

Monday, January 28, 2002

Ms. Angel Mumma  
Assistant Finance Director  
City of Gahanna  
200 South Hamilton Road  
Gahanna, OH 43230

Dear Angel:

It was a pleasure meeting with you and Mr. Isler Friday morning. We appreciate the opportunity to provide a quote for the reappraisal of the City's facilities. We've also included options for infrastructure and our FACTS/plus software. MAXIMUS has enjoyed our past association with the City, and our update will be a seamless one including a "data match" service to tie the original data file to your existing inventory.

**CAPITAL ASSET REAPPRAISAL**

Our staff will record all tagged equipment assets (those with unit cost of \$500 or more) in your buildings. Where an original tag exists, MAXIMUS will scan the asset and tie back its original cost, fund and acquired date information. New assets requiring tags will be recorded, tagged and added to our data, then valued for both accounting and insurance purposes (original cost and replacement cost). All minor equipment assets (i.e. chairs, tables, desks) will be regrouped to establish current insurable values.

Land, Buildings, Land Improvements, Water & Wastewater Infrastructure, and Licensed Vehicles (part of our initial service) will be updated based upon information you provide. Original records for these assets will be carried-over to the new database resulting from our re-inventory efforts. As appropriate, these items will also be reappraised to reflect inflation for insurance purposes. It is incumbent upon the City to provide MAXIMUS with any material disposals and/or additions to these asset accounts.

Upon completion of the field re-inventory, MAXIMUS will perform a computerized data match of the re-scanned data and the previous database. After the match is completed MAXIMUS will generate an exception report listing all assets not located during the physical re-inventory. The exception report will then be provided to the City. You will be asked to make the final determinations on the exceptions. Any assets found on the exception report that are identified as being active should be noted. Upon completion of your review, the exception report should then be returned to MAXIMUS to proceed with final processing. It is requested that the report be returned two weeks after receipt so that processing of final reports is not delayed.

Final reports will take approximately 2 weeks to process for the time we receive your reviewed exceptions, including your desired changes (if any).

**EXHIBIT A**

## **INFRASTRUCTURE VALUATION**

Our appraisal will include the valuation of certain "General" infrastructure assets, which include roads, bridges, sidewalks, storm sewers, and traffic devices. It is understood that all electric and gas utilities are NOT part of the scope of this project. To help facilitate the valuation and record documentation of these assets, the City will need to provide the MAXIMUS project manager with the following information:

- Current mappings, drawings and information relative to the asset classifications
- Number of miles/lineal feet
- Diameter/type of pipe, age and construction components

In addition, this portion of our study will require a time investment from appropriate City personnel familiar with this asset classification to provide supplemental information that may not be contained in the basic City records. For your convenience, we have specified the City's responsibilities by category:

**Dams/Bridges:** provide MAXIMUS staff with a detailed listing of owned bridges in electronic format, where available. The detailed listing will include:

- Address / Location
- Bridge Number
- DOT Category Type

Additionally, information such as drawings, dates of construction, renovation project details, etc. should be made available to MAXIMUS staff, as available.

**Streets, Curbs, Sidewalks and Alleys:** Provide a detailed listing of owned streets in electronic (if available) format. The detailed listing will include:

- Street type (i.e., City motorized access, public motorized access, pedestrian access)
- Material
- Approximate in-service date

Available information on street characteristics such as divided/undivided, access roads, ramps, renovation project details, etc. should be made available to MAXIMUS staff.

**Street Lighting:** Provide a detailed listing of owned street lighting in electronic (if available) format. The detailed listing will include:

- Quantity
- Type of light fixture
- Number of lamps
- Pole material
- In-service date/year

**Street Traffic Control and Signals:** Provide a detailed listing of owned traffic control systems and signals in electronic format. The City may elect to report traffic control

signals by individual fixture or grouped by intersection type. The detailed listing will include:

- Quantity
- Signal type (suspended vs. pole mounted)
- Type of control mechanism
- In-service date/year

### **CLASSIFICATION OF ASSETS**

During the inventory and coding processes, MAXIMUS will classify each asset by distinct type or category. This classification structure will enable the City to select off data for flexible reporting, as well as provide a benchmark for projecting replacement of capital equipment. *Additionally this structure will provide the asset life schedule for calculation of depreciation for current reporting requirements (enterprise fund) and eventual compliance with GASB S-34 requirements. These asset lives will be reviewed and agreed upon with the City in our Project-planning stage of this assignment.*

### **DELIVERABLES**

The standard deliverables provided under MAXIMUS' re-inventory service includes:

#### Exception Reports

- Current Year Additions Report
- Current Year Disposals Report

#### Standard Reports *(provided after review and approval of exception reports)*

- Net Changes Summary
- Property Accounting Summary
- Property Accounting Summary (Y-T-D Depreciation)
- Property Accounting Detail
- Insurance Summary
- Insurance Detail

*(note: customized reports and data file transfers are available at our standard custom report processing rates)*

### **PROJECT PREPARATION**

In preparation for this project the City can assist in the following ways:

- Check to ensure you have an adequate tag stock on hand from our original work (additional tags are available for a fixed cost of \$125/thousand).
- Prepare purchase records for major equipment acquisitions and building projects over the last few years (in lieu of your records, MAXIMUS will estimate cost); and
- Identify contacts at each major site who will be able to assist in identifying new equipment.

### **OPTIONAL PROPERTY CONTROL CONSULTING & MANUAL**

MAXIMUS staff will perform initial interviews involving City staff to develop our recommendations for ongoing procedures for maintaining the capital asset management system. The City's policies will be incorporated into the resulting manual, and the final document will be prepared in both hard copy and electronic formats. The manual will contain forms and instructions for use within the City as well as agreed-upon procedures with assigned responsibilities for the future reporting of additions, transfers and disposals. Upon completion of the document, MAXIMUS will conduct a review/training session with pertinent City personnel to assist in rolling out the new procures and responsibilities.

### **FACTS/PLUS SOFTWARE OPTION**

As an additional option, MAXIMUS is pleased to offer our FACTS/plus software for the ongoing maintenance of the City's fixed asset records. The program will arrive with our final database and full documentation (no additional data conversion charges). Optional on-site training and installation is recommended, especially for the Network Version. The Annual Service Plan includes all future system enhancements and upgrades, plus annual trend factors for you to keep the insurable values (replacement cost) current. A full working copy "Demo" of the product is included for your review.

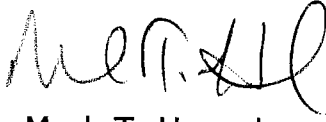
### **AUTHORIZATION & FEES**

The City's total service and software options are as follows:

- Reappraisal Service \$ 7,900 \_\_
- General Infrastructure Inventory & Valuation \$ 8,900 \_\_
- Bar Code Tags \$ 125/m \_\_
- Optional Property Control Consulting & Manual Development \$ 3,900 \_\_
- FACTS/plus – Network (up to 5 concurrent users) \$ 4,000 \_\_
- FACTS/plus Annual Service Plan & Trends (Network) \$ 795 \_\_
- FACTS/plus On-Site Installation & Training (Network) \$ 1,900 \_\_

This letter can be executed by initialing the above services and with your signature below, then faxing it back to my attention at 414-543-9755. Please feel free to contact me at (800)876-0350, ext. 15, or [markhessel@maximus.com](mailto:markhessel@maximus.com) with any questions or concerns you may have regarding these services. Thank you for your continued confidence in MAXIMUS!

Sincerely,  
**MAXIMUS, Inc.**



Mark T. Hessel  
Vice President

**ACCEPTED BY:**

\_\_\_\_\_

**DATE:** \_\_\_\_\_

*All fees include any and all expenses incurred by MAXIMUS in the preparation and completion of the re-inventory and reports, and are guaranteed for a period of 60 days from the date of this proposal. We have relied upon the property and building data from the original project, plus any revisions you have reported to us since that time, in developing these fees. Additional locations, buildings or structures encountered, or corrections to the list of properties inventoried in the original project that require an increase in professional time, will be charged at our per diem rates, and billed in addition to the agreed upon fee. Fee quotations for additional properties or buildings will be provided upon request.*

*As with our original work, MAXIMUS will invoice you in progress installments, with the final 10% of the project being invoiced with our reports. Past due invoices may be subject to finance charges of 1 and 1/2 percent per month.*

*The Parties hereby agree that MAXIMUS may assign, convey or transfer its interest in this Agreement to an affiliated company or its parent company, which succeeds to substantially all of the business of MAXIMUS.*