

OFFICIAL RECORD

Requested By:

DC/PUBLIC WORKS

Assessor's Parcel Number: N/A

Date: MARCH 18, 2011

Recording Requested By:

Douglas County - NV
Karen Ellison - Recorder

Page: 1 Of 11 Fee: 0.00
BK-0311 PG-3828 RPTT: 0.00



Name: EILEEN CHURCH, PUBLIC WORKS
(CP)

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

CONTRACT #2011.052

(Title of Document)

FILED

2011.052

CONTRACT FOR SERVICES BY AN INDEPENDENT CONTRACTOR

2011 MAR 18 AM 9:41

A CONTRACT BETWEEN

DOUGLAS COUNTY

AND

**R3 CONSULTING GROUP, INC.
4811 CHIPENDALE DRIVE, SUITE 708
SACRAMENTO, CA 95841**

TESTERAN
CLERK
[Signature]

This Contract for Services by an Independent Contractor (the "Contract") is made this 17th day of March, 2011, by and between Douglas County, Nevada, a political subdivision of the State of Nevada, through the Board of County Commissioners, (the "County"), and R3 Consulting Group, Inc., a California corporation. The County and Contractor are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

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 personal services of Contractor herein specified are both necessary and desirable and in the best interests of Douglas County; and

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

NOW, THEREFORE, in consideration of the mutual promises and covenants herein made, the County and Contractor mutually agree as follows:

1. EFFECTIVE DATE AND TERM OF CONTRACT. The Contract will become effective on the date it is approved by the Douglas County Board of County Commissioners and is signed by representatives of both Parties. The term will be for two years unless terminated sooner as provided hereinafter.

2. INDEPENDENT CONTRACTOR STATUS. The Parties agree Contractor will have the status of an independent contractor and that the Contract, by explicit agreement of the Parties, incorporates and applies the provisions of NRS 333.700, as necessarily adapted to the Parties, including the express understanding that Contractor is not an employee of the County 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 Contractor or the County to the public employee's retirement system;
- (5) Accumulation of vacation leave or sick leave; and
- (6) Unemployment compensation coverage provided by the County if the requirements of NRS 612.085 for independent contractors are met.

3. INDUSTRIAL INSURANCE.

A. Unless the Contractor complies with Paragraph B below, Contractor further agrees that, prior to the commencement of any work and as a precondition to any obligation of the County to make any payment under the Contract, Contractor will provide the County with a work certificate and/or a certificate issued by a qualified insurer in accordance with NRS 616B.627. Contractor also agrees that, prior to commencing any work under the Contract, Contractor will complete and provide to the County the following written request to Contractor's insurer:

R3 Consulting Group has entered into a contract with Douglas County to perform work from March 14, 2011 to March 13, 2013 and requests that the an authorized insurer provide to Douglas County: (1) A certificate of coverage issued pursuant to NRS 616B.627 and (2) Notice of any lapse in coverage or nonpayment of coverage that the Contractor is required to maintain. The certificate and notice should be mailed to:

Douglas County
Public Works
Post Office Box 218
Minden, Nevada 89423

Contractor agrees to maintain all required workers' compensation coverage throughout the entire term of the Contract. If Contractor does not maintain the required coverage throughout the entire term of the Contract, Contractor agrees that the County may, at any time the coverage is not maintained by Contractor, order the Contractor to stop work, suspend the Contract, or terminate the Contract at the sole discretion of the County. For each six-month period this Contract is in effect, Contractor agrees, prior to the expiration of the six-month period, to provide another written request to the insurer for the provision of a certificate and notice of lapse in, or nonpayment of, insurance coverage. If Contractor does not make the request or does not provide the certificate before the expiration of the six-month period, Contractor agrees that the County may order the Contractor to stop work, suspend the Contract, or terminate the Contract at the sole discretion of the County.

B. Contractor may, in lieu of furnishing a certificate of an insurer, provide an affidavit stating under oath that Contractor is a sole proprietor and that:

- 1. In accordance with the provisions of NRS 616B.659, has not elected to be included within the terms, conditions and provisions of chapters 616A to 616D, inclusive, of the Nevada Revised Statutes; and
- 2. Is otherwise in compliance with the requirements of Nevada law.

4. SERVICES TO BE PERFORMED. The Parties agree that the personal services to be performed are attached hereto as Exhibit "1." The language of the Contract shall supersede any conflicting language contained in Exhibit 1.

5. PAYMENT FOR SERVICES. Contractor agrees to provide the personal services set forth in Paragraph 4 at a cost of sixteen thousand one hundred (\$16,100.00). Unless Contractor has received a written exemption from the County, Contractor will submit monthly requests for payment to the County for any services performed under the Contract. Requests for payment by Contractor may only be made for services actually rendered or for reimbursement of actual expenses incurred and paid by Contractor. Requests for payment must be submitted no later than fifteen (15) days after the end of a month and must include a detailed summary of the expenditures reported in a form that supports the approved budget. Specifically, Contractor agrees to provide with each request for payment a schedule of actual expenditures for the period, cumulative total expenditures for the entire Contract, and a comparison of cumulative total expenditures to the approved budget.

6. TERMINATION OF CONTRACT. Either party may terminate the Contract without cause provided that any termination will not become effective until 30 days after the terminating Party has served written notice upon the other Party. All monies due and owing at the time of the termination of the Contract will be paid by Douglas County, unless the Contract is terminated pursuant to paragraph 21.

7. NONAPPROPRIATION. All payments required pursuant to the Contract are contingent upon the availability of County funds. In accordance with NRS 354.626 and any other applicable provision of law, the financial obligations between the Parties will not exceed those monies appropriated and approved by the County for the Contract for the then current fiscal year under the Local Government Budget Act. The Contract will terminate and the County's obligations will be extinguished if the County fails to appropriate the necessary funding.

Nothing in the Contract will be construed to provide Contractor with a right of payment from any entity other than the County. Any funds budgeted by the County pursuant to the terms of the Contract that are not paid to Contractor will automatically revert to the County's discretionary control upon the completion, termination, or cancellation of the Contract. The County will not have any obligation to re-award or to provide, in any manner, the unexpended funds to Contractor. Contractor will have no claim of any sort to the unexpended funds.

8. CONSTRUCTION OF CONTRACT. The Contract will be construed and interpreted according to the laws of the State of Nevada. There will be no presumption for or against the drafter in interpreting or enforcing the Contract. In the event a dispute arises between the Parties, the Parties promise and agree to first meet and confer to resolve any dispute. If such meeting does not resolve the dispute, then the Parties agree to mediate any dispute arising from or relating to the Contract before an independent mediator. The fee, rate or charge of the mediator will be shared equally by the Parties, who will otherwise be responsible for their own attorney's fees and costs. If mediation is unsuccessful, litigation may only proceed before a department of the Ninth Judicial Court of the State of Nevada in and for the County of Douglas that was not involved in the mediation process and attorney's fees and costs will be awarded to

the prevailing party at the discretion of the court. The mediator and court will recognize any offers of judgment made by a Party pursuant to Nevada law.

9. COMPLIANCE WITH APPLICABLE LAWS. Contractor promises and agrees to 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 the Contract, including, but not limited to, all federal, state, and local accounting procedures and requirements and all immigration and naturalization laws.

10. ASSIGNMENT. Contractor will neither assign, transfer nor delegate any rights, obligations or duties under the Contract without the prior written consent of the County.

11. COUNTY INSPECTION. The books, records, documents and accounting procedures and practices of Contractor related to the Contract will 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.

12. 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 the Contract (the "Materials") will be the exclusive property of the County and all such materials will be remitted and delivered, at Contractor's expense, to the County by Contractor upon the completion, termination or cancellation of the contract. Alternatively, if the County provides its written approval to Contractor, the Materials must be retained by Contractor for a minimum of six years after Contractor's receipt of the final payment from County and all other pending matters are closed. If, at any time during the retention period, the County, in writing, requests any or all of the Materials, then Contractor will promptly remit and deliver the materials, at Contractor's expense, to the County. Unless the County has requested the remittance and delivery by Contractor of the Materials, Contractor will not use, willingly allow or cause to have such Materials used for any purpose other than the performance of Contractor's obligations under the terms of the Contract without the prior written consent of the County.

13. PUBLIC RECORDS LAW. Contractor expressly understands and agrees that all documents submitted, filed, or deposited with the County by Contractor (including those remitted to the County by Contractor pursuant to Paragraph 15, unless designated as confidential by a specific statute of the State of Nevada, will be treated as public records pursuant to NRS chapter 239 and shall be available for inspection and copying by any person, as defined in NRS 0.039, or any governmental entity. Contractor expressly and indefinitely waives all of its rights to bring, including but not limited to, by way complaint, interpleader, intervention, or any third party practice, any claims, demands, suits, actions, judgments, or executions, for damages or any other relief, in any administrative or judicial forum, against the County or any of its officers or employees, in either their official or individual capacity, for violations of or infringement of the copyright laws of the United States or of any other nation.

14. INDEMNIFICATION. Contractor agrees to indemnify, defend, and save and hold the County, its agents and employees harmless from any and all claims, causes of action or liability arising from or related to Contractor's performance pursuant to the terms of the Contract by Contractor or Contractor's agents or employees.

15. MODIFICATION OF CONTRACT. The Contract constitutes the entire agreement and understanding between the Parties and may only be modified by a written amendment signed by both of the Parties.

16. AUTHORITY. The Parties represent and warrant that they have the authority to enter into this agreement.

17. STANDARD OF CARE. Contractor will perform all services in a manner consistent with that level of care and skill ordinarily exercised by other members of Contractor's profession currently practicing in the same locality under similar conditions.

18. Waiver of Lien. Contractor understands and agrees that the services it will render to the County are not intended for the improvement of real property or to otherwise grant any rights to Contractor pursuant to NRC chapter 108.

19. THIRD PARTY BENEFICIARY. Nothing contained in this Agreement is intended to convey any rights or to create a contractual relationship with any third party or to otherwise allow a third party to assert a cause of action against either Contractor or County.

20. Notices. All notices, requests, demands and other communications hereunder must be in writing and will be deemed delivered when sent via certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

To County: Douglas County
Attn: Public Works Director
1120 Airport Road, F2
P.O. Box 218
Minden, NV 89423
Telephone: (775) 782-6227

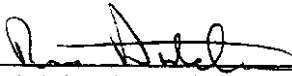
To Contractor: R3 Consulting Group
4811 Chippendale Drive, Suite 708
Sacramento, CA 95841
Telephone: (916)576-0306


21. CONFLICT OF INTEREST. By signing the Contract, Contractor agrees that any information obtained from Douglas County, in whatever form, will not be divulged to other competing interests without the permission of the County Manager. In the event of a breach of

this provision, Douglas County may immediately withdraw, without penalty or any payment, from the Contract. Contractor must notify Douglas County of any other contracts or projects Contractor is working on that may impact Douglas County.

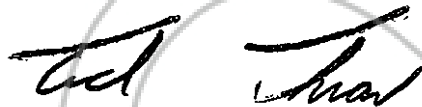
IN WITNESS WHEREOF, the Parties hereto have caused the Contract to be signed and intend to be legally bound thereby.

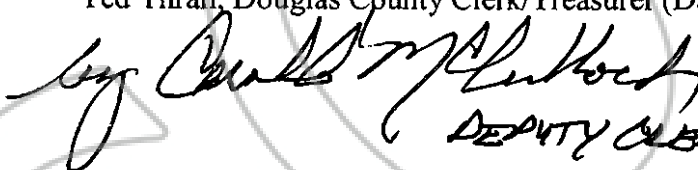
R3 Consulting Group

By:  3/14/2011
Richard Hutchinson (Date)
Contractor

Douglas County
By:  county manager for 3/17/11
Michael A. Olson, Chairman (Date)
Douglas County Board of County Commissioners

Attest:


By: Ted Thran, Douglas County Clerk/Treasurer (Date)


DEPUTY CLERK

R3 Consulting Group, Inc.
4811 Chippendale Drive, Suite 708
Sacramento, CA 95841
Tel. 916-576-0306
Fax: 916-331-9600
www.r3cgi.com

March 11, 2011

Catherine R. Poole P.E.
Associate Civil Engineer
Douglas County Community Development
1594 Esmeralda Avenue
Minden, NV 89423

Subject: Financial and Rate Assistance Proposal

Dear Ms. Poole:

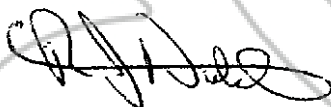
R3 Consulting Group (R3) is pleased to submit the attached Scope of Services to provide financial and rate assistance to Douglas County Nevada (County). I will serve as project manager for this engagement and will be assisted by William Schoen. William and I are Principals of R3 with more than 60 combined years of solid waste management experience, most notably assisting jurisdictions with rate modeling, rate reviews, financial analysis, strategic planning and procurement of solid waste management collection, processing transfer and disposal services.

* * * * *

We appreciate the opportunity to submit this proposal to the County. Please feel free to contact me at (916) 576-0306, or e-mail at rhutchinson@r3cgi.com, if you have any questions or comments regarding our proposal.

Sincerely,

R3 CONSULTING GROUP



Ric Hutchinson
Principal

Scope of Services

Task 1: Review Current Douglas County Rate Model

R3 will review the rate model currently used by the County to set collection service rates for the County's customers who are serviced by and Douglas Disposal Inc. (DDI). The review will focus on determining if the rate model is still functioning as it was originally designed to do.

The results of our review will be included in our report as set forth in Task 4 below. In the event we find that the model needs to be modified to account for service changes that have occurred since its original development we will discuss those needs with the County. Any actual modifications to the current model will be made as part of Task 3.

Task 1 Deliverables:

- Initial Review of current rate model and
- Documentation of results of the review (Task 4).

Task 2: Review of Existing DDI Rate Impact Calculations

R3 will review and assess the reasonableness of the existing rate impact calculations prepared by DDI and their consultant Freeman and Williams, LLP, (F&W). That review will include reviewing the assumptions regarding which loads would be direct haul to the Carson City facility rather than deliver to the DDI transfer station and the associated impact on the revenues and expense associated with the DDI transfer station. . In the event we require additional information to complete our review we will work with the County and DDI obtain that information.

Based on the results of our review we will provide the County with our opinion of the reasonableness of the rate impact calculations. In the event we do not agree with the calculations we will meet with the County, DDI, and F&W to discuss our findings.

Task 2 Deliverables:

- Review of DDI rate impact calculations;
- Written results of our review (Task 4); and
- Up to two (2) meetings with County staff, DDI and F&W.

Task 3: Update Model and Develop New Rates

Using information developed as part of Task 2, R3 will update the current rate model to calculate rates under the assumptions that solid waste will be sent to the Recology facility in Carson City at a cost of \$39.00 per ton (or such other rate as may be determined as part of Task 2).

We will also update the model based on any findings from Task 1.

Task 3 Deliverables:

- Updated rate model; and
- New rates.

R3

Task 4: Letter Report and Council Presentation

R3 will prepare a letter report documenting the results Tasks 1-4 above. In addition, to the extent requested, we will assist County staff in preparing and presenting a presentation to the County commission of the results of those Tasks.

Task 4 Deliverables:

- Letter Report;
- Assistance with preparation of County Commission presentation; and
- Attendance at one (1) County Commission meeting to support a staff presentation or if requested give a presentation on the results of Tasks 1-4.

Project Budget

We propose to complete Tasks 1 through 4 on a time and materials basis for a not to exceed total amount of \$16,100, as shown in the table below. In the event the County requests additional services we will provides those services at our standard hourly rates provided on the following page.

Task	Cost
1 Review Current Douglas County Rate Model	\$ 1,400
2 Review of DDI Rate Impact Calculations	\$ 8,400
3 Update Model and Develop New Rates	\$ 3,500
4 Letter Report and Council Presentation	\$ 2,800
Total Cost	\$ 16,100

Schedule

We anticipate submittal of our letter report within 60 days of authorization to proceed, assuming timely receipt of the information necessary to conduct our review.

R3

R3 Consulting Group

Billing Rates and Charges: January 2011 – December 2011

TECHNICAL SERVICES

Principal	\$175 per hour
Senior Manager	\$165 per hour
Manager	\$155 per hour
Senior Associate	\$145 per hour
Associate II	\$125 per hour
Associate I	\$100 per hour
Administrative Support	\$75 per hour

REIMBURSABLE COSTS

Consultants/Subcontractors	cost
Lodging and meals	cost
Travel — Private or company car	\$0.51 per mile
Travel — Other	cost
Delivery and other expenses	cost

PAYMENTS

Unless otherwise agreed in writing, fees will be billed monthly at the first of each month for the preceding month and will be payable within 30 days of the date of the invoice.

ESCALATION

Fees will be escalated annually in accordance with the change in the Consumer Price Index.

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 18, 2011
DARAN Clerk of the 9th Judicial District Court
of the State of Nevada, in and for the County of Douglas.

By

[Signature] Deputy

R3