

First Amendment

Contract No. 2026-31

This First Amendment to the Contract by and between the City of Flagstaff, a political subdivision of the State of Arizona ("City"), and Kimley-Horn and Associates, Inc., a North Carolina Corporation ("Contractor"), shall be effective as of the date of the last signature below. The City and Contractor may be referred to as "Party" or jointly as "Parties."

RECITALS

WHEREAS, the City and Contractor originally entered into the Consultant Services Agreement ("Contract") with an effective date of March 11, 2026; and

WHEREAS, the Parties desire to amend the Contract to include a user rate fee study as part of the Master Plan and increase the compensation paid to Contractor by \$55,000 to account for the additional work related to the user rate fee study.

AGREEMENT

NOW, THEREFORE, effective on the last date of execution, and in consideration for the mutual promises contained herein, the Parties agree as follows. Deleted text is shown with a ~~strikethrough~~ and new text is **BOLDED, ALL CAPS AND RED**).

1. Amendments

1.1 Amendment of Scope of Work

The Parties hereby amend the Scope of Work (attached to the Contract as Exhibit A) to include a user rate fee study as part of the Master Plan. Accordingly, the attached letter agreement providing a scope of services for the user rate fee study is hereby added to the Contract's original Scope of Work and made part of Exhibit A.

1.2 Amendment of Compensation

The Parties hereby amend "Section 3. Compensation" of the Contract as follows:

Compensation: Consultant shall be paid for satisfactory performance of the Contract in an amount not to exceed ~~One hundred ninety-nine thousand five hundred thirty dollars and zero cents (\$199,530)~~ **TWO HUNDRED FIFTY FOUR THOUSAND FIVE HUNDRED THIRTY DOLLARS AND ZERO CENTS (\$254,530)** including fees and taxes, based on an hourly rate or other measurement made in accordance with the Scope of Work, attached hereto as Exhibit A. Any price adjustment must be approved by mutual written consent of the parties through a formal amendment. The City Manager or his/her designee may approve ~~an~~ **ANY** amendment **TO THE CONTRACT** if the total amount of the Contract **AMENDMENT(S)**, ~~as amended~~, is less than \$100,000; otherwise, City Council approval is required.

2. General Terms

2.1 All other terms and conditions of the Contract, and any prior amendments, except to the extent amended herein, remain in full force and effect.

2.2 The Recitals included in this First Amendment Amendment are incorporated herein.

IN WITNESS WHEREOF, the Parties hereto have executed this First AmendmentAmendment as of the date hereinbefore indicated.

CONTRACTOR

CITY OF FLAGSTAFF

SIGNATURE

SIGNATURE

FULL NAME

FULL NAME

TITLE

TITLE

DATED SIGNED

DATED SIGNED

ATTEST:

SIGNATURE

Stacy Saltzburg

FULL NAME

City Clerk

TITLE

DATED SIGNED

APPROVED AS TO FORM:

SIGNATURE

FULL NAME

City Attorney's Office

TITLE

DATE SIGNED

Exhibits List

A - Letter Agreement and Scope of Services For Fee Study

Exhibit A

Letter Agreement and Scope of Services For Fee Study



June 25, 2026

Rebecca Sayers
City of Flagstaff
1702 N. 4th Street
Flagstaff, AZ 86004

Re: Letter Agreement for Professional Services for Flagstaff Parks, Recreation, Open Space, and Events (PROSE) and Clerk's Office User Fee Study

Dear Ms. Sayers:

Kimley-Horn and Associates, Inc. ("Kimley-Horn" or "Consultant") submits this Letter Agreement ("Agreement") to City of Flagstaff ("Client") for providing user fee study services to the PROSE and Clerk's Office departments in order to update user fees, fee structure, and align with city City's adopted Cost Recovery Plan ("Project").

Scope of Services

Kimley-Horn will provide the services specifically set forth below.

Task 1.0 Project Initiation

The Consultant will conduct a project kick-off meeting with the City team to understand the goals of the project and anticipated opportunities and challenges. During this meeting project approach and schedule will also be discussed. It is anticipated all tasks will include both the PROSE and Clerk's Office departments and key personnel.

Task 2.0 Market Analysis

The Consultant will conduct a market assessment focused on demographics and programming trends analysis. This assessment will include cost of services analysis, including an assessment of labor and operational costs involved with delivering services, subsidization of programs and activities by the City, and classification of services by benefits received.

Task 3.0 Programming Summit

The dates of the programming summit will be established during the project kick-off. At this time the Consultant will share the findings of the market assessment and share what has been learned from the information request.

Once that is completed the Consultant will engage with administration and staff for a 3-4 hour session to discuss the following:

- Challenges and opportunities to provide programs to residents and non-residents.
- Current program proposal method.
- Current cost accounting method; direct v. indirect.

- Goals of program cost recovery.
- How the goals of program cost recovery integrate with full department.

The Consultant will tour the City to look at locations where programs are currently offered. This will help further round out the information gathered in the market assessment.

Task 4.0 Community Engagement

The Consultant will work with the City to construct an online survey to gauge community support and opinions around user fees. The team will host two pop-up events at city events. The team will host up to three virtual focus group meetings with user groups.

Task 5.0 Benchmarking

The Consultant will conduct a benchmarking study of the city's user fees to evaluate their competitiveness, cost recovery, and alignment with industry standards and peer agencies. The study will include the identification of 3-5 comparable agencies, the collection and analysis of current user fees and fee structures, the comparison of existing fees against benchmarks.

Task 6.0 Program Inventory

Using the information provided in the initial request, along with data from the programming summit, the Consultant will develop a program inventory for the City. The inventory will focus on categories of programs and subsequent individual programs that make up the category. In addition to this inventory, the Consultant will include information on how the program is delivered and associated fees. It is also in this phase that the Consultant will distinguish between programs that they identify as core, fringe, and emerging programs and how it relates to the City's adopted cost recovery policy.

Task 7.0 Recommendations

Having gathered all necessary information, the Consultant will begin to develop recommendations regarding the following:

- Program Delivery Method – what is currently being used and what the City should consider in the future.
- Core Services – identification of core services and probability of those services continuing as core services for the City.
- Program Pyramid – develop a program pyramid with recommended cost recovery rates by level, consistent with the cost recovery policy.
- Services by Pyramid Level – with the development of the program pyramid, the Consultant will recommend which core, fringe, and emerging services align with the various levels.
- Staffing – the Consultant will provide recommendations regarding existing staffing and the positive and/or negative impact that may have on the delivery of programs.
- Program Recommendation – the Consultant will work with the City to develop a new program implementation process. This will outline the steps that programmers need to take to introduce new programs, the time frame to do so, and a worksheet that will help them to develop min/max participation, direct/indirect costs, and appropriate pricing.

Task 8.0 Final Report

The Consultant will assemble all information into a document to be reviewed by the client. Additionally, the Consultant will be available to conduct a final presentation of the information as the Client deems appropriate.

Additional Services

Any services not specifically provided for in the above scope will be billed as additional services and performed at Kimley-Horn's then-current hourly rates. Additional services Kimley-Horn can provide include, but are not limited to, the following:

- Statistically valid survey
- Additional focus group meetings or stakeholder interviews in addition to those identified above
- Project-dedicated community workshops
- Community presentation of preliminary findings
- Five-year financial projections

Information Provided By Client

Kimley-Horn shall be entitled to rely on the completeness and accuracy of all information provided by the Client or the Client's consultants or representatives. The Client shall provide all information requested by Kimley-Horn during the Project, including but not limited to the following: existing user fees, cost recovery policy, requested benchmarking information, identification of stakeholders.

Schedule

Kimley-Horn will perform the services as expeditiously as practicable with the goal of meeting a mutually agreed upon schedule.

Fee and Expenses

Kimley-Horn will perform the services in Tasks 1-8 for the total lump sum fee below. Individual task amounts are informational only. All permitting, application, and similar Project fees will be paid directly by the Client.

Task Number & Name		Fee	Type
1	Project Initiation	\$4,000	Lump Sum
2	Market Analysis	\$8,000	Lump Sum
3	Programming Summit	\$5,500	Lump Sum
4	Community Engagement	\$10,000	Lump Sum
5	Benchmarking	\$7,000	Lump Sum
6	Program Inventory	\$6,500	Lump Sum
7	Recommendations	\$9,500	Lump Sum
8	Final Report	\$4,500	Lump Sum
Total		\$55,000	

CITY OF FLAGSTAFF

SIGNED: _____

PRINTED NAME: _____

TITLE: _____

DATE: _____