

CONSULTANT: FINANCIAL CONSULTING SOLUTIONS GROUP, INC.
CONTACT PERSON: MATT HOBSON, PROJECT MANAGER
ADDRESS: 7525 166TH AVENUE NE, SUITE D-215 REDMOND, WA 98052
FEDERAL TAX ID NUMBER/U.B.I. NUMBER: 91-1417946 / 601 098 550
TELEPHONE NUMBER: 425-615-6056
COUNTY DEPT: PUBLIC WORKS
DEPT. CONTACT PERSON: JON GRENINGER
TELEPHONE NUMBER: 425-38-6484
PROJECT: SOLID WASTE RATE STUDY
AMOUNT: \$60,700.00
FUND SOURCE: SOLID WASTE
CONTRACT DURATION: Execution through December 31, 2024

AGREEMENT CC03-24 FOR PROFESSIONAL SERVICES

THIS AGREEMENT (the “Agreement”) is made by and between SNOHOMISH COUNTY, a political subdivision of the State of Washington (the “County”) and Financial Consulting Solutions Group, Inc., a Washington corporation (the “Contractor”). In consideration of the mutual benefits and covenants contained herein, the parties agree as follows:

1. Purpose of Agreement; Scope of Services. The purpose of this Agreement is a cost-of-service rate study for Public Works Solid Waste Division. The scope of services is as defined in Schedule A attached hereto and by this reference made a part hereof.

The services shall be performed in accordance with the requirements of this Agreement and with generally accepted practices prevailing in the western Washington region in the occupation or industry in which the Contractor practices or operates at the time the services are performed. The Contractor shall perform the work in a timely manner and in accordance with the terms of this Agreement. Any materials or equipment used by the Contractor in connection with performing the services shall be of good quality. The Contractor represents that it is fully qualified to perform the services to be performed under this Agreement in a competent and professional manner.

The Contractor will prepare and present status reports and other information regarding performance of the Agreement as the County may request.

2. Term of Agreement; Time of Performance. This Agreement shall be effective upon Execution (the “Effective Date”) and shall terminate on December 31, 2024. The Contractor shall commence work upon the Effective Date and shall complete the work required by this Agreement no later than December 31, 2024.

3. Compensation.

a. Services. The County will pay the Contractor for services as and when set forth in Schedule B, which is attached hereto and by this reference made a part of this Agreement.

b. Overhead and Expenses. The Contractor’s compensation for services includes overhead but does not include specific reimbursable expenses, which will be allowed only as and to the extent set forth in Schedule C attached hereto and by this reference made a part of this Agreement.

c. Invoices. The Contractor shall submit properly executed invoices to the County no more frequently than monthly. **All invoices related to this agreement shall be sent to PWInvoices@snoco.org.** Each invoice shall include an itemization of the dates on which services were provided, including the number of hours and a brief description of the work performed on each such date. Each invoice shall also include an itemization of any reimbursable expenses incurred by the Contractor during the time period covered by the invoice, together with reasonable documentation substantiating such expenses, all in accordance with this Section 3 and Schedule C. Subject to Section 8 of this Agreement, the County will pay such invoices within thirty (30) calendar days of receipt.

d. Payment. The County’s preferred method of payment under this contract is electronic using the County’s “e-Payable” system with Bank of America. The Contractor is highly encouraged to take advantage of the electronic payment method.

In order to utilize the electronic payment method, the Contractor shall email SnocoEpayables@snoco.org and indicate it was awarded a contract with Snohomish County and will be receiving payment through the County’s e-Payable process. The Contractor needs to provide contact information (name, phone number and email address). The Contractor will be contacted by a person in the Finance Accounts Payable group and assisted with the enrollment process. This should be done as soon as feasible after County award of a contract or purchase order, but not exceeding ten (10) business days.

Department approved invoices received in Finance will be processed for payment within seven calendar days for e-Payable contractors. Invoices are processed for payment by Finance two times a week for contractors who have selected the e-Payable payment option.

In the alternative, if the Contractor does not enroll in the electronic (“e-Payable”) payment method described above, contract payments will be processed by Finance with the issuance of paper checks or, if available, an alternative electronic method. Alternative payment methods, other than e-Payables, will be processed not more than 30 days from receipt of department approved invoices to Finance.

THE COUNTY MAY MAKE PAYMENTS FOR PURCHASES UNDER THIS CONTRACT USING THE COUNTY'S VISA PURCHASING CARD (PCARD).

Upon acceptance of payment, the Contractor waives any claims for the goods or services covered by the Invoice. No advance payment shall be made for the goods or services furnished by Contractor pursuant to this Contract.

e. Payment Method. In addition to Payment section above, the County may make payments for purchases under this contract using the County's VISA purchasing card (PCARD).

Are you willing to accept PCARD payments without any fees or surcharges?

Yes No

f. Contract Maximum. Total charges under this Agreement, all fees and expenses included, shall not exceed \$60,700.00 for the initial term of this Agreement (excluding extensions or renewals, if any).

4. Independent Contractor. The Contractor agrees that Contractor will perform the services under this Agreement as an independent contractor and not as an agent, employee, or servant of the County. This Agreement neither constitutes nor creates an employer-employee relationship. The parties agree that the Contractor is not entitled to any benefits or rights enjoyed by employees of the County. The Contractor specifically has the right to direct and control Contractor's own activities in providing the agreed services in accordance with the specifications set out in this Agreement. The County shall only have the right to ensure performance. Nothing in this Agreement shall be construed to render the parties partners or joint venturers.

The Contractor shall furnish, employ and have exclusive control of all persons to be engaged in performing the Contractor's obligations under this Agreement (the "Contractor personnel"), and shall prescribe and control the means and methods of performing such obligations by providing adequate and proper supervision. Such Contractor personnel shall for all purposes be solely the employees or agents of the Contractor and shall not be deemed to be employees or agents of the County for any purposes whatsoever. With respect to Contractor personnel, the Contractor shall be solely responsible for compliance with all rules, laws and regulations relating to employment of labor, hours of labor, working conditions, payment of wages and payment of taxes, including applicable contributions from Contractor personnel when required by law.

Because it is an independent contractor, the Contractor shall be responsible for all obligations relating to federal income tax, self-employment or FICA taxes and contributions, and all other so-called employer taxes and contributions including, but not limited to, industrial insurance (workers' compensation). The Contractor agrees to indemnify, defend and hold the County harmless from any and all claims, valid or otherwise, made to the County because of these obligations.

The Contractor assumes full responsibility for the payment of all payroll taxes, use, sales, income, or other form of taxes, fees, licenses, excises or payments required by any city, county, federal or state legislation which are now or may during the term of the Agreement be enacted as

to all persons employed by the Contractor and as to all duties, activities and requirements by the Contractor in performance of the work under this Agreement. The Contractor shall assume exclusive liability therefor, and shall meet all requirements thereunder pursuant to any rules or regulations that are now or may be promulgated in connection therewith.

5. Ownership. Any and all data, reports, analyses, documents, photographs, pamphlets, plans, specifications, surveys, films or any other materials created, prepared, produced, constructed, assembled, made, performed or otherwise produced by the Contractor or the Contractor's subcontractors or consultants for delivery to the County under this Agreement shall be the sole and absolute property of the County. Such property shall constitute "work made for hire" as defined by the U.S. Copyright Act of 1976, 17 U.S.C. § 101, and the ownership of the copyright and any other intellectual property rights in such property shall vest in the County at the time of its creation. Ownership of the intellectual property includes the right to copyright, patent, and register, and the ability to transfer these rights. Material which the Contractor uses to perform this Agreement but is not created, prepared, constructed, assembled, made, performed or otherwise produced for or paid for by the County is owned by the Contractor and is not "work made for hire" within the terms of this Agreement.

6. Changes. No changes or additions shall be made in this Agreement except as agreed to by both parties, reduced to writing and executed with the same formalities as are required for the execution of this Agreement.

7. County Contact Person. The assigned contact person (or project manager) for the County for this Agreement shall be:

Name: Jon Greninger
Title: Operations Manager, Solid Waste
Department: Public Works
Telephone: (425) 388-6484
Email: jon.greninger@snoco.org

8. County Review and Approval. When the Contractor has completed any discrete portion of the services, the Contractor shall verify that the work is free from errors and defects and otherwise conforms to the requirements of this Agreement. The Contractor shall then notify the County that said work is complete. The County shall promptly review and inspect the work to determine whether the work is acceptable. If the County determines the work conforms to the requirements of this Agreement, the County shall notify the Contractor that the County accepts the work. If the County determines the work contains errors, omissions, or otherwise fails to conform to the requirements of this Agreement, the County shall reject the work by providing the Contractor with written notice describing the problems with the work and describing the necessary corrections or modifications to same. In such event, the Contractor shall promptly remedy the problem or problems and re-submit the work to the County. The Contractor shall receive no additional compensation for time spent correcting errors. Payment for the work will not be made until the work is accepted by the County. The Contractor shall be responsible for the accuracy of work even after the County accepts the work.

If the Contractor fails or refuses to correct the Contractor's work when so directed by the County, the County may withhold from any payment otherwise due to the Contractor an amount that the County in good faith believes is equal to the cost the County would incur in correcting the errors, in re-procuring the work from an alternate source, and in remedying any damage caused by the Contractor's conduct.

9. Subcontracting and Assignment. The Contractor shall not subcontract, assign, or delegate any of the rights, duties or obligations covered by this Agreement without prior express written consent of the County. Any attempt by the Contractor to subcontract, assign, or delegate any portion of the Contractor's obligations under this Agreement to another party in violation of the preceding sentence shall be null and void and shall constitute a material breach of this Agreement.

10. Records and Access; Audit; Ineligible Expenditures. The Contractor shall maintain adequate records to support billings. Said records shall be maintained for a period of seven (7) years after completion of this Agreement by the Contractor. The County or any of its duly authorized representatives shall have access at reasonable times to any books, documents, papers and records of the Contractor which are directly related to this Agreement for the purposes of making audit examinations, obtaining excerpts, transcripts or copies, and ensuring compliance by the County with applicable laws. Expenditures under this Agreement, which are determined by audit to be ineligible for reimbursement and for which payment has been made to the Contractor, shall be refunded to the County by the Contractor.

11. Indemnification.

To the maximum extent permitted by law and except to the extent caused by the sole negligence of the County and to the extent of any errors made by the County in the solid waste rate model, if any funds for this Agreement are provided by the State, the Contractor shall indemnify and hold harmless the County and the State, their officers, officials, agents and employees, from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatsoever kind or nature arising out of, in connection with, or incidental to the negligent performance of services and/or deliverables provided by or on behalf of the Contractor. In addition, the Contractor shall assume the defense of the County and, if applicable, the State and their officers and employees in all legal or claim proceedings arising out of, in connection with, or incidental to such services and/or deliverables and shall pay all defense expenses, including reasonable attorneys' fees, expert fees and costs incurred by the County and, if applicable, the State, on account of such litigation or claims.

The above indemnification obligations shall include, but are not limited to, all claims against the County and, if applicable, the State by an employee or former employee of the Contractor or its subcontractors, and the Contractor, by mutual negotiation, expressly waives all immunity and limitation on liability, as respects only the County and, if applicable, the State, under any industrial insurance act, including Title 51 RCW, other worker's compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim.

In the event that the County or, if applicable, the State incurs any judgment, award and/or cost including attorneys' fees arising from the provisions of this section, or to enforce the provisions of this section, any such judgment, award, fees, expenses and costs shall be recoverable from the Contractor.

In addition to injuries to persons and damage to property, the term "claims," for purposes of this provision, shall include, but not be limited to, assertions that the use or transfer of any software, book, document, report, film, tape, or sound reproduction or material of any kind, delivered hereunder, constitutes an infringement of any copyright, patent, trademark, trade name, and/or otherwise results in an unfair trade practice.

The indemnification, protection, defense and save harmless obligations contained herein shall survive the expiration, abandonment or termination of this Agreement.

Nothing contained within this provision shall affect or alter the application of any other provision contained within this Agreement.

12. Insurance Requirements. The Contractor shall procure by the time of execution of this Agreement, and maintain for the duration of this Agreement, (i) insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the services hereunder by the Contractor, its agents, representatives, or employees, and (ii) a current certificate of insurance and additional insured endorsement when applicable.

a. General. Each insurance policy shall be written on an "occurrence" form, except that Professional Liability, Errors and Omissions coverage, if applicable, may be written on a claims made basis. If coverage is approved and purchased on a "claims made" basis, the Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three (3) years from the date of completion of the work which is the subject of this Agreement.

By requiring the minimum insurance coverage set forth in this Section 12, the County shall not be deemed or construed to have assessed the risks that may be applicable to the Contractor under this Agreement. The Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

b. No Limitation on Liability. The Contractor's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the County's recourse to any remedy available at law or in equity.

c. Minimum Scope and Limits of Insurance. The Contractor shall maintain coverage at least as broad as, and with limits no less than:

(i) General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate

limits, a \$2,000,000 aggregate limit. CG 00 01 current edition, including Products and Completed Operations;

(ii) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. CA 0001 current edition, Symbol 1;

(iii) Workers' Compensation: To meet applicable statutory requirements for workers' compensation coverage of the state or states of residency of the workers providing services under this Agreement;

(iv) Employers' Liability or "Stop Gap" coverage: \$1,000,000;

d. Other Insurance Provisions and Requirements. The insurance coverages required in this Agreement for all liability policies except workers' compensation and Professional Liability, if applicable, must contain, or must be endorsed to contain, the following provisions:

(i) The County, its officers, officials, employees and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Contractor in connection with this Agreement. Such coverage shall be primary and non-contributory insurance as respects the County, its officers, officials, employees and agents. Additional Insured Endorsement shall be included with the certificate of insurance, "CG 2026 07/04" or its equivalent is required.

(ii) The Contractor's insurance coverage shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

(iii) Any deductibles or self-insured retentions must be declared to, and approved by, the County. The deductible and/or self-insured retention of the policies shall not limit or apply to the Contractor's liability to the County and shall be the sole responsibility of the Contractor.

(iv) Insurance coverage must be placed with insurers with a Best's Underwriting Guide rating of no less than A:VIII, or, if not rated in the Best's Underwriting Guide, with minimum surpluses the equivalent of Best's surplus size VIII. Professional Liability, Errors and Omissions insurance coverage, if applicable, may be placed with insurers with a Best's rating of B+:VII. Any exception must be approved by the County.

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits until after forty-five (45) calendar days' prior written notice has been given to the County.

If at any time any of the foregoing policies fail to meet minimum requirements, the Contractor shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with the appropriate certificates and endorsements, for approval.

e. Subcontractors. The Contractor shall include all subcontractors as insureds under its policies, or shall furnish separate certificates of insurance and policy endorsements for each subcontractor. **Insurance coverages provided by subcontractors instead of the**

Contractor as evidence of compliance with the insurance requirements of this Agreement shall be subject to all of the requirements stated herein.

13. County Non-discrimination. It is the policy of the County to reject discrimination which denies equal treatment to any individual because of his or her race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability as provided in Washington's Law against Discrimination, Chapter 49.60 RCW, and the Snohomish County Human Rights Ordinance, Chapter 2.460 SCC. These laws protect against specific forms of discrimination in employment, credit transactions, public accommodation, housing, county facilities and services, and county contracts.

The Contractor shall comply with the substantive requirements of Chapter 2.460 SCC, which are incorporated herein by this reference. Execution of this Agreement constitutes a certification by the Contractor of the Contractor's compliance with the requirements of Chapter 2.460 SCC. If the Contractor is found to have violated this provision, or to have furnished false or misleading information in an investigation or proceeding conducted pursuant to this Agreement or Chapter 2.460 SCC, this Agreement may be subject to a declaration of default and termination at the County's discretion. This provision shall not affect the Contractor's obligations under other federal, state, or local laws against discrimination.

14. Federal Non-discrimination. Snohomish County assures that no persons shall on the grounds of race, color, national origin, or sex as provided by Title VI of the Civil Rights Act of 1964 (Pub. L. No. 88-352), as amended, and the Civil Rights Restoration Act of 1987 (Pub. L. No. 100-259) be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any County sponsored program or activity. Snohomish County further assures that every effort will be made to ensure nondiscrimination in all of its programs and activities, whether those programs and activities are federally funded or not.

During the performance of this contract, Consultant agrees to comply with all of the terms required by Schedule D, Appendices A and E, attached hereto and incorporated by this reference.

15. Employment of County Employees. SCC 2.50.075, "Restrictions on future employment of County employees," imposes certain restrictions on the subsequent employment and compensation of County employees. The Contractor represents and warrants to the County that it does not at the time of execution of this Agreement, and that it shall not during the term of this Agreement, employ a former or current County employee in violation of SCC 2.50.075. For breach or violation of these representations and warranties, the County shall have the right to terminate this Agreement without liability.

16. Compliance with Other Laws. The Contractor shall comply with all other applicable federal, state and local laws, rules, and regulations in performing this Agreement.

17. Compliance with Grant Terms and Conditions. The Contractor shall comply with

any and all conditions, terms and requirements of any federal, state or other grant, if any, that wholly or partially funds the Contractor's work hereunder.

18. Prohibition of Contingency Fee Arrangements. The Contractor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Contractor, to solicit or secure this Agreement and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Contractor, any fee, commission, percentage, brokerage fee, gifts or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the County shall have the right to terminate this Agreement without liability or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

19. Force Majeure. If either party is unable to perform any of its obligations under this Agreement as a direct result of an unforeseeable event beyond that party's reasonable control, including but not limited to an act of war, act of nature (including but not limited to earthquake and flood), embargo, riot, sabotage, labor shortage or dispute (despite due diligence in obtaining the same), or governmental restriction imposed subsequent to execution of the Agreement (collectively, a "force majeure event"), the time for performance shall be extended by the number of days directly attributable to the force majeure event. Both parties agree to use their best efforts to minimize the effects of such failures or delays.

20. Suspension of Work. The County may, at any time, instruct the Contractor in writing to stop work effective immediately, or as directed, pending either further instructions from the County to resume the work or a notice from the County of breach or termination under Section 21 of this Agreement.

21. Non-Waiver of Breach; Termination.

a. The failure of the County to insist upon strict performance of any of the covenants or agreements contained in this Agreement, or to exercise any option conferred by this Agreement, in one or more instances shall not be construed to be a waiver or relinquishment of those covenants, agreements or options, and the same shall be and remain in full force and effect.

b. If the Contractor breaches any of its obligations hereunder, and fails to cure the same within ten (10) business days of written notice to do so by the County, the County may terminate this Agreement, in which case the County shall pay the Contractor only for the services and corresponding reimbursable expenses, if any, accepted by the County in accordance with Sections 3 and 8 hereof.

c. The County may terminate this Agreement upon ten (10) business days' written notice to the Contractor for any reason other than stated in subparagraph b above, in which case payment shall be made in accordance with Sections 3 and 8 hereof for the services and corresponding reimbursable expenses, if any, reasonably and directly incurred by the Contractor in performing this Agreement prior to receipt of the termination notice.

the information is required by the Act or otherwise appropriate, the County's sole obligations shall be to notify the Contractor (a) of the request and (b) of the date that such information will be released to the requester unless the Contractor obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If the Contractor fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified.

The County has, and by this section assumes, no obligation on behalf of the Contractor to claim any exemption from disclosure under the Act. The County shall not be liable to the Contractor for releasing records not clearly identified by the Contractor as confidential or proprietary. The County shall not be liable to the Contractor for any records that the County releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.

25. Interpretation. This Agreement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the parties. The language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either of the parties hereto. The captions and headings of this Agreement are used only for convenience and are not intended to affect the interpretation of the provisions of this Agreement. This Agreement shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

26. Complete Agreement. This Agreement constitutes the entire understanding of the parties. Any written or verbal agreements that are not set forth herein or incorporated herein by reference are expressly excluded.

27. Conflicts between Attachments and Text. Should any conflicts exist between any attached exhibit or schedule and the text or main body of this Agreement, the text or main body of this Agreement shall prevail.

28. No Third Party Beneficiaries. The provisions of this Agreement are for the exclusive benefit of the County and the Contractor. This Agreement shall not be deemed to have conferred any rights, express or implied, upon any third parties.

29. Governing Law; Venue. This Agreement shall be governed by the laws of the State of Washington. The venue of any action arising out of this Agreement shall be in the Superior Court of the State of Washington, in and for Snohomish County.

30. Severability. Should any clause, phrase, sentence or paragraph of this agreement be declared invalid or void, the remaining provisions of this Agreement shall remain in full force and effect.

31. Authority. Each signatory to this Agreement represents that he or she has full and sufficient authority to execute this Agreement on behalf of the County or the Contractor, as the case may be, and that upon execution of this Agreement it shall constitute a binding obligation of the County or the Contractor, as the case may be.

Schedule A Scope of Services

The following work tasks have been developed to complete a cost-of-service rate study for the Snohomish County (“County”) Solid Waste Division (“Division”). The Division operates four recycling and transfer stations, three rural drop box sites and a household hazardous waste (HHW) facility. The Division provides transfer and disposal services for commercially hauled and self-hauled municipal solid waste (MSW). Self-haul disposal and processing services are also provided for household recyclables, HHW, yard/wood debris, and materials that require special handling (e.g., boats, trailers, tires). The Division managed approximately 680,000 tons of MSW in 2022.

The most recent analysis of solid waste rates was completed in 2007. This task plan would provide a rate and financial plan for the five-year period from 2025 to 2029. The services to be provided as part of this scope are based on a conference call and electronic communication with the Division in November/December 2023.

TASK 1 | PROJECT KICK-OFF & DATA COLLECTION

The Contractor will provide a data needs list to the County in advance of a kickoff meeting. During the meeting, Contractor will review the initial data, discuss policy issues and objectives, develop the tentative project schedule, and establish a communication plan. The Contractor will follow up as needed to confirm data interpretation and assumptions, and request any required additional information.

TASK 2 | DEVELOP RATE AND FINANCIAL TOOLKIT

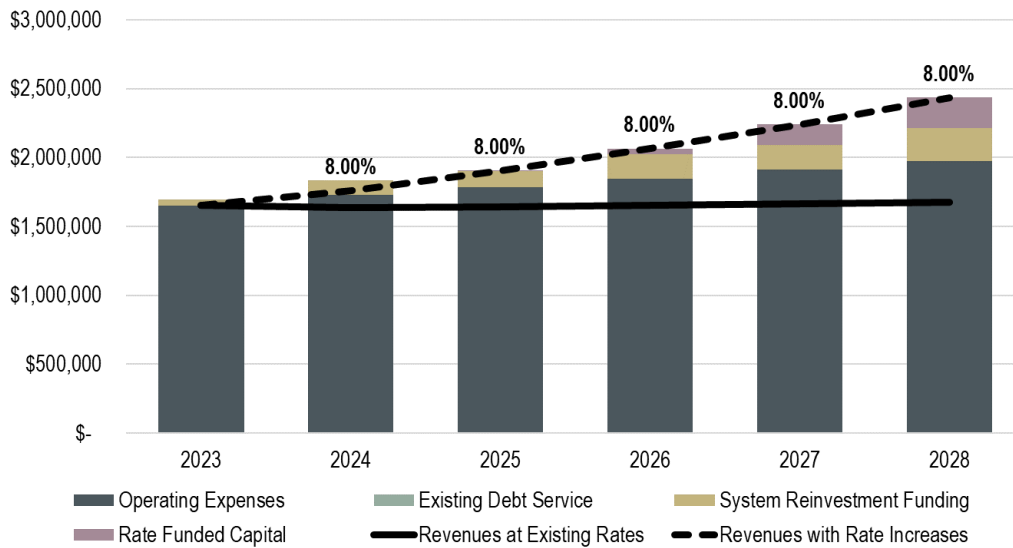
The rate and financial toolkit provides the analytical framework for the rate study. The toolkit is a fully integrated financial management model that establishes a cause-and-effect relationship between solid waste activities (e.g., tons, transactions, loads) and County revenues, costs, and rates.

The toolkit is a customized Excel-based financial model that is provided to the County at the conclusion of the project. Model design, features, and functionality will be discussed during the project initiation meeting so that the model provides relevant and timely information to County staff for future rate-making decisions.

Transfer and disposal service contracts comprise one of the largest single expenses for the solid waste fund. The model will include a line-item forecast of the key reimbursement terms of these contracts and other waste management service contracts. These terms will be tied to the tonnage and transaction forecasts so that the total costs of these contracts can be equitably and accurately assigned to County solid waste customer classes. This feature also provides the County with a high level of flexibility to test the impact that changes in economic and operating assumptions have on solid waste expenses.

Key results and rate schedules are organized within the financial plan into summary tables and graphs. Customized dashboards and graphs will also be developed within the toolkit based on

preliminary direction from County staff (see example below from 2023 City of Cheney solid waste rate study).



TASK 3 | VALIDATE TONNAGE AND BILLING STATISTICS

The Consultant will review transaction, tonnage, and billing data over the most recent five-year history (2019 to 2023). The rate model relies on billing data as a basis for customer growth, tonnage forecasts by material stream, and to develop cost allocation factors for the cost-of-service analysis. This process is also used to reconcile billing/tonnage data with recorded financial activity. Validation of the customer statistics data set with customer demands and revenue generation is critical to the rate study as it establishes the foundation for all major analytical phases of the work plan (e.g., revenue requirement, cost of service and rate design).

TASK 4 | REVENUE REQUIREMENT ANALYSIS

A multi-year revenue requirement analysis will be developed to support the five-year financial plan. This task establishes a management plan that meets the projected total financial needs of the solid waste utility through the generation of sufficient, sustainable revenue. Annual cash flow needs are developed by identifying expenses incurred to operate and manage the systems including:

- Capital investment funding (improvements, expansion, and replacement)
- Expenses incurred to operate, maintain, and manage the Division programs and services
- Debt repayment, if applicable
- Cash flow needs
- Fiscal policy achievement

Tasks are as follows:

- » Develop a forecast of operating revenues and expenses to reflect the most recently approved budgets or reported actual financial performance. The forecasts are then adjusted for any known future changes in annual non-capital costs associated with the operation, maintenance, and administration of the system. Changes may include additional staffing needs and other operating costs associated with maintaining the system along with initiating new or enhanced program activities.
- » Incorporate the most recent capital plans identifying the capital projects required to maintain the system in good repair. Develop a capital funding analysis that balances available funding from rate revenue, reserve funds, contributions and additional debt, if needed.
- » Evaluate cash flow needs to meet existing and anticipated new annual debt service requirements and debt coverage requirements.
- » Develop a fund balance tracking analysis to track existing funds. The analytical module will include annual inflows and outflows of funds and monitor target balances for compliance with established fiscal policies. As part of this task, the Contractor will review the County's existing financial reserve policies and, if necessary, provide recommendations on target reserve levels based on industry practices.
- » Test the sufficiency of the system's current revenues in meeting all annual obligations and identify any projected shortfalls over the forecast period. Rate revenue sufficiency will be tested from two perspectives: the ability to meet all cash obligations, and the attainment of any debt coverage requirements.
- » Design a rate implementation strategy that meets the system's financial obligations over the multi-year planning horizon and provides smooth and moderated impacts to ratepayers.
- » Develop rate scenarios to evaluate the impact of changes to key variables such as funding sources, growth rates, capital project need and timing, or others identified by County staff. The budget includes three (3) alternative scenarios.

TASK 5 | COST-OF-SERVICE ANALYSIS

The cost-of-service analysis (COSA) establishes a defensible basis for assigning "cost shares" and establishing "equity" for system customers based on industry standard methodologies that are tailored to the utility's unique system and customer characteristics.

The COSA develops a series of functional allocations that distribute cost pools to classes of customers linked to a proportionate share of costs required to serve their demand. At a general level, the functional allocation aligns with the framework for full cost accounting outlined by the

U.S. Environmental Protection Agency for solid waste management. The utility’s revenue requirement is allocated to activities and paths, including:

- » Activities: transfer, material processing, transport, and intermodal operations.
- » Additional activities may include: Scalehouse, environmental compliance, HHW processing, residual reclamation waste, vector decant facility processing and regional planning.
- » Paths: land disposal, recycling, and composting.

Once the revenue requirement is functionalized, the unique cost shares for each activity and path are allocated to classes of service (e.g., commercial MSW, self-haul MSW, source-separated yard debris/clean wood, HHW, vector waste) in proportion to demand characteristics for each customer class. This exercise provides a detailed cost basis for the equitable distribution of the utility’s costs to each customer class. The following table provides an example of this allocation process from a 2021 rate study completed by the Contractor for Kitsap County:

Function	Test Year Cost Allocation
Scalehouse	\$ 253,978
OVTs Waste Transfer	5,372,942
OVTs Diverted Materials Transfer	-
OVTs Yard / Wood Transfer	-
MRW	-
Clean Kitsap	438,253
RAGF Diverted Materials Transfer	-
RAGF MSW Transfer	-
Special Waste Transfer	-
Environmental Compliance	158,518
MSW Transport	10,652,148
MSW Disposal	4,452,947
Total	\$ 21,328,786

The resulting cost shares for each class of service are detailed and summarized as total costs as well as unit-based costs such as cost per transaction and cost per ton. As part of Task 5, the unit-based costs from the analysis will be compared to existing rates. Classes of service with substantial differences in costs and existing rates will be identified and discussed with the project team.

TASK 6 | RATE DESIGN

The rate design task will evaluate existing rate structures for alignment with the County’s current and/or recommended fiscal policies, generate sufficient revenue to meet the revenue requirement forecast, and address inequities identified in the COSA findings. Key task outcomes include the development of annual rate schedules for the utility based on:

- » Across the board increases to rates. Annual rate revenue increases will be applied equally to all rates within a customer class.
- » Unbundled cost-based rates for drop-off sites and recycling and transfer stations, contingent upon available data.
- » Evaluation of cost-based minimum garbage load fees based on weight thresholds and results of the cost-of-service analysis.
- » Survey of transfer and landfill rates from nearby and comparable utilities.
- » Evaluation of the rate design on Snohomish County Code (SCC) and determination if changes to SCC are needed to implement new rate strategies.

TASK 7: MEETINGS & PRESENTATIONS

During the study process, it will be important to interact frequently with staff throughout the project to ensure that the findings and recommendations reflect approaches that are understood by impacted parties and can be implemented within the County's administrative practices. Review meetings are anticipated to be conducted via remote session, except where specifically noted. The following meetings are budgeted:

- Monthly status meetings to review progress towards project schedule, budget, and scope.
- Six (6) staff project team meetings to review preliminary study results at key milestones.
 - » Two (2) – two (2) hour meetings with staff to review draft revenue requirement results.
 - » Two (2) – two (2) hour meetings with staff to review draft COSA results.
 - » Two (2) – one (1) hour meetings with staff to review draft rate design analyses.
- Seven (7) workshops / presentations to present the study results and incorporate feedback. All other presentations are assumed to be virtual using the County's platform of choice, except where specifically noted. If additional on-site attendance is preferred by the County, we estimate an additional budget of \$1,000 per meeting. If the County determines the need for an on-site meeting an amendment will be completed prior to the start of work to add the additional scope and budget.
 - » One (1) workshop with County staff
 - » Up to two (2) meetings with the Solid Waste Advisory Committee (SWAC)

- » Up to four (4) meetings with the County Executive and/or County Council (anticipated two (2) in-person meetings and two (2) virtual meetings.)

If the County determines the need for additional meetings an amendment will be completed prior to the start of work.

TASK 8: STUDY DELIVERABLES

The Contractor will prepare and submit a draft report to County staff for review and comment. The report will document the assumptions, methodologies, findings, results, and recommendations of the solid waste rate study. A final report will then be prepared based on feedback on the draft report by County staff.

County staff will also be provided with the Excel-based rate and financial toolkit. The toolkit will include all relevant data, analyses, summaries, and rate schedules used in the study to support findings and recommendations.

SCHEDULE

Completion of the analysis is based on a variety of factors. These factors include timeliness of receipt of requested data/information; quality of data; ability to schedule meetings in a timely manner; and the ability of the County to provide policy direction for the study to move forward at key study milestones. The preliminary estimate to deliver the presentations to the County Executive and/or County Council for the revenue requirements and rate recommendations is September/October 2024. We can refine the schedule based on staff direction.

- January 2024: Contract executed.
- February 2024: Project kick-off meeting. Study data received and validated by the Contractor
- March 2024: Review of initial toolkit and potential rate range for budget planning purposes.
- May 2024: Internal review meetings on revenue requirement analyses.
- June 2024: Internal review meetings on cost-of-service analyses.
- July 2024: Internal review meetings on rate design results.
- August 2024: Presentation to Public Works staff.
- September/October 2024: Presentations to SWAC, County Executive, and County Council.

Schedule B
Compensation

Task Detail	Sanchez				Total Hours	Budget Estimate
	Virnoche Principal	Hobson Manager	Sr Analyst	Admin Support		
<i>Hourly Billing Rates</i>	\$280	\$225	\$170	\$95		
Task Plan						
Task 1 Project Kick-Off and Data Validation	2	4	4	4	14	\$2,520
Task 2 Develop Rate and Financial Toolkit	0	2	10	0	12	\$2,150
Task 3 Validate Tonnage and Billing Statistics	0	8	36	0	44	\$7,920
Task 4 Revenue Requirement Analysis	2	12	24	0	38	\$7,340
Task 5 Cost -of-Service Analysis	2	16	16	0	34	\$6,880
Task 6 Rate Design	1	8	16	0	25	\$4,800
Task 7 Meetings & Presentations						
Monthly Project Status Meetings	0	6	6	0	12	\$2,370
Internal Review Meetings	6	12	12	0	30	\$6,420
Presentations (materials and meeting)	8	26	26	0	60	\$12,510
Task 8 Study Deliverables						
Draft and Final Report	2	12	20	0	34	\$6,660
Excel-based Financial Toolkit	0	2	4	0	6	\$1,130
Total Tasks	23	108	174	4	309	\$60,700
Total Budget Estimate						\$60,700

Schedule B-2
Compensation – Fee Schedule

Consultant: FCS Group

Project: SW Rate Study

Position Classification	Hourly Rate	Overhead @0.00%	Profit @0.00%	Max Rate Per Hour
Principal				\$280.00
Project Manager				\$225.00
Sr. Analyst				\$170.00
Admin Support				\$95.00
Technical Writer/Graphic Artist				\$145.00
Public Relations				\$170.00

Only Labor Classifications listed in this Schedule B-2 are eligible for payment. The overhead rate, profit, and max rate per hour listed above are the maximum rates payable under this Agreement. Rates invoiced shall be based on the hourly rate of the individual employee plus overhead plus profit, and shall not exceed the Max Rate per Hour for each classification listed in this Schedule B-2. All Consultant invoices **must** list classifications being invoiced **exactly** as stated in Schedule B-2.

The rates listed in this Schedule B-2 shall be applicable for the first twelve (12) month period and shall be subject to negotiation for the following twelve (12) month period upon request of the Consultant or the County. If negotiations are not conducted for the second or subsequent twelve (12) month periods within ninety (90) days after completion of the previous period, the rates listed in this Agreement, shall be utilized.

Schedule C
Reimbursable Expenses

Subconsultant Services and Other Direct Costs (ODC) will be reimbursed at the Actual Cost to the Consultant with no markup. These charges may include, but are not limited to, the following items:

Reimbursable Classifications	Rates
<u>Mileage</u>	<u>Current IRS Rate</u>
<u>Postage/Courier</u>	<u>At Cost</u>
<u>Outside Vendor Costs</u>	<u>At Cost</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Any ODC not included in the above list shall not be eligible for payment without prior written consent of the County. All reimbursable charges must be necessary for the services provided under this Agreement.

SCHEDULE D
TITLE VI ASSURANCES

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Washington State Department of Transportation, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the Washington State Department of Transportation to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the Washington State Department of Transportation, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the Washington State Department of Transportation may determine to be appropriate, including, but not limited to:
 - a. withholding payments to the contractor under the contract until the contractor complies; and/or
 - b. cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or the Washington State Department of Transportation may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).