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DA's
Brianna Chelly

APPROVED FEB. 6, 2003 ITEM #11
DOUGLAS COUNTY BOARD OF COMMISSIONERS

FILED
NO. 2003.073

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CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A CONTRACT BETWEEN DOUGLAS COUNTY

AND

BARBARA REED
CLERK
BY *[Signature]* DEPUTY

R3 Consulting Group, Inc.
4811 Chippendale Drive, Suite 902 Sacramento, California 95481

WHEREAS, Douglas County, a political subdivision of the State of Nevada, from time to time requires the services of independent contractors; and

WHEREAS, it is deemed that the services of Contractor herein specified are both necessary and desirable and in the best interests of Douglas County; and

WHEREAS, Contractor represents that he is duly qualified, equipped, staffed, ready, willing and able to perform and render the services hereinafter described;

NOW, THEREFORE, in consideration of the agreements herein made, the parties mutually agree as follows:

1. EFFECTIVE DATE OF CONTRACT. This contract shall not become effective until and unless approved by the Douglas County Board of County Commissioners.

2. INDEPENDENT CONTRACTOR STATUS. The parties agree that Contractor shall have the status of an independent contractor and that this contract, by explicit agreement of the parties, incorporates and applies the provisions of NRS 284.713, as necessarily adapted, to the parties, including that Contractor is not a County employee and that

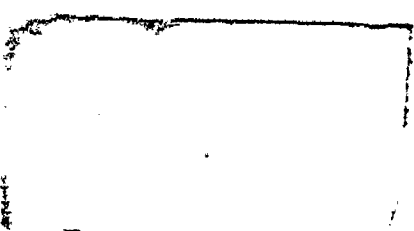
There shall be no:

- (1) Withholding of income taxes by the County;
- (2) Industrial insurance coverage provided by the County;
- (3) Participation in group insurance plans which may be available to employees of the County;
- (4) Participation or contributions by either the independent contractor or the County to the public employees retirement system;
- (5) Accumulation of vacation leave or sick leave;
- (6) Unemployment compensation coverage provided by the County if the requirements of NRS 612.085 for independent contractors are met.

3. INDUSTRIAL INSURANCE. Contractor agrees to maintain required workers compensation coverage that is effective in Nevada throughout the entire term of the contract. If contractor does not maintain coverage throughout the entire term of the contract, contractor agrees that County may, at any time the coverage is not maintained

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by contractor, order the contractor to stop work, suspend the contract, or terminate the contract.

4. SERVICES TO BE PERFORMED. The parties agree that the services to be performed are in the attached scope of services.

5. PAYMENT FOR SERVICES. Contractor agrees to provide the services set forth in Paragraph (4) at a cost not to exceed a total cost of \$51,000. Contractor agrees to submit billings to the County which will be paid within a reasonable time.

6. TERMINATION OF CONTRACT. This contract may be revoked without cause by either party, provided that a revocation shall not be effective until 60 days after a party has served written notice upon the other party.

7. CONSTRUCTION OF CONTRACT. This contract shall be construed and interpreted according to the laws of the State of Nevada.

8. COMPLIANCE WITH APPLICABLE LAWS. Contractor shall fully and completely comply with all applicable local, state and federal laws, regulations, orders, or requirements of any sort in carrying out the obligations of this contract, including, but not limited to, all federal, state, and local accounting procedures and requirements and all immigration and naturalization laws.

9. ASSIGNMENT. Contractor shall neither assign, transfer nor delegate any rights, obligations or duties under this contract without the prior written consent of the County.

10. COUNTY INSPECTION. The books, records, documents and accounting procedures and practices of Contractor related to this contract shall be subject to inspection, examination and audit by the County, including, but not limited to, the contracting agency, the County Manager, the District Attorney, and, if applicable, the Comptroller General of the United States, or any authorized representative of those entities.

11. DISPOSITION OF CONTRACT MATERIALS. Any books, reports, studies, photographs, negatives or other documents, data, drawings or other materials prepared by or supplied to Contractor in the performance of its obligations under this contract shall be the exclusive property of the County and all such materials shall be remitted and delivered, at Contractor's expense, by Contractor to the County upon completion, termination or cancellation of this contract. Alternatively, if the County provides its written approval to Contractor, any books, reports, studies, photographs, negatives or other documents, data, drawings or other materials prepared by or supplied to Contractor in the performance of its obligations under this contract must be retained by Contractor for a minimum of six years after final payment is made and all other pending matters are closed. If, at any time during the retention period, the County, in writing,

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requests any or all of the materials, then Contractor shall promptly remit and deliver the materials, at Contractor's expense, to the County. Contractor shall not use, willingly allow or cause to have such materials used for any purpose other than the performance of Contractor's obligations under this contract without the prior written consent of the County.

12. PUBLIC RECORDS LAW. Contractor expressly agrees that all documents ever submitted, filed, or deposited with the County by Contractor (including those remitted to the County by Contractor pursuant to ¶ 4, 5 10 and 11), unless designated as confidential by a specific statute of the State of Nevada, shall be treated as public records pursuant to NRS ch. 239 and shall be available for inspection and copying by any person, as defined in NRS § 0.039, or any governmental entity.

13. INDEMNIFICATION. Contractor agrees to indemnify and save and hold the County, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this contract by Contractor or Contractor's agents or employees.

14. MODIFICATION OF CONTRACT. This contract constitutes the entire contract between the parties and may only be modified by a written amendment signed by the parties and approved by the Board of County Commissioners.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be signed and intend to be legally bound thereby.

Robert D. Williams *President* 2/25/03
3R Consulting Group, Inc. (Date)

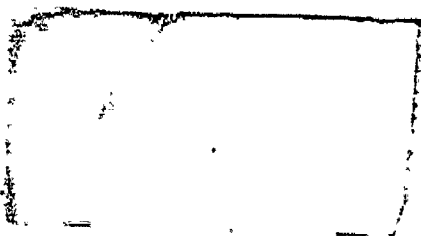
John P. Williams 3/25/03
DOUGLAS COUNTY (Date)

Approved as to form by:

J. Chalk
Deputy District Attorney

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Scope of Services

Task 1: Financial Model

R3 Consulting Group (R3CG) will develop a financial model to assist the County and Douglas Disposal Inc. (DDI), to review projected costs of operations of the DDI services under a variety of "what if" scenarios. The model will be developed using Microsoft Excel and Visual Basic for Applications programming language.

Task 1.1: Develop Financial Model

R3CG will meet with members of Douglas Disposal Inc, and Freeman and Williams, LLC to discuss to what extent current and historical data are available for use in developing the financial model. We will then develop an outline of the financial model and meet with County staff and members of DDI to review and finalize the outline. Based on the results of that meeting we will develop the financial model. The model will utilize both current and historical operating and financial data along with such variables as population growth, tonnage, tipping fees, customer counts, recycling material prices and DDI cost data to provide projections of solid costs for the County. The model will be developed to provide projections over a constant ten year period under a variety of "what" type scenarios. It will allow the County to evaluate changes in up to 100 variables simultaneously. In addition, it will use a "historically proactive" methodology to continually reevaluate annual projections based on the cumulative results of each annual reporting period.

Task 1.2: Implementation of the Model

Once the financial model has been developed, we will hold a working session with County staff and representatives of DDI to demonstrate the model and to obtain comments on modifications that may be requested after all parties have seen the model in operation. We will finalize the model based on that meeting and prepare the Protocol Manual. This manual will describe the methodology behind the model and provide the details needed to operate it.

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R3CG will then distribute individual models and protocols to the County and DDI for their use.

Task 2: Provide Rate Making Manual Language

R3CG will assist the County in amending the Rate Making Manual to specify annual rate adjustments utilizing a multiple index tied to the solid waste industry.

Task 2.1: Provide Language for Rate Adjustments

R3CG will provide language to amend the Rate Making Manual to specify annual rate adjustments utilizing a multiple index that is specific to the solid waste industry. We will provide the Rate Making Manual language in preliminary draft, draft and final form. As part of this task we will attend two (2) meetings with members of staff and representatives from DDI.

Task 2.2: Presentation to the Board of County Commissioners

If requested R3GC will make one (1) presentation to the Douglas County Board of County Commissioners. The presentation will be made to present the proposed changes to the Rate Making Manual.

Task 3: Debris Box Program

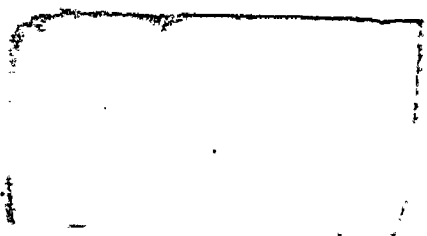
R3GC will assist the County in developing a non-exclusive franchise program for debris box collection services. This will include development of the franchise agreement, the franchise application and drafts of the appropriate ordinance. This program will provide the County with more regulatory control over the disposal of materials collected in debris boxes and the companies providing the services. In addition, through the use of a franchise fee system, the County can provide additional support for the funding of the Transfer Station Bonds which are currently funded through franchise fees from the collection of various other types of solid waste.

Task 3.1: Development of Non-Exclusive Debris Box Franchise Program

R3CG will assist the County in the development of a non-exclusive debris box program. As part of this task we will participate in up to three meeting with

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County staff and debris box haulers to develop the operational and reporting requirements of the program. IN addition we will assist staff in the development of the non-exclusive franchise agreement and the non-exclusive franchise application form.

Once these steps are complete we will participate in one Commission study session and one public hearing to present the details of the program.

Task 3.2: Revise Solid Waste Ordinances

R3CG will assist the County Attorneys office in revising the solid waste ordinances to incorporate the requirements of the non-exclusive franchise program for debris box collection services.

SCHEDULE

R3CG is committed to completing this project review and providing a working financial model to the County in a time frame that will meet the needs of the County. We anticipate completing the model by the end of March and delivering the final protocols by April 15th. A detailed project schedule will be developed with the County based on the initial meeting.

BUDGET

The following is the budget to complete the three tasks.

Consulting Services for Douglas County

Task	Hours	Cost ¹
Task 1: Financial Model	200	\$26,400 ²
Task 2: Rate Making Manual Revision	64	\$9,600
Task 3: Non-Exclusive	100	\$15,000
Total Not To Exceed	364	\$51,000

REQUESTED BY
DOUGLAS COUNTY
 IN OFFICIAL RECORDS OF
 DOUGLAS CO. NEVADA

2003 MAR 28 AM 8:19

WERNER CHRISTEN
 RECORDER

PAID *KY* DEPUTY

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: March 26, 2003
 B. Lopez Clerk of the Judicial District Court
 of the State of Nevada, in and for the County of Douglas.

By Carol M. Hullock Deputy

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