

**CONSULTANT AGREEMENT**  
**Southeast Quadrant Fiscal Analysis**

**THIS AGREEMENT** is entered into and becomes effective on \_\_\_\_\_ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and BAE Urban Economics, Inc a California corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to **Choose an item.**
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2015 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by CONSULTANT shall be preparation of a fiscal impact analysis, as further described in **Exhibit A.**
4. **Compensation.** CONSULTANT shall be compensated as follows:
  - 4.1. **Amount.** \$29,925.00. Total compensation under this Agreement shall not exceed \$29,925 dollars and shall be billed based on the rate and basis set forth in **Exhibit B.**
  - 4.2. **Billing.** CONSULTANT shall provide CITY with a monthly invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT. The CITY Manager of CITY is authorized to terminate this AGREEMENT on behalf of CITY.
6. **Performance of Work.** CONSULTANT represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by CONSULTANT in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the CONSULTANT'S profession. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. CONSULTANT shall perform all work and services under this Agreement in conformance with the time schedule set forth on Exhibit C, "Schedule of Performance,"

attached hereto and incorporated herein by this reference. CITY's City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement. If CONSULTANT desires to leave or store any of CONSULTANT's equipment at a CITY site while CONSULTANT is performing work or service pursuant to this Agreement, CONSULTANT will first obtain the consent of CITY's City Manager, or his delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at CONSULTANT's sole risk.

7. **Insurance Requirements.** CONSULTANT shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of CONSULTANT, including its subcontractors, relating to or arising from the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. CONSULTANT further understands that the CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to CONSULTANT, at any time as deemed necessary to protect the interests of the CITY.

7.1. **Insurance Types and Amounts.**

- 7.1.1. **Commercial General Liability (CGL).** CONSULTANT shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.2. **Automobile Liability.** CONSULTANT shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if CONSULTANT does not own automobiles, then CONSULTANT shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.3. **Workers' Compensation Insurance and Employer's Liability.** CONSULTANT shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If CONSULTANT is self-insured, CONSULTANT shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.
- 7.1.4. **Pollution (Environmental) Liability.** If the performance of CONSULTANT'S work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases

or hazardous materials, CONSULTANT shall procure and maintain Pollution Liability covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.5. Professional Liability.

7.1.5.1. If the performance of CONSULTANT's work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), CONSULTANT shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CONSULTANT maintains a claims-made policy, CONSULTANT shall provide written evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.

7.1.5.2. If the performance of CONSULTANT's work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, hardware engineers, or other systems consultants), CONSULTANT shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.5.3. If the performance of CONSULTANT's work or service under this Agreement involves contact with minors, CONSULTANT shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.2. **Endorsements.** CONSULTANT shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

7.2.1. General Liability.

7.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

7.2.1.2. the insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

7.2.1.3. insurance shall be primary non-contributing.

7.2.2. Workers Compensation.

The insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

7.3. **Qualification of Insurers.** All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and an financial size rating of "VII" or better.

7.4. **Certificates.** CONSULTANT shall furnish CITY of Morgan Hill with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to the CONSULTANT's agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. Certificates, including renewal certificates, may be mailed electronically to [riskmgmt@morganhill.ca.gov](mailto:riskmgmt@morganhill.ca.gov) or delivered to the Certificate Holder address provided herein

Certificate Holder address:

City of Morgan Hill  
Attn: Risk Management  
17575 Peak Avenue  
Morgan Hill, CA 95037

8. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. **Compliance with Law.** CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

10. **Independent Contractor.** CONSULTANT is an independent contractor and not an agent or employee of CITY.

11. **Confidentiality.** All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.

12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

13. **Notices**. All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

803 Second Street, Suite A  
Davis, CA 95616

Address of CITY is as follows:

|                       |                       |
|-----------------------|-----------------------|
| Andrew Crabtree       | with a copy to:       |
| City of Morgan Hill   | City Clerk            |
| 17575 Peak Avenue     | City of Morgan Hill   |
| Morgan Hill, CA 95037 | 17575 Peak Avenue     |
|                       | Morgan Hill, CA 95037 |

14. **Licenses, Permits and Fees**. CONSULTANT shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.

15. **Maintenance of Records**.

15.1. **Maintenance**. CONSULTANT shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. CONSULTANT shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3 year period, then CONSULTANT shall retain said records until such action is resolved.

15.2. **Access to and Audit of Records**. The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONSULTANT and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

15.3. **Ownership of Work Product**. All documents or other information developed or received by CONSULTANT for work performed under this Agreement shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

16. **Familiarity with Work**. By executing this Agreement, CONSULTANT represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as

represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

17. **Time of Essence.** Time is of the essence in the performance of this Agreement.

18. **No Assignment.** Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY.

19. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

20. **Defense and Indemnification.**

20.1. **Defense and Indemnification.** CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

20.2. **Exceptions.** CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of the CITY.

20.3. **Not limited by insurance.** The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by CONSULTANT.

20.4. **Right to Offset.** CITY shall have the right to offset against any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Section (20) and any amount due CITY from CONSULTANT arising from CONSULTANT's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

20.5. **Interpretation.** This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the CONSULTANT to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

21. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by a subsequent mutual written agreement executed by CITY and CONSULTANT. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

22. **Governing Law and Venue**. This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

23. **Interpretation**. This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

24. **Preservation of Agreement**. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.

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25. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

**IN WITNESS THEREOF**, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

\_\_\_\_\_  
City Clerk/Deputy City Clerk

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Michelle Wilson  
Print Name

\_\_\_\_\_  
Steve Rymer  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

BAE URBAN ECONOMICS, INC.

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
By:

\_\_\_\_\_  
Renee Gurza  
Print Name

Title: \_\_\_\_\_  
Print Name and Title of Signer.  
If Corporate: Chairman, President or  
Vice President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
By:

Title: \_\_\_\_\_  
Print Name and Title of Signer.  
If Corporate: Secretary, Assistant  
Secretary, Chief Financial Officer or  
Assistant Treasurer

Date: \_\_\_\_\_



## **EXHIBIT A SCOPE OF SERVICES**

### **Study Overview**

**BAE will prepare a fiscal impact analysis for the Southeast Quadrant Project, addressing the fiscal impacts on affected service providers. The primary focus of the analysis will be to quantify impacts on the City of Morgan Hill and the County of Santa Clara; however, potential impacts on other local public agencies that serve the area will also be discussed, but in a more qualitative manner. The analysis will estimate fiscal impacts of existing development in the 2014/2015 fiscal year and establish this as the base year for the analysis. The analysis will then project the likely fiscal impacts in Year 5 (base year plus five years) and Year 10. This analysis will demonstrate fiscal impacts to the General Funds of the affected public agencies attributable to the proposed annexation and anticipated development of the subject properties.**

**BAE's analysis will quantify the fiscal impacts to the General Funds of the City of Morgan Hill and the County of Santa Clara. The study will also examine and qualitatively report on the fiscal impacts to the Morgan Hill Unified School District and the South Santa Clara County Fire Department. In addition, as part of this study, BAE will also evaluate and qualitatively report on the potential fiscal impacts to other minor districts that serve the affected property.**

**The specific development to be evaluated includes:**

- Sports-Recreation-Leisure, Subdistricts A and B (251 ac.)**
- Public Facilities (High School, 38 ac.)**
- Residential Estate (76 ac.)**
- Open Space (Chiala Planned Development, 307 ac.)**

**BAE will prepare one fiscal impact analysis report, which will evaluate the fiscal impacts of these project components as part of the larger project. BAE will work with City staff to modify the project description for the fiscal impact analysis, to include assumptions about different uses that could be developed in the SRL zone and the Chiala Planned Development, per existing programmatic applications for specific properties, as well as general assumptions about potential development on any proposed SRL property that is not covered by programmatic applications.**

### **Scope of Work**

#### **1. Start-Up and Review of Background Materials**

**BAE staff will attend a start-up meeting in Morgan Hill. This meeting will provide the opportunity to meet with the City's project manager to review the overall SEQ project, review the work scope and schedule, obtain any available relevant background information, and identify key City staff to provide input into the study. In addition, BAE staff will take the opportunity to conduct a brief tour of the SEQ area and its surroundings.**

#### **2. Refine Existing Conditions, Project Description, and Absorption Schedule**

**BAE will work with City staff to identify the development that currently exists on the SEQ annexation area, to define the assumptions for the new development that would be anticipated on the parcels that would be annexed to the City, and to define the anticipated absorption of the new development by Year 5 (base year plus 5 years) and by Year 10. This information will form the basis to analyze**

the fiscal impacts in the base year (existing conditions) and the changes that would result from the annexation and development of the parcels in question.

### **3. Develop Service Cost Multipliers for City and County**

BAE will analyze service costs for the City of Morgan Hill and Santa Clara County, primarily using current average cost of service multipliers, for general fund expenditures, derived from each agency's current fiscal year operating budget. The analysis will be conducted at the department level. The product of this task will be a series of cost multipliers (e.g., average cost per resident, average cost per service population, etc.) that can be used to estimate current City, County, and Fire District service costs attributable to the existing development in the annexation areas and to project the changes in costs associated with new post-annexation development. Depending on timing of this project versus the fiscal impact analysis of General Plan Update alternatives, BAE will coordinate these efforts to ensure consistency between the two analyses.

### **4. Develop Revenue Calculations for City and County**

BAE will analyze the various types of General Fund revenues that accrue to the City and County. BAE will develop calculations to estimate the current revenues associated with existing development in the annexation area and to project the changes in revenues that will occur subsequent to annexation and development of the new land uses. This will include, but not be limited to, research and analysis necessary to determine current assessed valuation and property tax allocations, re-allocation of property taxes upon annexation, real estate value estimates for new development that would occur post annexation, and analysis to estimate current and future sales tax generation and other new revenues.

### **5. Prepare Fiscal Impact Models for City and County**

Utilizing information, multipliers, and calculations developed in Tasks 2-4, BAE will prepare customized electronic spreadsheet-based fiscal impact models, for the City and the County. The fiscal impact models will model the Base Year (existing conditions) fiscal impact of existing development in the areas to be annexed, and then project the changes in costs and revenues that would be expected at Year 5 and at Year 10. The fiscal impact model for each agency will show the net fiscal impact at each of the three points in time, to clearly show how the fiscal impacts to each agency would change as a result of the proposed annexation and anticipated new development.

### **6. Identify and Evaluate Impacts to Other Affected Local Agencies**

In addition to quantitative modeling of the fiscal impacts to the City and County, BAE will also identify other affected local agencies, and evaluate the fiscal impacts that could be expected as a result of the annexation and anticipated new development. This will include the Morgan Hill Unified School District and South Santa Clara County Fire District, as well as other agencies that directly serve the area. BAE will list the affected agencies and, based on interviews with agency representatives, provide qualitative discussion about how annexation and new development may affect the fiscal condition of the different agencies.

### **7. Prepare Draft Fiscal Impact Report**

BAE will prepare a Draft Fiscal Impact Report to document the details of the proposed SEQ project and the assumptions, research, analysis, calculations, and findings from the fiscal analysis tasks. The report will include printouts of the fiscal impact model tables for the City and County.

**BAE will prepare and submit the Draft Report to City staff, in Adobe PDF format, for review and comment. BAE staff will be available by telephone to discuss the Draft Report with City staff and answer any questions.**

**8. Prepare Final Fiscal Impact Report**

**Upon receipt of a single consolidated set of comments on the Draft Report from City staff, BAE will revise the Draft Report as necessary and prepare and submit a Final Report for the City's use. BAE will submit the final report in Adobe PDF format.**

**9. LAFCo Meeting**

**BAE's project manager will be available to present the fiscal analysis at one LAFCo meeting. The budget for this task includes preparation, travel, and meeting attendance.**

**EXHIBIT B  
SCHEDULE OF COMPENSATION RATES**

BAE will complete the proposed scope of work for a fixed-fee budget of \$29,925. This will include all consultant costs, including personnel, overhead, and miscellaneous reimbursable costs. The proposed budget reflects cost savings as a result of fiscal analysis work that BAE will be completing as part of the General Plan Update project.

|   |                 |         |
|---|-----------------|---------|
| 1. Start-Up and Review of Background Materials                              | \$1,525         |         |
| 2. Refine Existing Conditions, Project Description, and Absorption Schedule |                 | \$1,525 |
| 3. Develop Service Cost Multipliers for City, County                        | \$4,250         |         |
| 4. Develop Revenue Calculations for City, County                            | \$5,250         |         |
| 5. Prepare Fiscal Impact Models for City, County                            | \$5,300         |         |
| 6. Identify and Evaluate Impacts to Other Affected Local Agencies           | \$4,550         |         |
| 7. Prepare Draft Fiscal Impact Report                                       | \$3,900         |         |
| 8. Prepare Final Fiscal Impact Report                                       | \$1,650         |         |
| 9. LAFCo Meeting  | \$1,675         |         |
| Travel, data purchase, incidentals  | \$300           |         |
| <b>Total</b>  | <b>\$29,925</b> |         |

**Standard Hourly Billing Rates**

For work requested beyond the specified scope of work, costs will be calculated on a time-and-materials basis, in accordance with BAE's standard hourly billing rates:

|                  |       |
|------------------|-------|
| Principal        | \$275 |
| Vice President   | \$195 |
| Senior Associate | \$160 |
| Associate        | \$135 |
| Analyst          | \$95  |

In addition to staff time, BAE will request reimbursement for auto use at standard IRS reimbursement rates, and for other direct expenses without markup.

**EXHIBIT C  
SCHEDULE OF PERFORMANCE**

**BAE estimates that the Draft Report (Task 7) can be completed within 8 weeks of authorization to proceed. BAE will submit a Final Report (Task 8) within two weeks of receipt of a single-consolidated set of staff comments on the Draft Report. Attendance at the LAFCo hearing will be dependent upon the City's and LAFCo's meeting schedule constraints.**