional compensation and a change order.

If FCS GROUP is delayed in the performance of services by conditions which are beyond their control, or by a change in the scope of work, the schedule showing time of performance may be revised. Any revision thereto shall be submitted in writing to the Client for review and approval by the Client Representative. If FCS GROUP's services are temporarily suspended by the Client in the interest of the Project and with written notice to FCS GROUP, and the suspensions last longer than 90 consecutive days, FCS GROUP shall be compensated for any additional labor and direct expenses incurred due to the interruption and resumption of services.

3. Payment: FCS GROUP will be paid by the Client on a time and materials basis as outlined below and in accordance with the billing rates attached hereto as Exhibit B. FCS GROUP agrees to perform the services as set forth in Exhibit A at a cost not to exceed \$26,270 (twenty six thousand two hundred seventy dollars). It is understood that FCS GROUP will not exceed this amount without the Client's prior written authorization.

Payment to FCS GROUP for services set forth in Exhibit A shall be: an amount equal to FCS GROUP's billing rates as set forth in Exhibit B multiplied by the actual hours worked. Should any unforeseen project delays, not caused by FCS GROUP, and/or any requested amendments to the original scope of work, cause this contract to extend more than 90 days past the original contracted schedule date, any work and/or amendments to the work shall be billed at the standard billing rates in effect for the period of time the work is being performed. If said change in billing rates will cause the project to exceed the amount stated in the preceding paragraph, a change order will be prepared and signed by both parties.

Direct expenses will be charged as identified in Exhibit B. Payment shall be made monthly upon receipt and approval of FCS GROUP's invoice.

4. Supplemental Agreements: Supplemental Agreements may be entered into upon mutual written agreement that would increase or decrease the scope and associated costs and payment.

5. Work to be Accomplished: All work accomplished will be performed under the direction of the Client Representative or his/her Designee.

6. Termination: This contract may be terminated by the Client by giving FCS GROUP written notice of such termination no fewer than fifteen (15) days in advance of the effective date of said termination. FCS GROUP shall be entitled to terminate this agreement only in the case of a material breach by the Client, and upon failure of the Client to remedy said breach within fifteen (15) days of said notice. In the event that the contract is terminated before completion, FCS GROUP shall be paid for the services to date on the basis set forth in Paragraph 3, plus 10% of the total compensation earned to time of termination to compensate for FCS GROUP's rescheduling adjustments, reassignment of personnel, and related costs incurred due to termination. The Client shall notify FCS of termination or abandonment in writing.

7. Indemnity: FCS GROUP shall comply with all Federal Government, State and local laws and ordinances applicable to the work to be done under this Agreement.

FCS GROUP hereby agrees to hold the Client harmless from and shall process and defend at its own expense, specific claims, demands or suits at law or equity, arising from FCS GROUP's negligent performance of the provisions of this Agreement; provided that if the Client and FCS GROUP are concurrently negligent, FCS GROUP shall be required to indemnify and defend only in proportion to negligence of FCS GROUP. These indemnity provisions shall not require FCS GROUP to defend or indemnify the Client against any action based solely on the alleged negligence of the Client.

8. All Work Produced is Joint Property of FCS GROUP and the Client: The materials, computer programs, reports, calculations, analyses, etc., generated by FCS GROUP under this contract including the final report shall be the joint property of the Client and FCS GROUP. FCS GROUP may retain copies thereof for work paper documentation and their own use unless specifically restricted in writing by the Client as to use.

Computer models use generally available software, such as Microsoft Excel (TM), and FCS GROUP does not intend or imply any warranty of those programs.

9. Financial Forecasts: Neither FCS GROUP's name nor the report and its financial projections may be referred to or included in any prospectus or as a part of any offering or representation made in connection with the sale of securities or participation interests to the public, whether through a public or private offering.

The information used in developing the forecast assumptions will be derived from published information and other sources FCS GROUP considers appropriate. However, FCS GROUP cannot assume responsibility for the accuracy of such material. Moreover, forecasts are subject to many uncertainties as to the future; therefore, FCS GROUP cannot represent that the projected financial statements will be representative of the results that actually occur. FCS GROUP will endeavor to include appropriate comments drawing the readers' attention to these matters.

10. Integrated Agreement: This agreement together with attachments or addenda, represents the entire and integrated agreement between the Client and FCS GROUP supersedes all prior negotiations, representations, or agreements written or oral. This agreement may be amended by written instrument signed by both the Client and FCS GROUP.

11. Independent Contractor: The parties intend that an independent Contractor/Client relationship will be created by this agreement. No agent, employee, or representative of FCS GROUP shall be deemed to be an agent, employee, or representative of the Client for any purpose. FCS GROUP shall be

solely responsible for all acts of its agents, employees, representatives, and subcontractors during the performance of this contract.

12. Equal Opportunity: FCS GROUP is committed to the principles of providing equal employment opportunities for all employees. The performance and diversity of our employees will help us meet the challenges of the present and the future in serving our clients. This policy statement is a reaffirmation of our long-standing commitment to provide equal opportunity on the basis of individual merit and personal qualifications to employees and applicants for employment without regard to race, color, religious creed, sex, sexual orientation or preference, gender identity, genetic characteristics or information of employee or family, age, national origin, ancestry, marital status, citizenship, the presence of sensory, mental, or physical disability, pregnancy/childbirth or related condition, medical condition, membership in the military service, veteran's status, political ideology or any other basis protected by applicable federal, state, or local laws.

13. Notices: Notices to the Client shall be sent to the following address:

City of College Place
Attention: Sarah K. Killgore, Finance Director
625 South College Avenue
College Place, WA 99324

Notices to FCS GROUP shall be sent to the following address:

Financial Consulting Solutions Group, Inc.
Attention: Peter Moy, Principal
Redmond Town Center
7525 166th Ave. NE Suite D-215
Redmond, Washington 98052

EXHIBIT A: SCOPE OF WORK AND TASK PLAN

TASK 1 – CONDUCT KICK-OFF MEETING

The consultant team will conduct a project kick-off meeting with staff from the Finance and Fire Departments, who will serve as the primary contacts with FCS GROUP for assisting and providing information for the cost of service and rate study. The agenda for this meeting will include basic data collection, a discussion of project goals and parameters, formulation of the project schedule, and discussion of other coordination issues. A written data request will be provided to appropriate City staff members in advance of this meeting.

TASK 2 – REVIEW AND ANALYZE FIRE AND AMBULANCE COSTS AND WORKLOAD DATA

To determine the cost of service, we will collect and review information on the City's proposed costs to provide its emergency medical services and ambulance services. The review will include the 2017 actual revenues and costs and the estimated 2018 budgeted revenues and costs as well as the proposed revenue and expenditure budget or additions to begin the City's own ambulance transport service. Specific 2016 and 2017 revenue data will be reviewed as well as call and response data for these same years. Because of our methodology for determining availability and demand costs, we will also need to forecast the total service time that will be spent responding separately to fire/other and EMS incidents by unit, station, and jurisdiction. For all the data needs including the customer billing data, the City will provide the information in a format specified by FCS GROUP and/or we will work with the City of Walla Walla to obtain the necessary dispatch and incident data.

TASK 3 – DEVELOP A COST OF SERVICE FRAMEWORK

After reviewing the City's fire department and ambulance costs, we will develop a cost of service framework consistent with the provision in RCW 35.21.766. We will identify the costs associated with the basic infrastructure needed to respond to calls for service and the costs associated with responding to calls for service. We will review the framework with the City staff to determine if the City has data to support the framework and allocation factors used to distribute the various costs.

TASK 4 – DETERMINE THE COST OF SERVICE

Based on the framework, we will develop a cost of service model that can be used to allocate the costs between fire and EMS/ambulance services as well as between availability and demand cost categories. Availability costs include dispatch, labor, training, equipment, patient care supplies and maintenance of equipment. Demand costs include costs related to the frequency of calls, distances from hospitals, and other costs related to responding to a call.

TASK 5 – IDENTIFY POTENTIAL CUSTOMER CLASSES AND COST ALLOCATION METHODS

To develop the ambulance utility rates, customer classes and the use of the ambulance service must be determined. We will work with the City to determine whether the City's existing service and customer data that it already has for its utilities will be sufficient to identify the billing units and potential customer classes. We will work with the City to establish its billing policies, and depending on what the City's billing policies will be, the City might need to collect additional data on multi-family units, nursing homes, and multiple businesses on a single property.

TASK 6 – CALCULATE AVAILABILITY AND DEMAND RATES FOR EACH CUSTOMER CLASS

Once customer classes, allocation methods, and rate structures have been identified, the City's revenue requirements for the availability and demand services will be calculated for the potential customer classes. After identifying the costs associated with these services, rates consistent with RCW 35.21.766

will be developed. We will develop two rate scenarios for the City besides a full cost recovery scenario. The two other scenarios will help the City address whether a General Fund subsidy should occur to help lower the monthly ambulance utility rate. If costs are not anticipated to change (i.e., no additional staff will be hired) in the near future, rates can be adjusted by the percentage change in the budgets related specifically to EMS and ambulance services. For example, a new unit might be considered in the future, and as a result, a five year forecast in will be developed to determine the rate impacts of adding another unit.

TASK 7 – DEVELOP FIVE YEAR FORECASTS

Once the rates have been established for the 2018 base year, and a five year forecast will be developed to identify the ambulance rate impacts for the next five years. We will forecast revenues and costs over the next five years to determine the necessary rate increases needed to support any additional staff or medic units in the future as determined in Task 6. As part of the analysis, we will need the Fire Department to analyze and forecast EMS incidents and any impacts that an additional unit might have on the fire and EMS workload of the existing units. If a new unit takes incidents away from the existing units additional transport revenues might not occur, but existing units might be more available to respond sooner to multiple EMS calls.

TASK 8 – REVIEW PRELIMINARY RESULTS WITH CITY STAFF

Once we have completed the forecasts, we will review the preliminary results with the City staff to determine if there should be any changes in assumptions or costs and revenues. We will conduct the review via a conference call and online meeting.

TASK 9 - PREPARE A REPORT

After reviewing the preliminary results, FCS GROUP will prepare a draft report for review by the City. We will again conduct a meeting via a conference call and online meeting with the City staff to discuss the draft report and will make changes, as appropriate, before issuing a final report. We will provide three copies of a bound final report and an electronic version of the final report.

TASK 10 – PRESENT RESULTS

FCS GROUP will prepare and make one presentation for the City that could include City staff, a City Council Committee, and/or the full City Council.

OPTIONAL TASK 11 – COMPARE AMBULANCE AND TRANSPORT FEES WITH OTHER JURISDICTIONS

Working with the City's project manager, we will select five comparable jurisdictions to compare utility rates and transportation fees. If ambulance utility fees are included, we will also use the most recent the Association of Washington Cities fee survey to make comparisons with a larger sample of cities.

EXHIBIT B: BUDGET

Tasks	Consultant Hours			Total Labor Hours	Budget
	Principal Moy	Sr. Analyst Bozett	Admin. Support		
<i>Effective Hourly Billing Rates:</i>	<i>\$250</i>	<i>\$140</i>	<i>\$85</i>		
Task 1 – Kick-Off Meeting	6	-	2	8	\$1,670
Task 2 – Review and Analyze Fire and Ambulance Costs and Workload Data	4	20	-	24	\$3,800
Task 3 – Develop Cost of Service Framework	2	2	-	4	\$780
Task 4 – Determine the Cost of Service	4	24	-	28	\$4,360
Task 5 – Identify Potential Customer Classes and Cost Allocation Methods	2	4	-	6	\$1,060
Task 6 – Calculate Availability and Demand Rates for Each Customer Class	4	16	-	20	\$3,240
Task 7 – Develop Five Year Forecasts	1	4	-	5	\$810
Task 8 – Review Preliminary Results with City Staff	2	2	-	4	\$780
Task 9 – Prepare a Report	12	24	2	38	\$6,530
Task 10 – Present Results	6	2	-	8	\$1,780
Expenses					\$650
Project Budget	43	98	4	145	\$25,460
Optional Task 11 – Compare Ambulance Rates and Transport Fees with Other Jurisdictions	1	4	-	5	\$810
Total Project Budget With Optional Tasks	44	102	4	150	\$26,270

DIRECT EXPENSES

Direct Expenses will be charged for ordinary project-related expenses such as those related to travel. For any client-requested extraordinary expenses, specific terms will be established prior to expenditure and billing.