

**PROFESSIONAL SERVICES AGREEMENT
(Not Construction Related)**

This Professional Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and Management Partners, a California corporation, authorized to do business in the State of Arizona, ("Consultant") as of the 1st day of October, 2013 ("Effective Date").

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in **Exhibit A**, Project (the "Project or Scope");
- B. Consultant desires to provide City with professional services ("Services") consistent with best consulting practices and the standards set forth in this Agreement, in order to complete the Project; and
- C. City and Consultant desire to memorialize their agreement with this document.

AGREEMENT

The parties hereby agree as follows:

1. Key Personnel; Other Consultants and Subcontractors.

- 1.1 Professional Services. Consultant will provide all Services necessary to assure the Project is completed timely and efficiently consistent within Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other consultants or contractors, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Consultant will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, complete the project and handle all aspects of the Project such that the work produced by Consultant is consistent with applicable standards as detailed in this Agreement; and
 - (2) The City must approve the designated Project Manager.
 - b. Project Team.
 - (1) The Project Manager and all other employees assigned to the Project by Consultant will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Consultant.
 - c. Discharge, Reassign, Replacement.
 - (1) Consultant acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in **Exhibit A**.
 - (2) Consultant will not discharge, reassign, replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Consultant, in which event the substitute must first be approved in writing by City.

(3) Consultant will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties, or if the acts or omissions of that person are detrimental to the development of the Project.

d. Subcontractors. Consultant shall not engage any subcontractor for the work or services to be performed under this Agreement.

2. **Schedule.** The Services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project as specifically detailed in **Exhibit B**.

3. **Consultant's Work.**

3.1 Standard. Consultant must perform Services in accordance with the standards of due diligence, care, and quality prevailing among consultants having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 Licensing. Consultant warrants that:

- a. Consultant currently holds all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and
- b. Neither Consultant nor any Subconsultant has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments, or to examine Consultant's contracting ability.
 - (2) Consultant must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Consultant to notify City as required will constitute a material default under the Agreement.

3.3 Compliance. Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

3.4 Coordination; Interaction.

- a. For projects that the City believes requires the coordination of various professional services, Consultant will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
- b. Subject to any limitations expressly stated in the Project Budget, Consultant will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- c. For projects not involving Coordinating Project Professionals, Consultant will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 Work Product.

- a. Ownership. Upon receipt of payment for Services furnished, Consultant grants to City exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C. § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").

- (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) Consultant warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.
- b. Delivery. Consultant will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.
- c. City Use.
- (1) City may reuse the Work Product at its sole discretion.
 - (2) In the event the Work Product is used for another project without further consultations with Consultant, the City agrees to indemnify and hold Consultant harmless from any claim arising out of the Work Product.
 - (3) In such case, City will also remove any seal and title block from the Work Product

4. **Compensation for the Project.**

- 4.1 Compensation. Consultant's compensation for the Project, including those furnished by its Subconsultants or Subcontractors will not exceed \$46,800 as specifically detailed in **Exhibit C**. ("Compensation").
- 4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated Scope as outlined in the Project is significantly modified.
- a. Adjustments to Compensation require a written amendment to this Agreement and may require City Council approval.
 - b. Additional services which are outside the Scope of the Project contained in this Agreement may not be performed by the Consultant without prior written authorization from the City.
 - c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.

5. **Billings and Payment.**

5.1 Applications.

- a. Consultant will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Consultant and its Subconsultants; and
 - (2) Unconditional waivers and releases on final payment from all Subconsultants as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. Termination.

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- a. Consultant will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Consultant will also be similarly compensated for any approved effort expended, and approved costs incurred, that are directly associated with Project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Consultant fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Consultant will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Consultant for Services furnished, City will pay the amount due to Consultant, less City's damages, in accordance with the provisions of Sec. 5.
- b. If City's direct damages exceed amounts otherwise due to Consultant, Consultant must pay the difference to City immediately upon demand; however, Consultant will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. Conflict. Consultant acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. Insurance.

8.1 Requirements. Consultant must obtain and maintain the following insurance ("Required Insurance"):

- a. Consultant and Subconsultants. Consultant, and each Subconsultant performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively referred to herein as the "Consultant's Policies"), until each Party's obligations under this Agreement are completed.
- b. General Liability.
 - (1) Consultant must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate limit.
 - (2) Subconsultants must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.

- c. Professional Liability. Consultant must maintain a professional errors and omissions liability policy providing a minimum limit of \$1,000,000 for each claim and a \$2,000,000 annual aggregate limit.
- d. Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Consultant and \$1,000,000 per accident for Subconsultants and Subcontractors and covering owned, non-owned and hired automobiles.
- e. Workers' Compensation and Employer's Liability. Consultant must also maintain a workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- f. Notice of Changes. Consultant's Policies must provide for not less than 30 days' advance written notice to City Representative of:
 - (1) Cancellation or termination of Consultant's Policies;
 - (2) Reduction of the coverage limits of any of Consultant's Policies; and
 - (3) Any other material modification of Consultant's Policies related to this Agreement.
- g. Certificates of Insurance.
 - (1) Within 10 business days after the execution of the Agreement, Consultant must deliver to City Representative certificates of insurance for each of Consultant's Policies, which will confirm the existence or issuance of Consultant's Policies in accordance with the provisions of this section, and copies of the endorsements of Consultant's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Consultant's Policies, or to examine Consultant's Policies, or to inform Consultant or Subconsultant, in the event that any coverage does not comply with the requirements of this section.
 - (3) Consultant's failure to secure and maintain Consultant's Policies and to assure Consultant's Policies as required will constitute a material default under the Agreement.
- h. Other Contractors or Vendors.
 - (1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.
 - (2) This insurance coverage must comply with the requirements set forth above for Consultant's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- i. Policies. Except with respect to workers' compensation and professional liability coverages, City must be named and properly endorsed as additional insureds on all liability policies required by this section.
 - (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and reasonably acceptable to all parties.

8.2 Subconsultants.

- a. Consultant must also cause its Subconsultants to obtain and maintain the Required Insurance.
- b. City may consider waiving these insurance requirements for a specific Subconsultant if City is satisfied the amounts required are not commercially available to the Subconsultant and the insurance the Subconsultant does have is appropriate for the Subconsultant's work under this Agreement.
- c. Consultant must provide to the City proof of the Required Insurance whenever requested.

8.3 Indemnification.

- a. To the fullest extent permitted by law, Consultant must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties") for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense" collectively "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Consultant) and that arises out of or results from the breach of this Agreement by the Consultant or the Consultant's negligent actions, errors or omissions (including any Subconsultant or Subcontractor or other person or firm employed by Consultant), whether sustained before or after completion of the Project.
- b. This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Consultant will be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Consultant or of any person or entity for whom Consultant is responsible.
- c. Consultant is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

9. Immigration Law Compliance.

- 9.1 Consultant, and on behalf of any Subconsultant, warrants to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under this section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Consultant, Subconsultant, or employee who performs work under this Agreement to ensure that the Consultant, Subconsultant, or any employee, is compliant with the warranty under this section.
- 9.4 City may conduct random inspections, and upon request of City, Consultant will provide copies of papers and records of Consultant demonstrating continued compliance with the warranty under this section. Consultant agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Consultant agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Consultant and expressly accrue those obligations directly to the benefit of the City. Consultant also agrees to require any Subconsultant to incorporate into each of its own

subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.

- 9.6 Consultant's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Notices.

- 10.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
- a. The Notice is in writing; and
 - b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested).
 - c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day before 5:00 p.m. at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
 - d. The burden of proof of the place and time of delivery is upon the Party giving the Notice.
 - e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

- a. Consultant. Consultant's representative (the "Consultant's Representative") authorized to act on Consultant's behalf with respect to the Project, and his or her address for Notice delivery is:

Management Partners
c/o Andrew S. Belknap
Regional Vice President
2107 North First Street, Suite 470
San Jose, CA 95131

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Julie Frisoni
5850 West Glendale Avenue
Glendale, Arizona 85301

Glendale, Arizona 85301

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

- c. Concurrent Notices.
- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
 - (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by the City Manager and the City Attorney.
 - (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Consultant identifying the designee(s) and their respective addresses for notices.
- d. Changes. Consultant or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

11. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

12. **Entire Agreement; Survival; Counterparts; Signatures.**

12.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Consultant and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. Inconsistencies between the solicitation, any addenda attached to the solicitation, the response or any excerpts attached as **Exhibit A**, and this Agreement, will be resolved by the terms and conditions stated in this Agreement.

12.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

12.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

12.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Electronic signature blocks do not constitute execution for purposes of this Agreement. Any amendment may be subject to City Council approval.

- 12.5 **Remedies.** All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.
- 12.6 **Severability.** If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform with applicable law.
- 12.7 **Counterparts.** This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.
13. **Term.** The term of this Agreement commences upon the effective date and continues for a term no greater than 6 months.
14. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Consultant and City will be resolved in accordance with **Exhibit C**. The final determination will be made by the City.
15. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project/Scope of Work
Exhibit B	Schedule
Exhibit C	Compensation
Exhibit D	Dispute Resolution

(Signatures appear on the following page.)

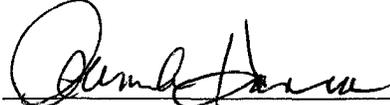
The parties enter into this Agreement effective as of the date shown above.

City of Glendale,
an Arizona municipal corporation



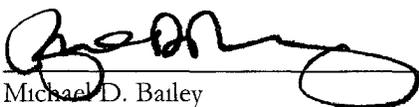
By: Brenda S. Fischer
Its: City Manager

ATTEST:



Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:



Michael D. Bailey
City Attorney

Management Partners,
a California Corporation

By: Andrew S. Belknap
Its: Regional Vice President

The parties enter into this Agreement effective as of the date shown above

City of Glendale,
an Arizona municipal corporation

By Brenda S. Fischer
Its City Manager

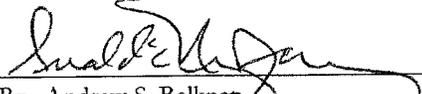
ATTEST

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM

Michael D Bailey
City Attorney

Management Partners,
a California Corporation



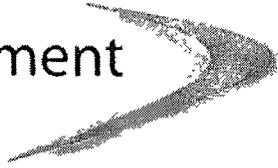
By Andrew S. Belknap
~~Its Regional Vice President~~
By: Gerald E. Newfarmer
Its: President and CEO

EXHIBIT A
Professional Services Agreement

PROJECT

(Cover Page)

Management Partners



September 23, 2013

Ms. Brenda S. Fischer
City Manager
City of Glendale
5850 W. Glendale Avenue
Glendale, AZ 85301

Dear Ms. Fischer:

Management Partners is pleased to provide this revised proposal to assist the City of Glendale with a high level review of the City's organizational structure and staffing at the executive level.

We understand that the primary assignment is to review the organization structure of the enterprise and the key executive positions that lead it down to the division level, to ensure that the divisions are appropriately placed and to identify opportunities for realignment and optimization based on best management practices for municipal services. The review will include input from the City Council as well as the City's executive leadership, with the goal of highlighting opportunities to achieve cost savings and increased efficiency. Management Partners has a well-established record of completing such work for public organizations throughout the United States.

About the Firm

Management Partners is a professional management consulting firm specializing in helping local government leaders. Our firm was founded in 1994 with a specific mission to help local government leaders improve their service to the public. We are a national consulting firm with offices in Orange County and San Jose, California, and Cincinnati, Ohio. We have a well-established track record of helping public sector organizations throughout the United States, including all of the services provided by cities, counties, towns, and special districts at the local level. Our website (www.managementpartners.com) provides more information about our services, clients and team.

The firm is staffed with 60 professionals who are experienced public service managers as well as qualified and experienced management consultants. This group includes generalists as well as subject-matter experts, in such fields as human resources, finance, public works, community development, police and fire services. Our consultants have years of experience working in all aspects of local government management and have built a track record of extraordinary quality



service for our clients. During our 19 years of service, we have served hundreds of local government clients and have earned a national reputation by delivering quality, actionable work products. We bring extensive experience to this project, along with first-hand knowledge of local government operations.

Management Partners has substantial experience in dealing with management structures and operations in large and complex public sector organizations such as the City of Glendale. We have many years of experience working with large and complex local governments across the United States. A sample of management and organizational assessment projects we have conducted includes Long Beach, Sacramento, Oakland, Santa Ana, San Jose, Fresno, and San Francisco, California; North Las Vegas and Washoe County, Nevada; Harrisburg, Pennsylvania; Topeka, Kansas; and Louisville, Kentucky. The firm also has recent experience in Arizona, having completed a comprehensive innovation and efficiency study of the Phoenix Fire Department in 2012 and an organizational development project for the City of Surprise during the past year.

Management Partners can also provide a full range of services, which affords a perspective that assures that individual assignments we perform for clients deliver useful results. Our services include the following.

- Executive Organization and Succession Planning – Organization of the enterprise at the macro-level is basic to its positioning for success. Establishing its executive leadership positions with a quality relationship with its governance Board and creating a succession plan to assure the future of the enterprise is always the starting point. This experience will be key to this project for Glendale because of the emphasis on executive organization, a task that is directly related to the analysis of the structure at the enterprise or executive level.
- Strategic and Business Planning – Can be an important tool for focusing the efforts of an organization and fostering communication between leaders, staff and important stakeholder groups.
- Organizational Analysis and Performance Audits – Also called efficiency studies and organizational reviews, identifies improvements to an operation's efficiency and effectiveness. Management Partners has served hundred local governments with assignments of this type, experience which will assist us in identifying improvement and streamlining opportunities for Glendale.
- Performance Management – Encompasses a wide range of management tools that can be and often are developed independently of one another, including: performance management and measurement, process management, performance budgeting, employee performance evaluation and strategic and process benchmarking.
- Process Improvement – Examines the processes by which customers are served, an important technique for developing a program for operations improvement, including process mapping.



- Financial Planning, Budgeting and Analysis – Assists clients in analyzing their finances and planning for the effective and efficient use of taxpayer or customer dollars.
- Organizational Development and Training – Helps clients develop organizational capacity, a key to developing high performance organizations. Services include executive coaching, customer service training, employee and customer surveys and conflict management workshops.
- Sharing and Consolidation of Services – Offers a more efficient way to provide services, particularly on a regional basis. Options range from the complete integration of previously separate jurisdictions to sharing or consolidating the management of individually delivered services and operations.
- Executive Recruitment – Identifies top candidates for chief executive officer positions and department director level jobs in local governments.

We are also experienced in executive management facilitation, having facilitated numerous council/board and management team workshops and meetings. We have designed and led many civic engagement projects of a broader nature, often in conjunction with strategic planning projects.

We offer a balance of perspectives with a practitioner's bias and a proven track record of successful consulting engagements. This experience gives us a sensitivity that produces positive outcomes. Each of our projects is individually tailored to the unique needs of the client. We have a deep understanding of the service environment of local government and we are proud to say that as a result of our quality work, many of our clients ask us to complete subsequent assignments.

Understanding of the Engagement

The City of Glendale is the fourth largest city in Arizona, serving a population of approximately 232,000. Approximately 1,712 Glendale full-time equivalent (FTE) employees provide a full range of services through 15 operating departments, including the city attorney and city clerk. The City's total operating revenue in FY 2014 is projected to be \$576 million, of which \$336.3 million is for day-to-day operations.

Operating under a council-manager form of government, the city manager currently has seven direct reports, including two assistant city managers, the police chief, fire chief, the city auditor, and the executive directors for human resources and risk management and financial services. Each of the interim assistant city managers oversees multiple operating departments, each lead by an executive director. Spans of control for the executive directors varies widely, with some responsible for multiple divisions comprised of hundreds of employees, while others supervise small departments with fewer than 10 staff.

Under the leadership of the new city manager, Glendale wishes to engage Management Partners to complete a high-level review of the City's organizational structure at the executive



level. The purpose of the study is to recommend an organizational structure that will sustain the City, create fiscal and operational efficiencies and support Glendale's business goals and objectives. Specific project goals include: 1) analyzing the existing organization structure, including executive level responsibilities and spans of control; 2) identifying alternative opportunities for streamlining or realigning functions within the organization to improve efficiency and managerial effectiveness; and 3) supporting the implementation of recommendations for changes in organizational structure through the development of an implementation action plan. Outcomes from this work will position the City to implement industry best practices in management of a municipal corporation, and to thereby improve the efficiency and effectiveness of service delivery.

Management Partners' project team members have a strong knowledge base about the structures and operations of public organizations. We will work collaboratively with City management as we carry out this review, ensuring that we are operating with correct information and a solid understanding of the City's interests. Recommendations will be practical and based on Glendale's environment so that when implemented, overall performance will be enhanced.

Scope of Work

The depth of experience that Management Partners' team members bring to this engagement, coupled with our creative approach to addressing pertinent issues, will result in solutions that will be beneficial to the City of Glendale. Based on our experience and our understanding of your needs, we have prepared the detailed plan of work below. This framework is amenable to refinement to adapt it to your specific interests.

Activity 1 – Start Project

Management Partners will begin this project with a careful learning phase, starting with a planning meeting with you and the interim assistant city manager so we have a clear understanding of your objectives. During the kickoff meeting we will confirm the work plan and schedule to ensure our proposed scope of work is aligned precisely to meet your goals and objectives, and to give you confidence that we fully understand the background, concerns, and outcomes you are seeking.

In addition to covering logistics such as who should be interviewed and communication protocols, we will also discuss timing in relation to other activities occurring in the City. We understand that the work associated with this review is in addition to the normal work and must be integrated in a way that minimizes disruption.

The project start-up activity will lay the foundation for the partnership between our project team and the City and will ensure that we approach this project in a manner that blends staff's knowledge and experience with the expertise provided by Management Partners. Throughout the project we will keep you informed of our progress.



During this activity we also will request relevant background information including organization charts, staffing information, business and strategic plans, and performance metrics.

Activity 2 – Conduct Interviews and Analysis

Next, Management Partners will review relevant background information and documentation provided to us by the City concerning recent organizational issues and studies. We will use the information we have gathered through our review of the City's policies, Strategic Plan and organization charts, to analyze the existing organizational structure and staffing, including span of control, organizational redundancies and other relevant structural metrics. We are informed by our active consulting practice with clients throughout the nation and will apply our knowledge of industry best practices in our analysis.

Based on our review of the available documentation, we will develop a list of issues and questions and a draft interview guide to be used during the interview process. We will begin by interviewing the Mayor and each City Councilmember to learn their perspectives about organizational strengths and opportunities for improvement, as well as to hear their ideas for improving cost effectiveness and increasing efficiency in the provision of municipal services.

We will then interview members of the executive staff. We will inventory the programs and services under their direction, ask about management systems that are in place as well as their perspectives on Glendale's strengths and weaknesses and its organizational structure, and seek ideas for improving operational efficiency and innovation. These in depth interviews will allow executive staff members to share their ideas about improvements for the entire organization.

Concurrently with the interviews we will research organizational structures for three or four comparable cities and analyze their potential applicability to Glendale. Based on our interviews and this analysis, we will identify opportunities to optimize and streamline the City's organizational structure. We will create alternative organizational models that would position the City to best meet its performance and service delivery objectives. Each model will contain a description of costs, benefits and level of complexity to implement. This information will be presented in Activity 3 as described below.

Additionally, we will prepare a specific recommendation for an organizational design for the City that meets the objectives stated above. It will identify positions to be created, eliminated or merged to facilitate the City's objectives and ensure appropriate executive spans of control. We also will prepare other recommendations pertaining to staffing, training, performance management, and other operational streamlining or process improvements that emerge during our analysis. Our recommendations will include general timeframes for implementation as well as a communication strategy for informing employees about organizational changes.



Activity 3 – Report Results

Management Partners will prepare a summary of our analysis and preliminary recommendations developed from the previous activity. We will review our observations and recommendations with you and the interim assistant city manager to obtain your input about the options and recommended organizational design prior to the preparation of our report. Based on your input, we will draft a project report in the form of a PowerPoint presentation. We will review the draft presentation with you and refine it based on your input. Once finalized, we will present the report to the City's executive team, and if desired, the Mayor and City Council.

Activity 4 – Support Implementation

As former local government managers, Management Partners has a strong bias for action. We pride ourselves on being the authors of reports that do not just sit on shelves. Rather, we provide our clients with a management tool to implement (and track implementation of) the recommendations contained in our report and remain available to assist with the implementation process. In Glendale we foresee two discrete implementation assistance elements.

- **Implementation Action Plan.** Based on the results of the above activities, Management Partners will prepare a draft Implementation Action Plan. The draft Action Plan will list each separate recommendation, including component milestones. This is designed to be an executable plan of work that identifies each recommendation and its relative priority, as well as the key steps necessary for implementation, a timeline or schedule, major milestones, required resources, and assigned responsibility. We will develop this plan in consultation with you and the City's executive team, as we are cognizant that implementation of the recommendations must occur in conjunction with other ongoing responsibilities. The purpose of the draft action plan is to provide an easy means by which the City can manage the implementation of the recommendations and ensure accountability for progress.
- **Implementation Consultation.** As part of our commitment to helping Glendale, we will also provide informal consultation following delivery of our report to ensure that the success of this effort is realized. Our project staff would be available to assist the City as necessary to accomplish implementation tasks. This work would be separately scoped at the direction and discretion of the City.

Management Partners' Team

Because of the importance and sensitivity of the executive organization review, Management Partners will assign senior associates to complete the work for the City of Glendale. This project will be a top priority for Management Partners and our team members will be available in whatever capacity and with whatever availability will contribute to the success of the project. Andy Belknap, Regional Vice President, will serve as project director and will oversee the



substantive work of the project. Cathy Standiford will serve as project manager and will be responsible for execution of the project. They will be assisted by Nancy Hetrick, Alan Rosen, and Suzanne Martin. The significant qualifications of each team member are briefly summarized below.

Andrew Belknap, Regional Vice President

Andrew Belknap is responsible for Management Partners' western operations, based in San Jose and Costa Mesa, California. He has more than 20 years of local government experience, including service as a city manager, public works director, and consultant to California municipalities, counties and special districts. His areas of expertise include fiscal and budget analysis, municipal restructuring, governance models and developing service delivery partnerships and functional consolidations to take advantage of economies of scale in public sector service delivery. With Management Partners, Belknap has served well over 100 local governments in California, Nevada and Arizona, many on multiple occasions.

Cathy Standiford, Partner

Cathy Standiford has developed her expertise in strategic management, operations analysis, organizational development, team building, and problem solving during 27 years of public sector experience. Before joining Management Partners she held executive level positions in three California communities, including assistant city manager for the City of Santa Ana, city manager for the City of La Palma, and deputy city manager for the City of Garden Grove. An ICMA Credentialed Manager since 2004, Cathy is recognized for her knowledge of municipal government operations and policy issues. She is a skilled facilitator and trainer, and serves as an adjunct professor for California State University Fullerton's Public Sector Leadership in the 21st Century program. Some of the clients Cathy has assisted include the cities of Long Beach, Sacramento, San Jose, Anaheim, Fullerton, Fremont, Huntington Beach, Mission Viejo, Orange, Placentia, Newport Beach, Rohnert Park, Santa Monica, Seal Beach, Glendale and Glendora; the Cambria Community Health Care District; Ventura County; the Santa Barbara County Association of Governments; and Chrysalis Enterprises, a non-profit organization based in Los Angeles.

Nancy Hetrick, Senior Manager

Nancy Hetrick is an experienced facilitator with expertise in strategic planning, team building, and facilitating problem-solving and process improvement initiatives. In addition, she is skilled in the areas of performance management, succession planning, organizational and process improvement, and budget development. Nancy led the County of San Mateo's Outcome-Based Management program and has supported local government clients with the design and implementation of performance measurement systems. Nancy is certified to administer the Myers-Briggs Type Indicator assessment instrument. She has led projects with local governments including the Bay Area cities of Rohnert Park, Redwood City, San Carlos, Fairfax,



Orinda, Merced, Martinez, San Jose and Santa Cruz; the Sacramento Area Council of Governments; the Peninsula Library Partnership; and the Bay Area Counties of Alameda, San Mateo, Marin, Monterey, and Santa Clara.

Alan Rosen, Senior Management Advisor

Alan Rosen has more than 12 years of diverse non-profit, state and local government management experience in New York, Florida, Georgia, and Nevada including service as the budget manager for a large county. He helped implement outcome-based budgeting in Broward County, Florida, and Fulton County, Georgia. His areas of expertise include fiscal and budget analysis, performance measurement, process improvement and group facilitation. Alan was trained in process improvement and served as an internal consultant in two large local governments. He brings a blend of analytical, budgetary and strategic skills that add value to all aspects of local government.

Suzanne Martin, Management Advisor

Suzanne Martin joined Management Partners in May 2010. Since that time, Suzanne has performed benchmarking analyses, organizational assessments and analytical research for a wide variety of projects, including user fee assessments, service consolidation studies, and budget stabilization projects. Having received her master's degree in public administration from San Francisco State University in December 2009, Suzanne brings expertise in conducting qualitative and quantitative research. Before joining Management Partners, Suzanne spent two years as a graduate student intern at the California Public Utilities Commission, where she conducted business services-related program evaluation and policy analysis. Suzanne is also a member of Pi Alpha Alpha.

References

Management Partners has conducted a number of high-level executive organizational reviews for municipalities. Several references are provided below.

Sacramento, California

Management Partners provided analytical and project management assistance to develop significant cost savings in four focus areas identified by the City: Public Works and Utilities Departments, Parks and Recreation, Mayor/City Council, and Purchasing and Contracts. High-level recommendations and potential savings assessments were provided to the City in a short timeframe to meet budget needs. Proposed savings were based on best practices and Management Partners' experience in helping local governments reduce costs. Estimated savings ranged from \$770,000 to \$1,577,000 for the General Fund and from \$1,898,000 to \$2,426,000 to non-General Fund operations.



Client Contact: Mr. John Shirey, City Manager
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811
(916) 808-7495
jfshirey@cityofsacramento.org

Surprise, Arizona

After several reorganizations, significant staffing cuts due to severe budget constraints, and several leadership changes, the City of Surprise hired Management Partners to complete an organization review of the Public Works Department. The department includes solid waste and recycling, engineering, capital planning, streets, facility management and water and wastewater functions. Detailed recommendations addressed management of the department, staffing, workload, technology and business systems, and operational issues, as well as the organizational structure, to position the organization for success. We also supplied an Implementation Action Plan which will provide a blueprint for action when the new department director is hired.

Client Contact: Mr. Chris Hillman, City Manager
Chris.Hillman@surpriseaz.gov
or
Mr. Jeffrey Jeff Mihelich, Assistant City Manager
16000 N. Civic Center Plaza
Surprise, AZ 85374
(623) 222-3000
Jeff.Mihelich@surpriseaz.gov

Long Beach, California

Management Partners conducted an organizational scan of Long Beach to identify opportunities for restructuring, reforming or otherwise improving the organization to achieve long-term financial stability. The project included interviews, benchmarking and a review of documents ranging from budget and organization charts to the City Charter and labor association agreements. We also researched best practices from large municipalities and analyzed their applicability to the City. Management Partners identified at least \$28 million in potential savings that could be achieved through changes in compensation, alternative service delivery and consolidation of similar functions within the government. We are currently assisting the City with the implementation of multiple recommendations.

Client Contact: Mr. Patrick West, City Manager
333 W. Ocean Boulevard
Long Beach, CA 90802
(562) 570-6916
Patrick.west@longbeach.gov



Schedule and Pricing

Management Partners estimates that 249 hours will be required to complete the organization review described in the scope of work above. The table below shows a breakdown of hours based on each activity that will be undertaken.

Activity	Hours
1 – Start Project	19
2 – Conduct Interviews and Analysis	154
3 – Report Results	51
4 – Support Implementation	25
Total	249

The ultimate test of a quality project is that the client is pleased with the results and we are committed to achieving that goal. The total fee to complete the project described in this proposal is \$46,800 which includes our expenses.

A proposed schedule for our work with the City of Glendale is provided as an attachment. We expect to refine this schedule with you during the project start-up (Activity 1) as discussed previously.

Conclusion

Management Partners brings strong qualifications to assist the City of Glendale with this important assignment. Because of our work serving local government and our experience bringing the discipline of best practices and current management strategies and techniques to bear on the organizations we assist, we know the knowledge and skills required to operate a best-in-class enterprise. We look forward to the opportunity to be of service to the City of Glendale.

Sincerely,



Andrew S. Belknap
Regional Vice President

Accepted for the City of Glendale by:

Name: B. Fischer

Title: City Manager

Date: 10/1/13



EXHIBIT B
Professional Services Agreement

SCHEDULE

(Cover Page)

Attachment – Proposed Project Schedule

Executive Organization Review City of Glendale, AZ		Start	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
		10/7	10/14	10/21	10/28	11/4	11/11	11/18	11/25	12/2	12/9	12/16	12/23	12/30	1/6	1/13	1/20
Activity 1 Start Project																	
1	1 Prepare work plan and document request, kickoff meeting agenda																
1	2 Conduct kickoff meeting with City Manager, Assistant City Manager																
1	3 Refine work plan and schedule																
1	4 Coordinate logistics for interviews																
Activity 2 Conduct Interviews and Analysis		10/7	10/14	10/21	10/28	11/4	11/11	11/18	11/25	12/2	12/9	12/16	12/23	12/30	1/6	1/13	1/20
2	1 Review background information on organizational structure																
2	2 Prepare interview guide																
2	3 Interview City Council and executive staff, prepare notes, develop themes																
2	4 Research executive organizational structures and applicability to Glendale																
2	5 Identify opportunities for optimization and streamlining																
2	6 Develop alternative organizational structure options																
2	7 Develop preliminary observations and recommendations																
Activity 3 Report Results		10/7	10/14	10/21	10/28	11/4	11/11	11/18	11/25	12/2	12/9	12/16	12/23	12/30	1/6	1/13	1/20
3	1 Review preliminary observations and recommendations with City management																
3	2 Draft project report (PowerPoint presentation)																
3	3 Review draft report with City management																
3	4 Finalize report																
3	5 Present report to Mayor and City Council																
Activity 4 Support Implementation		10/7	10/14	10/21	10/28	11/4	11/11	11/18	11/25	12/2	12/9	12/16	12/23	12/30	1/6	1/13	1/20
4	1 Draft implementation action plan																
4	2 Review action plan with City management																
4	3 Refine action plan based on input from City																



EXHIBIT C
Professional Services Agreement

COMPENSATION

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Consultant for full completion of all work required by the Project during the entire term of the Project must not exceed \$46,800.

EXHIBIT D
Professional Services Agreement

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
- a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
- a. The parties will exercise best efforts to select an arbitrator within five business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 15 years' experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within 10 days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.

- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
- 2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
- 2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party will pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Consultant must continue to perform and maintain progress of required Services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Consultant in accordance with this Agreement.

4. **Exceptions.**

- 4.1 Third Party Claims. City and Consultant are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third party who is not obligated by contract to arbitrate disputes with City and Consultant.
- 4.2 Liens. City or Consultant may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
- 4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.