

*A Proposal to Perform a  
City-wide User Fee Study for*

**The City of Gainesville, Florida**

COPY

**March 10, 2000**

**Presented by:**

**DMG-MAXIMUS**

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# MAXIMUS

*Helping Government Serve The People*

March 9, 2000

Ralph Wisco  
Senior Buyer  
City of Gainesville  
General Government Purchasing  
200 East University Avenue, Room 339  
Gainesville, FL 32601

COPY

Mr. Wisco:

DMG-MAXIMUS is proud to submit its response to RFP #000338-FBXX-RW, Request for Proposals for a Comprehensive User Fee Study. Our packet includes 5 bound copies (1 original plus 4 copies) of our proposal plus 5 bound copies of a user fee study recently completed for the City of Cape Coral, Florida.

As you review our proposal please be aware of the following:

- Our proposed senior level project team has worked together on over 25 user fee studies within the State of Florida and our assigned Project Manager has worked on every Florida user fee study completed by DMG-MAXIMUS in the past 10 years. Our State of Florida, local government user fee experience is unmatched.
- In every one of those studies we have at least identified four times the cost of the study in annual, recurring non-tax revenue for our clients. In some cases the additional revenue recovery was 10 to 15 times the original fee.
- We have responded to the requirements of the RFP and included a review of the City's solid waste fees. This requires a different methodology than a typical fee study. A proposal that does not recognize the difference between the type of fees and the operating structure of these differing departments is deficient.
- Further, our assigned project team has presented our user fee methodology to the Florida Government Finance Officers Association (FGFOA) and to the Building Officials Association of Florida (BOAF). Both project team consultants are also members of both of those organizations. Additionally, in conjunction with our previous user fee studies we have made numerous presentations to construction and development associations as well as parks and recreation advisory boards. Assisting our client with the implementation of our recommended fees is a key part of our success.

- Our project team recognizes the difference in cost recovery philosophies depends upon the service being provided. For example, a parks and recreation department may require some subsidy level especially as it pertains to services for children, senior citizens and/or others on a fixed or low income versus the cost recovery methodology within a building or planning department where full cost recovery is usually desired.
- We also recognize and have extensive experience in developing new fee areas for our clients and in reviewing flat as well as variable fees, such as a building department fee based on square footage or valuation.
- Our project team has experience that is very up-to-date such as structuring fees around a "one-stop" permitting organization, assuring that all costs are included in a fee recommendation to include "cross-over" costs, and in the latest legislative changes that may affect your city's departments such as House Bill 4181 that has significantly changed the cost recovery and service delivery requirements within building, planning and zoning departments in Florida.

Finally, please note that this proposal includes a price reduction from our standard hourly rate of \$125 per hour to \$115 per hour and a reduction in our travel expense budget from 15% to 10%. Additionally, we have assembled our proposal with separate hours per department, should the City only be interested in selecting certain departments and not initiating a city-wide study or segregating the study into phases. Please do not hesitate to call me if you have any additional questions or comments.

Sincerely,



Matt Matherne  
Senior Manager

/mlm  
Attachments

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Exhibit A: Required Forms - Drug Free Workplace Form

***SECTION I***  
***FIRM PROFILE***

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## SECTION I: FIRM PROFILE

DMG-MAXIMUS was founded in 1976 to provide public sector agencies specialized services in the field of indirect cost recovery. In 1982 we extended our service offering to include user fee studies and general cost management consulting. We currently operate from 31 offices in twenty-four states and the Commonwealth of Puerto Rico. The firm employs over 300 professionals and annually serves over 1,800 state and local government jurisdictions by providing cost allocation plans, indirect cost proposals, user fee studies, impact fee/special assessment studies and privatization studies for a variety of government and non-profit agencies.

DMG-MAXIMUS is a privately owned corporation, with all stock held by its corporate officers. DMG-MAXIMUS is licensed to conduct business in Florida under Charter # 84-84-46 dated March 11, 1981.

Because of DMG-MAXIMUS's tenure in the field of cost allocation and general government cost management services, we have become the preeminent firm in this area. It is this national expertise along with our State of Florida city and county expertise of our Tallahassee Office that will ensure The City of Gainesville the most successful engagement possible. The Tallahassee project team assembled for this engagement has conducted over 40 User Fee Evaluations and Alternative Financing Studies in Florida.

DMG-MAXIMUS in the past year has conducted more User Fee Studies and Revenue Enhancement in the state of Florida than all of our competitors combined. In every study conducted, the following issues have been addressed:

- ◆ Identification of the costs incurred by Cities and Counties to provide specific services;
- ◆ Recommendations as to the most practical means for funding these services; and
- ◆ Sound guidance as to policy formulation regarding the implementation of all recommendations.

DMG-MAXIMUS's approach to project management is designed to ensure the highest level of success and economy for our clients. This engagement and all of its phases will be managed and directed from the Tallahassee Office of DMG-MAXIMUS. This office is staffed with one Director, 1 Senior Manager, 1 Manager and 1 Senior Consultant and two administrative staff positions. Our computer support and analysis resides in Tallahassee so that immediate access to data or client information can be maintained. This proximity to the engagement will guarantee The City of Gainesville the same continued high level of responsiveness that all clients within Florida receive.

***SECTION II***  
***PROJECT MANAGEMENT***

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## SECTION II. PROJECT MANAGEMENT

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DMG-MAXIMUS will be utilizing several concepts to ensure the highest level of goals and objectives attainment. DMG-MAXIMUS would recommend an initial project kick off meeting involving key leadership and administrative staff. This will provide an opportunity both for the staff and the consultants to clearly outline the project's goals and objectives and as important, what the project is not intended to accomplish.

DMG-MAXIMUS will also maintain constant contact with the City during our off-site analysis and report compilation. This will allow for continued consensus building during the course of the engagement and will eliminate the likelihood of any unanticipated results.

There are other factors, which will save the City time, money, and assure the implementation of the study:

- ✓ **Experienced Staff.** Our project staff are seasoned professionals, we do not train our staff at the clients expense. Specific job assignments are made on the basis of the consultant's experience. User fee studies are one of our major products in Florida.
- ✓ **Familiarity with Departments.** Our familiarity with the City of Gainesville's departmental structure, services provided, as well as the national and regional experience of team members assures the City that our recognition of special factors will provide the City with the maximum service possible at the most efficient costs.
- ✓ **Formalized Work Plan.** Our familiarity with Florida municipal governmental structure and building, planning, zoning, engineering, parks and recreation, solid waste, and public safety operations gained from other studies allows us to formalize a work plan immediately. The City will not be paying for unnecessary planning and strategy sessions. We will commence our analysis on day one of the job.
- ✓ **On-site Working Manager.** By having an on-site working manager, the City will not be paying for an extra tier of overhead, also the manager will direct and monitor staff daily to assure that unproductive pursuits of fees which have no or minimal revenue generating capability are substantially minimized or eliminated. Special issues that arise can be thoroughly analyzed and resolved immediately.
- ✓ **Flexible Computerized Modeling Software.** Our software was specifically designed for one sole purpose, to analyze user fee services. While we make every attempt to validate our results, occasionally errors or misinterpretations are discovered during the review phase of the engagement. Our system permits for an easy revision process.



- ✓ **Location.** Our office is based in Tallahassee, Florida and key staff members reside in the state. In addition to a reduction of travel expenses, this assures the City of immediate response to any questions which may arise as a result of the study and staff with knowledge of Florida regulations, trends, and other intangible knowledge.

### **A. MANAGEMENT STRUCTURE**

DMG-MAXIMUS will be utilizing a full-time Project Manager (Matt Matherne - see "Qualifications" section) who will be responsible for all phases of each project. The management structure utilized for each project is consistent with that used in all Florida engagements in the past eighteen months. Because of this approach, we have been able to respond to timetables and project objectives that would strain most resources. DMG-MAXIMUS has met all project schedules. In every case, the revenue identified exceeded those anticipated.

DMG-MAXIMUS has assigned the most experienced project team to this engagement. The Project Manager, and consultants assigned to this engagement have extensive experience in managing multiple projects in addition to having specific prior City of Gainesville and service cost evaluation experience.

### **B. STAFF SUPPORT FROM THE CITY OF GAINESVILLE**

DMG-MAXIMUS would require that one main point of contact be assigned to assist DMG-MAXIMUS with the following:

1. Obtaining reports necessary for completion of the User Fee Study, and
2. Setting up interviews with staff necessary for the completion of the User Fee Study

Other staff support from The City of Gainesville would be minimal and consist mainly of time for interviews.

***SECTION III***

***TECHNICAL PROPOSAL***

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(i.e. fee) related work and therefore costs, because it cannot be verified that the caller will in fact pull a permit at a later date.

Typically, building, planning, zoning and engineering departments, although heavily identified with the issuance of permits and the generation of fees, are also intense providers of public information and service regarding local, state and federal codes and regulations. DMG-MAXIMUS's methodology in any service cost evaluation is to only allocate the time and cost attributable with the delivery of a specific service to the respective permit fee area.

The Service Cost Analysis will accomplish the following for the City:

- ✓ Identify opportunities for increased revenues based on reducing subsidies for services where charges are currently levied and establishing new charges in other services areas;
- ✓ Provide the City with complete detailed documentation on all current and prospective user fee services; and
- ✓ Develop a better understanding of the locality's cost structure and operating organization. Traditional budgetary and reporting systems generally focus on funding operations, rather than the cost of such services.

DMG-MAXIMUS proposes the following technical approach to meet the project's objectives.

- ✓ Data collection and research process to provide a total understanding of the locality's operation. Sound analysis during this phase will ensure comprehensive analysis in subsequent phases.
- ✓ Involvement and interviews of department managers to identify all services of the locality. This is essential to develop a comprehensive cost analysis of all activities with a particular emphasis on identifying areas where service costs could be established.
- ✓ Interaction with managers and officials to determine that project results are consistent with their objectives and can be implemented.
- ✓ Computer based analysis documenting complex cost analysis of services. Since computer based models will be used, alternative analyses can be performed to best reflect actual circumstances. This would maximize the use of the project's results.

### **B. 1. WORK PLAN (includes all departments except Solid Waste services - we have included the review of Solid Waste fees as a separate methodology, see B. 2.)**

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The following work plan details the major tasks involved in the technical approach to achieve the project's objectives.

- Task 1. Project Initiation.** Assure that the goals and objectives of the project are clearly understood and that the work plan meets the needs of the City. Any modifications will be made as required and the timetable for the various projects will be validated. A presentation will be made to appropriate staff to assure that all central service departments and operating department principals are fully cognizant of the scope of work to be accomplished and the nature of the input required from their respective organizations.
- Task 2. Schedule of Current and Potential Charges and Fee Policy Analysis.** Current and potential charges will be identified and documented. This analysis is carried down to the level of determining what fees are levied to whom and what the current cost of fees is based upon (e.g., cost, arbitrary assumption of cost, etc.). In addition to documenting all current and potential fee areas, the project team will determine the city's fee recovery policy (if one is present). Once this is determined, DMG-MAXIMUS will survey 5 other comparable jurisdictions to determine their fee recovery policies as well.
- Task 3. Cost/Revenue Analysis.** The heart of any analysis of service charge financing is identifying and documenting the cost and revenue potential of a specific service area. Because most local government accounting and financial management systems are not designed to capture expense data by units of service provided, acquiring this information may be more difficult than it might seem. Data may be recorded in various cost centers and funds, and it will be difficult to ascertain all costs associated with the provisions of a specific service. In many cases, only direct operating and maintenance expenses can readily be documented. All expenses however, including operations, maintenance, overhead, capital, and debt service will be documented and accounted for in this analysis.
- Task 4. Analyze Employee Effort or Services at the Departmental/Divisional Level.** Most government services are labor based; benefits are proportional to the relative effort of the staff. Accordingly, the primary method to allocate costs in the service departments would be based on labor cost.

*The initial task to allocate labor in the departments would be to identify all services and activities of employees within departments/divisions. This can be accomplished in many ways:*

- (a) Where time sheets are available, DMG-MAXIMUS may use recorded time data and test its validity. If valid, time from the time sheets will be first grouped by fee and non-fee areas. Time for fee areas will then be further grouped by specific fee areas to the extent possible. Through a careful review of the labor costs included in the fee areas, DMG-MAXIMUS will assure the City the defensibility of each recommended fee.*
- (b) In the absence of a formalized time recording system (which is most often the case), employees will be interviewed to determine relative time of processing for reviewing fee specific area. This process involves far more than "How much time do you spend processing ...?" Time estimates from interviews are subjected to validation in several ways to include:*
  - (1) Analyzing an employee's job responsibilities. Some employees, such as clerical permit clerks, are only involved in fee areas. Other employees, such as a Planner have a myriad of job responsibilities, some fee related, some not. Each activity must be evaluated to determine the benefit to the end user.*
  - (2) Taking time and motion samples. A sample of work effort can additionally be monitored to ascertain a "time per unit" for a fee specific service area.*
  - (3) Comparing the above with the total assigned staffing by service area.*

*The direct labor hours will be calculated for all services identified. Many services provided by the City require the involvement of multiple departments or divisions. Full costs for all departments will be summed for each potential fee. This is extremely important since most competitors that conduct these types of studies do not speak to the issues of "cross-over cost."*

*In addition to accurately calculating the full costs, the cost determination process will provide service indicators relative to productivity, turnaround time and service delivery. This will ensure that the user is charged for the most efficient level of service and will increase the probability of charging full cost. This would encompass total direct hours in providing the service including administration, review, and quality control in addition to the hours involved in directly providing the service.*

*The estimated demand for services will be determined. This will be based on an average of the prior year's results and/or an estimate of current year's activity.*

*Before our analysis is finalized, costs will be reconciled to the budget or financial statements, whichever is the basis of the cost analysis. Thereafter, allocations and results will be reviewed with departments to determine whether allocations fairly reflect organizational structure. Again, this is critical since this study is probably one of the first instances where department operations have been analyzed in such a comprehensive manner.*

*We will identify costs and develop specific fee recommendations in all user fee services provided in these departments and offices.*

**Task 5. Calculate Total Service Area Cost.** The total cost by service area consists of the labor cost as compiled through our computerized system, departmental costs other than personnel services (professional services, contractual services, commodities, etc.), agency/departmental administration, central service costs, centrally budgeted costs, and cross over costs. These costs are combined for analysis in the Direct Cost Distribution Module of the FASTR System.

*The primary benefits from the use of a tailored modeling system as opposed to generic cost allocation systems are many:*

- (a) Labor costs, which are the most important element of the cost determination process, are documented at a far more detailed level. Each individual position is profiled by fee area. Labor costs are computed by individual and fee area and summarized. Traditional cost allocation software "rolls up" labor into a single line item cost component. Through experience, DMG-MAXIMUS has learned that this hampers detailed explanation of "fee component costs."*
- (b) As a by product, a fee schedule is provided for each fee area.*
- (c) When a fee process requires multiple department involvement, our modeling system provides flexibility to the precise transference to per unit cost from multiple departments and the consolidation into a fee specific area. The system was designed to provide an audit trail, which is essential to providing and assuring the credibility of each fee. Cost allocation software does not provide a clear audit trail for user fee purposes. In our opinion, when a fee area cannot be identified by the providing department, the accuracy of such costs is often questioned. This can affect the study credibility and implementability.*

**Task 6. Summarize Revenues and Costs by Service Area.** The costs developed during Tasks 3 and 4 are combined with the revenue history data from Task 1. A separate schedule detailing the information for each fee area, regardless of whether or not there is a current charge, is prepared through an automated Detailed Revenue/Cost Comparison module. These schedules include the following information.

- ◆ **Description of the fee**
  - ◆ **Title**
  - ◆ **Responsible Department**
  - ◆ **Fee schedule**
- ◆ **Revenue history**
- ◆ **Service costs**
  - ◆ **Standard cost (based on direct, specific time and labor costs)**
  - ◆ **Prorated cost (standard cost plus adjustments for indirect, nonspecific)**
- ◆ **Management/implementation recommendations**
- ◆ **Projected revenue under existing and proposed rates**

*Each summary is reviewed with department personnel, including decisions on what action should be taken. These documents will be extracted from the final draft and bound separately.*

## **B. 2. SOLID WASTE FEES WORK PLAN**

Within the context of the city-wide user fee study, DMG-MAXIMUS also understands that the City of Gainesville is seeking the following:

- A formal review of the City's present rates and rate structure for determining and charging for contracted solid waste collection services. This review will include and provide the City with a detailed full cost rate analysis for the development of Single Family, Multi-Family, and Commercial solid waste collection rates.
- It is also our understanding that the city is requesting consulting services to determine the full cost of contracted solid waste operations that will allow the City to create a rate structure that will recover those costs from each of the customer classifications. The overall goal is to establish a rate structure that is equitable to all customer classifications.

DMG-MAXIMUS proposes the following technical approach to meet this portion of the project's objectives.

- A data collection and research process to provide a total understanding of the City of Gainesville's contracted solid waste operation. Sound analysis during this phase will ensure comprehensive analysis in subsequent phases.

- Interaction with managers and officials to determine that project results are consistent with ~~their objectives and can be implemented.~~
- A second data collection and research process to determine the full cost of the city's contracted solid waste operations. An analysis of this data will be conducted to determine rates segregated by customer category (Single family, multi-family, commercial, etc.) which will recover such costs.

The study team will conduct the solid waste portion of this study in accordance with the following work plan.

***Task a. Project Initiation***

Assure that the goals and objectives of the project are clearly understood and that the work plan meets the needs of the City. Any modifications will be made as required and the timetable for the various tasks will be validated. A presentation will be made to appropriate staff to assure that the operating department principals are fully cognizant of the scope of work to be accomplished and the nature of the input required from their organization.

***Task b. Data Collection***

During this task, the consultant team will meet with the Public Works and/or Solid Waste Manager(s) or designee(s), to review data already collected and analyzed, and to audit the information request letter to ascertain the availability of additional requested financial and service delivery data. As a result of DMG-MAXIMUS' analysis of data already collected and interviews with staff during the project initiation, additional pieces of information may be requested as well.

***Task c. Data Review and Analysis***

During this task, the consultants will review and analyze the city data and information, and schedule interviews with key departmental staff to obtain further information or clarify data already collected. This will include a review of the following type of information by customer classification:

- Total number of customers by customer category
- Total direct contract labor hours by customer category and employee position
- Equipment usage by customer category
- Operation cost of equipment to include fuel and maintenance
- Equipment depreciation cost
- Other supply and service costs
- Average stops made and average time per stop
- Number and sizes of containers



- Travel time and distance for disposal
- Tonnage collected (if available)
- Appropriate allocation of departmental and city indirect costs

### **Task d.      *Development of Findings***

During this task, the consultant will make a determination of the equitable allocation of costs per customer within each classification based on the levels of services provided.

**Task 7 - (Both Workplans).      Review Project Results with Management and Project Advisory Groups.** At this stage of the project, the local subsidy for each service will have been calculated. The ultimate project objective is to increase the locality's revenues by setting charges closer to actual costs. There are several issues which must be considered, which include

- ♦ **Appropriateness of fee structure**
- ♦ **Impact on service demand**
- ♦ **Political feasibility**
- ♦ **Existing legislation**
- ♦ **Effects on a social group**

*During Task 7, we will review the initial results and discuss each service cost area with management and the project advisory groups to finalize recommendations regarding new fee levels. The schedules developed in the previous step will be revised to reflect any changes during this review. The final decision will be made by the City; however, DMG-MAXIMUS consultants will provide insights and recommendations.*

*Special attention should be given to researching the legal authority to implement and/or increase service costs. At a minimum, changes to service costs would require changes to local laws and ordinances. This would be the ideal time to involve the City Attorney or his or her designees to determine the legality of any changes proposed and what steps would be necessary to implement proposed changes. Any legal obstacles identified by the City Attorney to implement increases, particularly in State laws, would be included in our final report to enable the City to initiate corrective action. The results for all cost areas will be consolidated into a summary schedule.*

**Task 8.      Prepare and Provide Draft Report** Our standard procedure is to provide our project report to our clients in draft form prior to final distribution. This procedure provides an opportunity to discuss individual recommendations in detail prior to report finalization. Based upon these discussions, the draft report will be modified as required and submitted in final form. DMG-MAXIMUS will provide 20 copies of the final report to the City.

**Task 9.      Present Final Report.** The recommendations and input of the proposed engagement may be controversial. The subject of costs for services raises many

important considerations within the governmental arena at the political level and with the public.

*It is extremely important that all parties fully understand the basis for and rationale behind the project findings and recommendations. To this end, DMG-MAXIMUS is committed to working to ensure that requisite level of understanding. To ensure the greatest success for the City, DMG-MAXIMUS recommends the following:*

- ✓ *An in-depth presentation to staff/department analysts of the methodology underlying the cost and revenue analysis.*
- ✓ *A workshop presentation to the leadership to provide an overview of the project and its findings. Any questions concerning the project would be answered at this time.*

**Task 10. Project Close-Out.** In the final task, we perform those activities necessary to insure successful project completion. Included are:

- ◆ **Remaining questions are answered;**
- ◆ **Methodology for proposed update requirements are discussed; and,**
- ◆ **Group discussions with affected interest groups.**

### **C. EXPLANATION OF THE FASTR SYSTEM**

The service costs developed in this study will be generated through a DMG-MAXIMUS proprietary computer model called the FASTR System (Fee And Service Technical Review). The system consists of integrated spreadsheets, each designed to assist in the process of determining appropriate fees and charges. The FASTR System has been used in over 20 states and over 400 projects to determine the cost of service for fees in many different departments.

In any Service Cost Evaluation study, there are typically four levels of analysis. First, central service costs of the staff operation (City Manager, finance, personnel, building costs, etc.) have to be allocated to the operating (fee for service) departments.

Next, each of the fee areas must be identified. Labor typically represents the single largest cost component of services provided. By examining how much time is spent providing service, we can begin to identify costs. The analysis depends upon the availability of information and the nature of the services provided. This is a critical stage because information developed here is the basis for determining final service costs. To assist in this phase, the consultant and the departmental representatives develop either the Direct Labor Distribution (DLD) cost analysis or the Salary Summary spreadsheet (when detailed time records are not available). This provides an identification of direct service (labor) costs to each fee or service area.

Once the direct labor costs are known, the next level involves identifying service and supply costs, along with departmental and City-wide overhead. This is accomplished through the use of the Direct Cost Distribution (DCD) spreadsheet. The labor cost spreadsheet is now integrated into cost development.

The fourth stage consists of a detailed examination of each fee area, comparing costs to fees and assisting the department in recommending a fee increase if warranted. The Detailed Revenue and Cost (DRC) spreadsheet provides a separate page of information for each fee or service area. Each DRC information sheet contains integrated data from the DLD and DCD spread-sheets, along with manually entered information on revenue history of the particular fee and information unique to each fee area examined.

In summary, the FASTR system provides a flexible, detailed analysis of each existing or potential fee area. The system allows departmental management to examine their programs from a new perspective, see the financial impact of alternative actions, and predict staffing requirements due to volume increases or decreases.

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***SECTION IV***  
***QUALIFICATIONS***

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## SECTION IV. QUALIFICATIONS

DMG-MAXIMUS has received the express endorsement of several nationally recognized associations to provide cost allocation and service cost evaluation services. The Florida Counties Foundation, which is the technical service arm of the Florida Association of Counties, issued an RFP on a national basis to retain a firm to provide cost allocation and user fee study services to local government entities. As a result of that competitive search, DMG-MAXIMUS was selected to provide these services on behalf of the Florida Counties Foundation. DMG-MAXIMUS is very proud of this endorsement and views this as another example of our commitment to provide professional consulting services to local governments in the state of Florida. Additionally, after a review of our project team's resumes (contained within this section) that our project manager has served as a presenter on the topic of full cost user fees and the costing of governmental services on 3 separate occasions for the Florida Government Finance Officers Association (FGFOA).

### A. FIRM QUALIFICATIONS

The following User Fee Study references have been selected because they represent those projects similar in depth and breadth to the City of Gainesville. In addition, they also best illustrate the diversity of DMG-MAXIMUS's staff and expertise in providing such services. Finally, as requested in the please note that at least one (in most cases both) of the staff referenced in this proposal have worked on the following studies that have occurred within the past 3 years. (\*\*We have also included with this proposal, a copy of a user fee study completed for the City of Cape Coral.)

<b>**City of Cape Coral</b>	<b>Ms. Laurel Czerwinski Management/Budget Administrator</b>	<b>(941) 574-0491</b>
<p>DMG-MAXIMUS was engaged by the City of Cope Coral in 1999 to conduct a User Fee study for the Department of Community Development (Building, Planning, Zoning and Engineering). The DMG-MAXIMUS project team consisted of Matt Matherne and David Jahosky. This study identified over \$700,000 in additional non-tax revenue. Besides the additional revenues realized from this study, DMG-MAXIMUS's analyses of the Department's various fee schedules resulting in the consolidation of many fees into a single fee which provided the City with a more concise and "user friendly" fee schedule. Additionally, this initial study effort (won via an RFP) resulted in an additional sole source contract with the city to review their fees within the Fire and Public Works Departments.</p>		

<b>City of Ft. Lauderdale</b>	<b>Keith Allen</b>	<b>(954) 761-5191</b>
	<b>Division Manager, Inspection Services</b>	
<p>DMG-MAXIMUS was engaged in 1995 and again in 1998 through a competitive process by the City to conduct a user fee study for Building, Zoning, Landscaping, and Engineering Services. This project not only identified additional non-tax revenue (over \$1.5 million), but made major recommendations on the revamping of the City's fee schedule. This resulted in a conversion of their fee schedule from a cubic foot basis to a square foot basis. Matt Matherne (referenced in this proposal), conducted both of these studies for Fort Lauderdale.</p>		

<b>City of Tallahassee</b>	<b>Mr. Dwight Arnold</b> <b>Director of Department of Growth Management and Tom Quillan, Fire Chief</b>	<b>(850) 891-7150</b>
<p>DMG-MAXIMUS was engaged by the City of Tallahassee in 1992, 1994 and 1997 to conduct detailed user fee studies service costs and fee levels when providing fee-for-service activities.</p> <p>The ABC analysis focused on the Growth Management Department which consists of the following divisions:</p> <ul style="list-style-type: none"><li>o Building Inspections</li><li>o Concurrency</li><li>o Land Use Administration</li><li>o Environmental Services</li><li>o Life/Safety</li></ul> <p>DMG-MAXIMUS's 1997 analysis of fee related services identified \$445,964 in additional annual revenue which could be recovered through appropriate, reasonable increases in current fee schedules. This study also provided the City with a cost analysis based on the City's shift to a "one stop permitting" process and other service delivery efficiencies put into effect since the 1994 study as well as provided numerous recommendations regarding the structure of certain fee areas (flat versus variable) to provide the Department with more flexibility and equity in the pricing of services. Matt Matherne (referenced in this proposal), conducted these studies for the City of Tallahassee. David Jahosky (also referenced in this proposal) conducted the 1997 study with Matt. All recommendations were implemented.</p>		

<b>Martin County</b>	<b>Mr. Randall H. Reid</b> <b>Deputy County Administrator</b> <b>(Now County Administrator for</b> <b>Alachua County)</b>	<b>(561) 288-5430</b> <b>Alachua County # (352)-</b> <b>374-5210</b>
<p>Matt Matherne and David Jahosky, the project team for this proposal completed a 1998 study for Martin County that identified over \$600,000 in appropriate fee increases. DMG-MAXIMUS studied the Fire Prevention, Growth Management and Public Services Departments. In total, over 100 fee areas were reviewed. All recommendations were implemented.</p>		

<b>Sarasota County</b>	<b>Mr. Donald A. Neu or Lou Mikos,</b> <b>Transportation and Development</b> <b>Services Directors respectively</b>	<b>(941) 378-6852</b>
<p>In 1999, DMG-MAXIMUS completed a user fee evaluation for the Development Services Division. The analysis identified approximately \$1.2 million in additional fee related revenue that could be recovered through fee increases. The study also consolidated the County's fee schedule for ease of use by both applicants and County staff. Costs from over 8 separate departments and divisions within the County were consolidated into a single fee schedule to allow for the County's new "one stop" permitting approach. All recommendations were implemented. Matt Matherne and David Jahosky (referenced in this proposal) conducted this study for Sarasota County.</p>		

<b>City of Coral Springs</b>	<b>Mr. David Russek</b>	<b>(954) 344-1087</b>
	<b>Director of Financial Management</b>	
<p>DMG-MAXIMUS has been engaged by the City of Coral Springs since 1990 to conduct four major User Fee and studies (the most recent study was conducted in 1997). DMG-MAXIMUS has had the opportunity to work with every general fund department of the City. These studies have identified over \$3 million in additional non-tax revenue. Besides the additional revenues realized from these studies, DMG-MAXIMUS's analyses of the Building Department in 1993 consisted of a user fee study with an emphasis on creating a more concise and "user friendly" fee schedule. DMG-MAXIMUS's recommendations provided the City with a 4 page fee schedule which covered all 4 disciplines (structural, electrical, mechanical and plumbing) as compared to the City's original 39 page fee schedule. Matt Matherne (referenced in this proposal), conducted all of these studies for Coral Springs. All recommendations were implemented.</p>		

**OTHER REFERENCES: COST OF SERVICES ANALYSIS**

<b><i>CLIENT</i></b>	<b><i>CONTACT</i></b>	<b><i>PHONE NUMBER</i></b>
City of Sunrise	Mr. Christopher Cotler, Building Director	(954) 797-1050
Broward County	Mr. Cos Tornese, Director of Building and Permitting	(954) 765-5081
Southwest Florida Water Management District	Mr. C. Donald Rome Technical Services	(352) 796-7211
City of Venice	Mr. Med Kopcinski, Growth Management Director	(941) 486-2626



## B. PROJECT TEAM QUALIFICATIONS

DMG-MAXIMUS has assigned the most experienced project team to this engagement. The Senior Manager and Senior Consultant assigned to this engagement have extensive experience in cost of service studies for Florida local governments. Specifically, team members outlined in this section have been involved with every user fee study conducted by DMG-MAXIMUS in Florida over the past 8 years.

The following is the project team assigned to this engagement:

<b>MATT MATHERNE</b>
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Mr. Matherne is a Senior Manager for DMG-MAXIMUS, whose work history includes almost two years of experience in local government in the State of Florida, and over nine years of progressive work and management responsibilities with DMG-MAXIMUS. Prior to joining DMG-MAXIMUS, Mr. Matherne participated in the development and implementation of plans for large-scale annexation and consolidation. His responsibilities included the intergovernmental coordination between county governments, the University of Florida, numerous municipalities and the legislative delegation.

Mr. Matherne, in his nine years with DMG-MAXIMUS, has been involved in the preparation and management of almost 200 user fee, operations review, non-ad valorem assessment and alternative financing studies for Florida counties, cities, special districts and the State of Florida. The topics and applications of the studies include cost identification and recovery from user fees, grant funds, special revenue funds, enterprise funds, impact fee funds, and internal service funds. Matt has worked directly with most service areas within local and state government to include, but not limited to; utility, public works, building, zoning, planning, police, animal control, fire rescue and solid waste departments. A select set of specific examples of user fee studies Matt has completed includes:

- o Sarasota County
- o City of Cape Coral
- o Martin County
- o City of Sunrise
- o City of Tallahassee
- o Town of Davie
- o Alachua County
- o City of Pensacola
- o City of Tamarac
- o City of Fort Lauderdale
- o City of Coral Springs
- o City of Ormond Beach

Mr. Matherne's consulting experience also includes projects in North Carolina, South Carolina, Georgia and Puerto Rico. Additionally he has served as a presenter for the Florida Government Finance Officers Association on 3 separate occasions over the past 3 years on the topic of user fees and non-ad valorem assessments. He conducted a seminar on the topic of full cost user fees for the Building Officials Association of Florida (BOAF) and is a member of that organization as well.

### **Education**

Mr. Matherne received a Bachelor of Arts in History, a Master of Arts in Political Science as well as Certificates in Florida Studies and Public Administration from the University of Florida.

### **Relevant Professional Organizations**

FGFOA  
BOAF

<b>DAVID JAHOSKY</b>
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Mr. Jahosky is a Senior Consultant with DMG-MAXIMUS, whose work history includes three years experience in local government in Florida and Georgia and four years of progressive work and project management responsibilities with DMG-MAXIMUS. While employed with Cobb County Government (Georgia), Mr. Jahosky participated in the development and implementation of a Biennial Budget and publishing the annual *Budget in Brief* document. He gained an extensive knowledge of governmental accounting as well as the budgetary and strategic planning impacts on local government. His responsibilities included feasibility studies, management audits, budget preparation and analysis, and financial reports. These projects have required the intergovernmental coordination between city and county governments, numerous municipalities and Elected Officials.

While employed in local government, Mr. Jahosky served on the Local Government Finance System (LGFS) transition team. Team members assisted the County Manager's Office and the Finance Department with the software conversion from the Accounting Resource Management System (ARMS) to the LGFS system.

Mr. Jahosky's DMG-MAXIMUS experience includes extensive work in conducting user fee studies and in the development of alternative revenue methodologies for local governments. In this capacity, he has conducted numerous studies for Florida cities and counties. Also Mr. Jahosky has assisted in the preparation and data management support of numerous cost allocation plans. Other areas in which he has experience are non-ad valorem assessments and economic development studies. Specific examples of user fee studies are as follows:

- o Pensacola
- o Cape Coral
- o Tallahassee
- o Tamarac
- o Hollywood
- o Homestead
- o Margate
- o North Lauderdale
- o Sarasota County
- o Martin County

### **Education**

Mr. Jahosky received a Bachelor of Arts in Political Science and a Master of Arts in Political Science with a Certificate in Public Administration, both from the University of Florida. He has additional post graduate work in the field of Business Administration from Kennesaw State University, Marietta, Georgia, as well as post graduate work from the Carl Vincent Institute of Government, University of Georgia.

### **Relevant Professional Organizations – Previous and Current**

Florida GFOA  
Georgia GFOA

BOAF

***SECTION V***  
***PRICE PROPOSAL***

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## SECTION V. PRICE PROPOSAL

DMG-MAXIMUS will provide to the City of Gainesville a guaranteed, not-to-exceed fee for the User Fee Study. Please note, the City's RFP (#000338-FBXX-RW) listed general fee areas for review such as "Public Safety" and "Parks and Recreation." The fee quote listed below specifies our quote on a per department basis. This was done after a review of the City's 1999-2000 Financial and Operating Plan. The term "Public Safety" as referred to in the RFP could include the Fire Inspection and EMS services or the City may only want one of these areas reviewed. Essentially, any departments that the City does not want reviewed that are included in the following list will reflect a decrease in our price proposal. Further, if there is a department that is not included, we can provide a quote for that department.

Additionally, please note that the methodology for conducting a review of solid waste fees is different (especially a review of a contract service provider) than the technical methodology utilized to review other types of user fees. We have included a separate methodology and price for the review of solid waste fees as well. Finally, our standard hourly rate is \$125 per hour and our standard charge for travel and production related expenses is 15%. For the purposes of responding to this proposal, we have reduced both of these factors to \$115 per hour and 10% respectively.

### A. PRICE PROPOSAL BY DEPARTMENT

#### Hours Per Department and Task

Department/Task	On-Site	Office Analysis	Total	Fees @ \$115/Hr.
Code Enforcement	8	16	24	\$2,760
Planning	32	64	96	\$11,040
Fire Inspections	16	32	48	\$5,520
EMS	16	32	48	\$5,520
Transportation Engineering & Planning	16	32	48	\$5,520
Stormwater Development Review	16	32	48	\$5,520
Building Inspection	32	64	96	\$11,040
Recreation and Parks	40	80	120	\$13,800
Ironwood Golf Course	32	64	96	\$11,040
Solid Waste Services	40	80	120	\$13,800
Finalize Report and Present Findings	8	16	24	\$2,760
<b>Totals</b>	<b>256</b>	<b>512</b>	<b>768</b>	<b>\$88,320</b>
<b>Expenses @ 10%</b>				<b>\$8,832</b>
<b>Grand Total</b>				<b>\$97,152</b>

**B. TIMELINE**

<b>DELIVERABLE</b>	<b>DATE</b>	<b>BILLING TERMS/AMOUNTS</b>
<b>SERVICE COST EVALUATION</b>		
1. Complete all Field Work	30 Days after Project Initiation	N/A
2. Draft Report	90 Days after Project Initiation	50% of Contract Amount
3. Final Report	10 Days after Receipt of City's Comments	50% of Contract Amount

***EXHIBIT A***  
***REQUIRED FORMS***

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# DRUG FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certifies that

DMG-MAXIMUS

(Name of Business)

does:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty of nolo contendere to, any violation of Chapter 893, Florida Statutes, or of any controlled substance law of the United State or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

  
Bidder's Signature

3/5/2000  
Date