

AGREEMENT BETWEEN THE COUNTY OF TEHAMA AND MATRIX CONSULTING GROUP

This agreement is entered into between the County of Tehama, through its Department of Administration, (“County”) and Matrix Consulting Group (“Consultant”) for the purpose of providing fee study consulting services.

1) RESPONSIBILITIES OF CONSULTANT

During the term of this agreement, Consultant shall provide fee study consulting services as set forth in Exhibits “B” and “C”, attached hereto.

2) RESPONSIBILITIES OF THE COUNTY

County shall compensate Consultant for said services pursuant to Section 3 and 4 of this agreement.

3) COMPENSATION

Consultant shall be paid an all-inclusive flat fee of \$72,500 to perform a countywide fee study; \$10,000 to assess the cost allocation plan and \$35,000 to assess franchise fees under this agreement. The Maximum Compensation payable under this agreement shall not exceed \$117,500. Consultant shall not be entitled to payment or reimbursement for any tasks or services performed except as specified herein. Consultant shall not be paid any compensation or reimbursement beyond the flat fee amount set forth above, and Consultant agrees that County has no obligation, whatsoever, to compensate or reimburse Consultant for any expenses, direct or indirect costs, expenditures, or charges of any nature by Consultant that exceed the flat fee amount set forth above. Should Consultant receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. This provision shall survive the expiration or other termination of this agreement.

4) BILLING AND PAYMENT

Consultant shall submit an invoice for the flat fee amount to County within thirty (30) days after service has been completed to the reasonable satisfaction of County. County shall make payment of all undisputed amounts within 30 days of receipt of Consultant’s invoice

5) TERM OF AGREEMENT

This agreement shall commence on the date of signing and shall terminate upon project completion, unless terminated in accordance with section 6 below.

6) TERMINATION OF AGREEMENT

If Consultant fails to perform his/her duties to the satisfaction of the County, or if Consultant fails to fulfill in a timely and professional manner his/her obligations under this agreement, or if Consultant violates any of the terms or provisions of this agreement, then the County shall have the right to terminate this agreement effective immediately upon the County giving written notice thereof to the Consultant. Either party may terminate this agreement on 30 days' written notice. County shall pay Consultant for all work satisfactorily completed as of the date of notice. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased, or should the Tehama County Board of Supervisors fail to appropriate sufficient funds for this agreement in any fiscal year.

The County's right to terminate this agreement may be exercised by the Chief Administrator.

7) ENTIRE AGREEMENT; MODIFICATION

This agreement for the services specified herein supersedes all previous agreements for these services and constitutes the entire understanding between the parties hereto. Consultant shall be entitled to no other benefits other than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. Consultant specifically acknowledges that in entering into and executing this agreement, Consultant relies solely upon the provisions contained in this agreement and no other oral or written representation.

8) NONASSIGNMENT OF AGREEMENT

Inasmuch as this agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate or sublet any interest herein without the prior written consent of the County.

9) EMPLOYMENT STATUS

Consultant shall, during the entire term of this agreement, be construed to be an independent Consultant and nothing in this agreement is intended nor shall be construed to create an employer-

employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Consultant performs the services which are the subject matter of this agreement; provided always, however, that the services to be provided by Consultant shall be provided in a manner consistent with the professional standards applicable to such services. The sole interest of the County is to insure that the services shall be rendered and performed in a competent, efficient and satisfactory manner. Consultant shall be fully responsible for payment of all taxes due to the State of California or the Federal government, which would be withheld from compensation of Consultant, if Consultant were a County employee. County shall not be liable for deductions for any amount for any purpose from Consultant's compensation. Consultant shall not be eligible for coverage under County's Workers Compensation Insurance Plan nor shall Consultant be eligible for any other County benefit.

10) INDEMNIFICATION

Consultant shall defend, hold harmless, and indemnify Tehama County, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including but not limited to reasonable attorney's fees of County), damages, judgments, or decrees by reason of any person's or persons' injury, including death, or property (including property of County) being damaged, arising out of Consultant's performance of work hereunder or its failure to comply with any of its obligations contained in this agreement, whether by negligence or otherwise. Consultant shall, at its own expense, defend any suit or action founded upon a claim of the foregoing. Consultant shall also defend and indemnify County against any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency against the County with respect to Consultant's "independent Consultant" status that would establish a liability for failure to make social security or income tax withholding payments, or any other legally mandated payment.

11) INSURANCE

Consultant shall procure and maintain insurance pursuant to Exhibit A, "Insurance Requirements For Consultant," attached hereto and incorporated by reference.

12) PREVAILING WAGE

Consultant certifies that it is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the

performance of other requirements on certain “public works” and “maintenance” projects. If the Services hereunder are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with and to require its subconsultants to fully comply with such Prevailing Wage Laws, to the extent that such laws apply. If applicable, County will maintain the general prevailing rate of per diem wages and other information set forth in Labor Code section 1773 at its principal office, and will make this information available to any interested party upon request. Consultant shall defend, indemnify and hold the County, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties, or interest arising out of any failure or alleged failure of the Consultant or its subconsultants to comply with the Prevailing Wage Laws. Without limiting the generality of the foregoing, Consultant specifically acknowledges that County has not affirmatively represented to Consultant in writing, in the call for bids, or otherwise, that the work to be covered by the bid or contract was not a “public work.” To the fullest extent permitted by law, Consultant hereby specifically waives and agrees not to assert, in any manner, any past, present, or future claim for indemnification under Labor Code section 1781.

Consultant acknowledges the requirements of Labor Code sections 1725.5 and 1771.1 which provide that no Consultant or subconsultant may be listed on a bid proposal or be awarded a contract for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5, with exceptions from this requirement specified under Labor Code sections 1725.5(f), 1771.1(a) and 1771.1(n).

If the services are being performed as part of the applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, Consultant acknowledges that this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

13) NON-DISCRIMINATION

Consultant shall not employ discriminatory practices in the treatment of persons in relation to the circumstances provided for herein, including assignment of accommodations, employment of personnel, or in any other respect on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation.

14) GREEN PROCUREMENT POLICY

Through Tehama County Resolution No. 2021-140, the County adopted the Recovered Organic Waste Product Procurement Policy (available upon request) to (1) protect and conserve natural resources, water and energy; (2) minimize the jurisdiction's contribution to pollution and solid waste disposal; (3) comply with state requirements as contained in 14 CCR Division 7, Chapter 12, Article 12 (SB 1383); (4) support recycling and waste reduction; and (5) promote the purchase of products made with recycled materials, in compliance with the California Integrated Waste Management Act of 1989 (AB 939) and SB1383 when product fitness and quality are equal and they are available at the same or lesser cost of non-recycled products. Consultant shall adhere to this policy as required therein and is otherwise encouraged to conform to this policy.

15) COMPLIANCE WITH LAWS AND REGULATIONS

All services to be performed by Consultant under to this Agreement shall be performed in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. Any change in status, licensure, or ability to perform activities, as set forth herein, must be reported to the County immediately.

16) LAW AND VENUE

This agreement shall be deemed to be made in, and shall be governed by and construed in accordance with the laws of the State of California (excepting any conflict of laws provisions which would serve to defeat application of California substantive law). Venue for any action arising from this agreement shall be in Tehama County, California.

17) AUTHORITY

Each party executing this Agreement and each person executing this Agreement in any representative capacity, hereby fully and completely warrants to all other parties that he or she has full and complete authority to bind the person or entity on whose behalf the signing party is purposing to act.

18) NOTICES

Any notice required to be given pursuant to the terms and provisions of this agreement shall be in writing and shall be sent first class mail to the following addresses:

a. If to County: Tehama County Administration
727 Oak Street
Red Bluff, CA 96080

b. If to Consultant: Matrix Consulting Group
1875 S Grant Street, Suite 960
San Mateo, CA 94402

Notice shall be deemed to be effective two days after mailing.

19) NON-EXCLUSIVE AGREEMENT

Consultant understands that this is not an exclusive agreement, and that County shall have the right to negotiate with and enter into agreements with others providing the same or similar services to those provided by Consultant, or to perform such services with County's own forces, as County desires.

20) STANDARDS OF THE PROFESSION

Consultant agrees to perform its duties and responsibilities pursuant to the terms and conditions of this agreement in accordance with the standards of the profession for which Consultant has been properly licensed to practice.

21) LICENSING OR ACCREDITATION

Where applicable the Consultant shall maintain the appropriate license or accreditation through the life of this contract.

22) RESOLUTION OF AMBIGUITIES

If an ambiguity exists in this Agreement, or in a specific provision hereof, neither the Agreement nor the provision shall be construed against the party who drafted the Agreement or provision.

23) NO THIRD PARTY BENEFICIARIES

Neither party intends that any person shall have a cause of action against either of them as a third party beneficiary under this Agreement. The parties expressly acknowledge that is not their intent to create any rights or obligations in any third person or entity under this Agreement. The parties agree that this Agreement does not create, by implication or otherwise, any specific, direct or indirect obligation, duty, promise, benefit and/or special right to any person, other than the parties

hereto, their successors and permitted assigns, and legal or equitable rights, remedy, or claim under or in respect to this Agreement or provisions herein.

24) HAZARDOUS MATERIALS

Consultant shall provide to County all Safety Data Sheets covering all Hazardous Materials to be furnished, used, applied, or stored by Consultant, or any of its subconsultants, in connection with the services on County property. Consultant shall provide County with copies of any such Safety Data Sheets prior to entry to County property or with a document certifying that no Hazardous Materials will be brought onto County property by Consultant, or any of its subconsultants, during the performance of the services. County shall provide Safety Data Sheets for any Hazardous Materials that Consultant may be exposed to while on County property.

25) HARASSMENT

Consultant agrees to make itself aware of and comply with the County's Harassment Policy, TCPR §8102: Harassment, which is available upon request. The County will not tolerate or condone harassment, discrimination, retaliation, or any other abusive behavior. Violations of this policy may cause termination of this agreement.

26) COUNTERPARTS, ELECTRONIC SIGNATURES – BINDING

This agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each Party of this agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ((“CUETA”) Cal. Civil Code §§ 1633.1 to 1633.17), for executing this agreement. The Parties further agree that the electronic signatures of the Parties included in this agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among Parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the Parties. For purposes of this section, a digital signature is a type of “electronic signature” as defined in subdivision (i) of

Section 1633.2 of the Civil Code. Facsimile signatures or signatures transmitted via pdf document shall be treated as originals for all purposes.

IN WITNESS WHEREOF, County and Consultant have executed this agreement on the day and year set forth below.

COUNTY OF TEHAMA

Date: _____

Chairman, Board of Supervisors

MATRIX CONSULTING GROUP

Date: _____

Representative

The following information is required for the agreement to be approved:

Consultant Number

Vendor Number

Budget Account Number

Exhibit A

INSURANCE REQUIREMENTS FOR CONSULTANT

Consultant shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work described herein and the results of that work by Consultant, his/her agents, representatives, employees or subconsultants. At a minimum, Consultant shall maintain the insurance coverage, limits of coverage and other insurance requirements as described below.

Commercial General Liability (including operations, products and completed operations)

\$1,000,000 per occurrence for bodily injury, personal injury and property damage. If coverage is subject to an aggregate limit, that aggregate limit will be twice the occurrence limit, or the general aggregate limit shall apply separately to this project/location.

Automobile Liability

Automobile liability insurance is required with minimum limits of \$1,000,000 per accident for bodily injury and property damage, including owned and non-owned and hired automobile coverage, as applicable to the scope of services defined under this agreement.

Workers' Compensation

If Consultant has employees, he/she shall obtain and maintain continuously Workers' Compensation insurance to cover Consultant and Consultant's employees and volunteers, as required by the State of California, as well as Employer's Liability insurance in the minimum amount of \$1,000,000 per accident for bodily injury or disease.

Professional Liability (Consultant/Professional services standard agreement only)

If Consultant is a state-licensed architect, engineer, Consultant, counselor, attorney, accountant, medical provider, and/or other professional licensed by the State of California to practice a profession, Consultant shall provide and maintain in full force and effect while providing services pursuant to this contract a professional liability policy (also known as Errors and Omissions or Malpractice liability insurance) with single limits of liability not less than \$1,000,000 per claim and \$2,000,000 aggregate on a claims made basis. However, if coverage

is written on a claims made basis, the policy shall be endorsed to provide coverage for at least three years from termination of agreement.

If Consultant maintains higher limits than the minimums shown above, County shall be entitled to coverage for the higher limits maintained by Consultant.

All such insurance coverage, except professional liability insurance, shall be provided on an “occurrence” basis, rather than a “claims made” basis.

Endorsements: Additional Insureds

The Commercial General Liability and Automobile Liability policies shall include, or be endorsed to include “Tehama County, its elected officials, officers, employees and volunteers” as an additional insured.

The certificate holder shall be “County of Tehama.”

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions of \$25,000 or more must be declared to, and approved by, the County. The deductible and/or self-insured retentions will not limit or apply to Consultant’s liability to County and will be the sole responsibility of Consultant.

Primary Insurance Coverage

For any claims related to this project, Consultant’s insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of Consultant’s insurance and shall not contribute with it.

Coverage Cancellation

Each insurance policy required herein shall be endorsed to state that “coverage shall not be reduced or canceled without 30 days’ prior written notice certain to the County.”

Acceptability of Insurers

Consultant’s insurance shall be placed with an insurance carrier holding a current A.M. Best & Company’s rating of not less than A:VII unless otherwise acceptable to the County. The County

reserves the right to require rating verification. Consultant shall ensure that the insurance carrier shall be authorized to transact business in the State of California.

Subconsultants

Consultant shall require and verify that all subconsultants maintain insurance that meets all the requirements stated herein.

Material Breach

If for any reason, Consultant fails to maintain insurance coverage or to provide evidence of renewal, the same shall be deemed a material breach of contract. County, in its sole option, may terminate the contract and obtain damages from Consultant resulting from breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Consultant, County may deduct from sums due to Consultant any premium costs advanced by County for such insurance.

Policy Obligations

Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

Verification of Coverage

Consultant shall furnish County with original certificates and endorsements effecting coverage required herein. All certificates and endorsements shall be received and approved by the County prior to County signing the agreement and before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Arminda Searcy, Administrative Analyst
Tehama County Administration
727 Oak Street, Suite 202
Red Bluff, CA 96080

Dear Ms. Searcy,

Matrix Consulting Group, Ltd. is pleased to have this opportunity to submit a proposal to become a Fee Study Consultant for Tehama County. Our proposal is based on our review and understanding of the Request for Proposal (RFP). It will demonstrate our exceptional skills and experience required to meet the County's needs and establish the additional value of choosing our firm.

We have conducted over 300 cost-of-service studies and have provided these services to our clients for more than 23 years. Our experience providing similar services and understanding the impact and implementation issues comes from working with clients across California. Recent Northern California clients include Butte County, Daly City, Hercules, Livermore, Los Altos Hills, Millbrae, Milpitas, Napa County, Redwood City, San Mateo, South San Francisco, Sonoma, and Sunnyvale. We are currently working with Monterey, San Luis Obispo, and Santa Clara counties on similar studies.

At Matrix Consulting Group, we distinguish ourselves through our commitment to delivering unparalleled value. Our staff thoroughly understands the service and process assumptions behind the cost of service. This dual expertise allows us to provide comprehensive insights and solutions that optimize efficiency and maximize our clients' value.

I am the firm's President, authorized to represent the firm contractually. Courtney Ramos, a senior vice president and financial services practice leader, can provide any additional information you may need during the proposal evaluation period. We can be reached at the address and phone number below or via email at apennington@matrixcg.net and cramos@matrixcg.net.



ALAN D. PENNINGTON

President

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ORGANIZATIONAL INFORMATION

Matrix Consulting Group, Ltd. is a management consulting firm that provides quality analytical assistance to local and state governments. Our organizational information can be summarized as follows:

Legal Name	Matrix Consulting Group, LTD
Entity Type	California Corporation
Address	1875 S. Grant Street, Suite 960 San Mateo, CA 94402
Telephone Number	(650) 858-0507
Authorized Signer	Alan Pennington, President

Our firm was formed by experienced consultants to pursue an operating model in which analytical work is performed by senior-level staff. Our history and composition are summarized below:

- ❖ Since our founding in 2003, we have worked with over **1,800 government agencies**, conducting cost-of-service and management studies and providing recommendations on operations, improvements, and cost recovery.
- ❖ We are incorporated in California, with our **headquarters in San Mateo**, and a satellite office in Irvine. We also have staff located throughout the country in 17 states, as well as Canada.
- ❖ We are comprised of 32 full-time and seven part-time management consultants who specialize in analyzing local government functions across a range of operational areas. We have a **dedicated team of financial services professionals**.

The market and service focus of Matrix Consulting Group has always been financial, management, staffing, and operations analysis of local government. The following outlines the core financial services provided by our firm:

OMB 2 CFR Part 200 Cost Plans	User Fee Studies
Full Cost Plans	Development Impact Fee Studies
Indirect Cost Rate Proposals	Fully Burdened Hourly Rates
Internal Service Fund Analyses	Revenue Projections

No other firm better understands how public agencies operate or how to help them thrive. Our firm's

QUALIFICATIONS AND EXPERIENCE

Our firm has extensive experience conducting comprehensive user fee studies for a variety of municipal organizations and departments. The four main types of services included in user fee studies are Administrative Services, Community Development, Parks and Recreation, and Public Safety. The following points highlight our experience in these areas:

❖ **Administrative Services:** Our firm has extensive experience evaluating administrative functions for Clerk, Recorder, Environmental Health, and other support departments. Unlike discretionary development review services, these functions are often mandated by state or federal law and must balance efficiency, compliance, and transparency while still striving for appropriate cost recovery. From records processing and licensing to public noticing, inspection, and compliance programs, our project teams can address topics such as:

- Identifying the most meaningful metrics for fee setting, including document volume, transaction type, record length, program complexity, or inspection frequency.
- Developing deposit structures, guidelines, and administrative procedures that reflect statutory requirements while ensuring accurate cost recovery.
- Setting fees at levels that both recover the true cost of service and recognize statutory or policy limitations that may restrict full recovery.
- Exploring cost recovery and implementation options for support services, including mandated technology upgrades, public records systems, environmental health databases, and cross-departmental administrative support.

Our project teams understand the unique challenges of balancing regulatory compliance, public transparency, and equitable access to services while managing the financial sustainability associated with mandated programs.

❖ **Community Development:** Our firm has extensive experience evaluating development review permitting functions for Building, Planning, Engineering, and Fire Prevention. From the basic process steps for submitting, reviewing, inspecting, and approving applications and permits to the development of processes, procedures, and cost recovery goals, our project teams can address topics such as:

- The best metrics for assessing fees are building valuation, square footage, construction estimate, or the number of fixtures.
- Appropriate deposit amounts, guidelines, and processes to ensure actual cost recovery is achieved.
- Setting fees at levels that both recover costs and are not cost-prohibitive.
- Cost recovery and implementation options for support services, including General Plan Updates, Technology Fees, GIS, etc.

Beyond understanding processes and assessing time estimates, our project teams are aware of the cross-departmental support associated with application and permit services. These costs are included in the full cost calculation and can be expressed separately as part of the established fees.

❖ **Parks and Recreation:** Our firm has extensive experience conducting comprehensive user fee studies for various municipal organizations and departments. Matrix Consulting Group has worked with every type of recreation function, including traditional parks and recreation, libraries, and open space preserves. Our experience spans master and strategic planning, park condition assessments, program staffing, and cost recovery. Our project teams are well-versed in the areas that most impact cost recovery, including:

- Development of cost methodologies that incorporate staff time, program-specific materials, exclusive use of space, and organizational overhead.
- The best use of a tiered recovery approach, such as resident versus non-resident or profit versus non-profit.
- Engagement with internal and external stakeholders to understand the impact of fees on program participation.
- Setting fees according to national standards relating to cost recovery policies and goals, ensuring that premium services have a higher cost recovery.

The goal in reviewing parks and recreation costs for service is to ensure that fees and rates are set at a level that allows the County to continue to serve the community in a manner consistent with current goals and commitments.

❖ **Public Safety:** Our firm has extensive experience evaluating public safety functions, including Police, Fire Prevention, and Emergency Medical Services. These departments face unique challenges in balancing community protection, rapid response requirements, and mandated service levels with sustainable funding. From permitting and inspection programs to emergency response cost recovery, our project teams can address topics such as:

- Identifying the most appropriate fee metrics, such as call type, incident response time, inspection frequency, service population, or risk category.
- Setting fees that recover the actual cost of service without discouraging compliance, cooperation, or access to critical safety programs.
- Exploring cost recovery and implementation options for support services, including technology upgrades (dispatch and body-worn cameras), specialized equipment, training programs, and emergency preparedness initiatives.

Our project teams work with public safety departments to balance life-safety responsibilities, evolving community expectations, and regulatory mandates while maintaining financial sustainability.

All our cost of service and user fee studies are developed in compliance with California State regulations, including Propositions 218 and 26, as well as government codes 66014 and 66016, which stipulate that user fees charged by local agencies "...may not exceed the estimated reasonable cost of providing the

service for which the fee is charged". We work with each department to document the regulatory codes associated with each fee or service, ensuring not only that adopted fees comply with regulations, but that client staff understand if and how those fees can be increased in the future.

RECENT FEE STUDY CLIENTS

The following table includes a sampling of California clients over the last five (5) years for whom we have provided similar scopes of service:

Jurisdiction	Planning Fees	Building Fees	Engineering Fees	Fire Fees	Admin Fees	Police Fees	Recreation Fees
Adelanto, CA	X	X	X		X		
Capitola, CA	X	X	X				X
Citrus Heights, CA	X	X	X		X	X	X
Cupertino, CA	X	X	X				X
Dixon, CA	X	X	X	X	X	X	
Downey, CA	X	X	X	X	X	X	X
Elk Grove, CA	X	X	X				
Glendale, CA	X	X	X	X	X	X	X
Livermore, CA	X	X	X	X			
Los Altos Hills, CA	X	X	X		X		
Manhattan Beach, CA	X	X	X	X	X	X	X
Menifee, CA	X	X	X	X	X	X	X
Millbrae, CA	X	X	X		X		X
Mill Valley, CA	X	X	X		X		X
Montebello, CA	X	X	X	X	X	X	X
Orange, CA	X	X	X	X	X	X	X
Pacific Grove, CA	X	X	X	X	X		
Redlands, CA	X	X	X	X	X		X
Redwood City, CA	X	X	X	X	X	X	X
San Mateo, CA	X	X	X				
San Ramon, CA	X	X	X		X	X	
Santa Clara, CA	X	X	X	X	X	X	X
South Pasadena, CA	X	X	X	X	X	X	
So. San Francisco, CA	X	X	X	X	X	X	X
Stockton, CA	X	X	X	X			
Vacaville, CA	X	X	X	X	X	X	
Winters, CA	X	X	X	X	X	X	

Details about any project above are available upon request.

REFERENCES

The table below includes a sampling of California clients for whom we have recently provided similar scopes of service:

BUTTE COUNTY, CA



Meegan Jesse, Assistant
Chief Administrative Officer

25 County Center DR
Oroville, CA 95965
(530) 552-3311
mjessee@buttecounty.net

The Matrix Consulting Group conducted a countywide comprehensive fee study for Butte County. The County had last conducted an update in 2017. The goal of this analysis was to bring the county's fee structure in alignment with current practices.

The project team met with County staff to modernize fee structures, as well as reflect new departments / divisions and the services provided by them. Key components of the analysis included removing online permitting fees for Development services and consolidating them all as one fee (whether in-person or online).

SANTA CLARA COUNTY, CA



Stewart Patri, Deputy Director
of Administration

110 West Tasman Drive
San Jose, CA 95134
Stewart.patri@pln.sccgov.org

Matrix Consulting Group just completed a study (2025) for the County of Santa Clara to develop a Comprehensive Fee Analysis of Department of Planning and Development Fees.

The County had not reviewed Planning, Land Development Engineering, Surveyor, Fire Prevention, or Code Enforcement fees in nearly 10 years. The focus of this study was to review and update previous time assumptions to accurately reflect current service levels, processes, and code requirements. Based on County approved hourly rates, the full cost associated with these services was developed. The county's goal was to achieve full cost recovery within two years; therefore, fee schedules were developed with Year 1 priorities set at 75% cost recovery, and year two priorities at 100%.

The project team will begin review of Building permits in August 2025 and has been added to the County's master contractor list for future fee for service studies.

**WEST SACRAMENTO,
CA**

Andrea Ouse, Community
Development Director

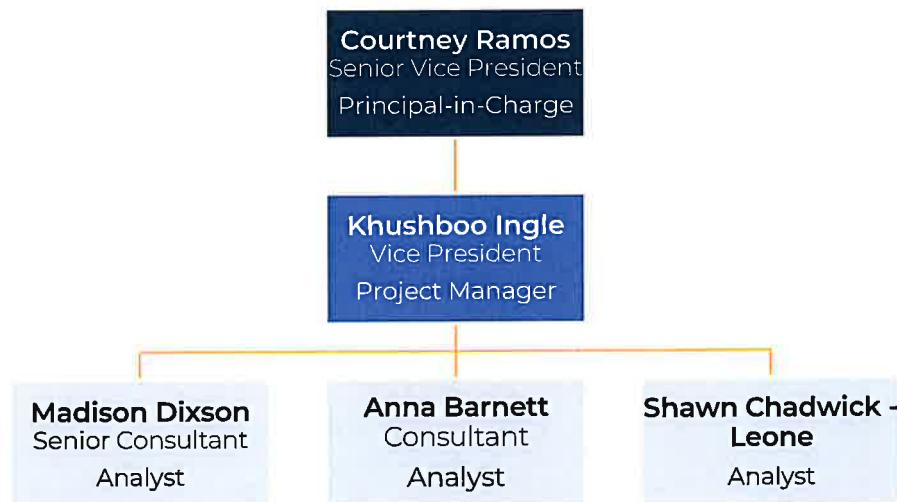
1110 W Capitol Ave.
West Sacramento, CA 95691
(916) 617-4645
andreao@cityofwestsacramento.org

Matrix Consulting Group just completed a study (2025) for West Sacramento to conduct a Development Fee Study.

The City had not conducted a comprehensive review of its fees in over 10 years. The focus of this study was to establish reasonable time assumptions and document the direct and indirect costs associated with all development fee-based services. Based on City approved hourly rates, the full cost associated with these services was developed. The City just adopted fees with an overall policy goal of 100% cost recovery, providing for specific areas of subsidization where appropriate to incentivize behavior and minimize impacts on the community.

PROJECT PERSONNEL

Our proposed project team is comprised of full-time firm staff and includes no subcontractors. Our Principal-in-Charge has been with our firm for nearly twenty years, while our proposed project manager has been with our firm for over ten years. They have been working together as a team on financial services projects for more than a decade. The following chart outlines the project team structure.



The following points provide an overview of the roles of each of our team members:

- **Principal-in-Charge:** Will provide general project oversight and technical expertise and oversee client expectations.
- **Project Manager:** Will lead interviews, financial analysis, policy discussion, and development, as well as provide expertise in reviewing drafts and presenting results.
- **Analysts:** Will facilitate the coordination of data collection, support staff in data development, and populate analytical models.

Our proposed project team will be available to the County throughout the engagement. The following table provides summaries of their experience, including the types and years of experience, recent clients, and project roles.



Courtney Ramos
Senior Vice President

Ms. Ramos is a Senior Vice President and our Financial Services Practice Leader who oversees cost allocation plans, user fees, development impact fees, and cost of service engagements. Courtney's 20 years of experience include analysis focused on the development and documentation of direct and indirect costs, fair and equitable

allocation methodologies, and expertise in the development of fiscal policies and procedures relating to cost of service and cost recovery.

Courtney has completed over 300 costs of service studies, recent Northern California clients include Butte County, Cupertino, Daly City, Dixon, Fairfield, Elk Grove, Redwood City, San Bruno, San Mateo, San Ramon, San Luis Obispo County, Santa Clara County, Saratoga, and South San Francisco.

Her role on this project would be to serve as the **Principal-in-Charge**, ensuring timely project deliverables, quality control, and presentation to stakeholders.



Khushboo Ingle

Vice President

Ms. Ingle is a Vice President with 13 years of experience who manages cost allocation plans, user fees, development impact fees, and cost of service engagements. Her experience with the firm includes participation in operational audit engagements focusing on organization, staffing, and internal processes.

Khushboo has completed over 200 costs of service studies. Ms. Ingle has served as the project manager for Northern California clients including Butte County, Burlingame, Redwood City, Elk Grove, Monterey County, South San Francisco, West Sacramento, Daly City, Fairfield, Citrus Heights, Dixon, San Ramon, Dublin, San Mateo, Mountain View, Sunnyvale, and Cupertino.

Her role on this project would be to serve as the **Project Manager**, involved in leading meetings, developing draft results, and reviewing results.



Madison Dixon

Senior Consultant

Ms. Dixson is an analyst who assists our senior staff with cost allocation plans, user fees, development impact fees, and cost of service engagements. Madison has participated in numerous cost allocation and cost of service studies.

Madison has been with the firm for four years. Her experience with California clients includes Butte County, Burlingame, Daly City, Los Altos Hills, Millbrae, Monterey County, Elk Grove, Milpitas, Orange, Menifee, Redwood City, San Mateo, San Luis Obispo County, San Ramon, Saratoga, South San Francisco, Sunnyvale, and West Sacramento.

Her role on this project would be to serve as **Senior Analyst**, involved in attending meetings, data input, and developing models.

**Anna Barnett**

Consultant

Ms. Barnett is an analyst who has recently joined our firm to assist our staff on cost-of-service engagements, including cost allocation plans, user fees, and development impact fee studies. Her background is in mathematics with a concentration in data science.

Anna has one year of experience and has recently assisted with projects in Malibu, Monterey County, San Luis Obispo County, Thousand Oaks, Rolling Hills Estates, and Burlingame.

Her role on this project would be to serve as an **Analyst**, involved in attending meetings, data input, and model development.

**Shawn Chadwick - Leone**

Analyst

Mr. Leone is an analyst who has recently joined our firm to assist our staff on cost-of-service engagements, including cost allocation plans, user fees, and development impact fee studies.

Shawn has recently assisted with projects in California including Thousand Oaks, Burlingame, Butte County, San Luis Obispo County, and Richmond.

His role on this project would be to serve as an **Analyst**, involved in attending meetings, data input, and comparative survey support.

Full resumes for the Project Executive and Project Manager have been provided on the following pages.



COURTNEY RAMOS

Senior Vice President/Chief Financial Officer

BIOGRAPHY:

Courtney Ramos is our Financial Services Practice Leader, who oversees cost allocation plan, user fee, development impact fee, and cost of service engagements. Courtney's relevant experience include:

- Completed over 250 cost of service studies for clients across the United States.
- Analysis focuses on development and documentation of direct and indirect costs, fair and equitable allocation methodologies, and defensible results.
- Expertise also includes development of fiscal policies and procedures relating to cost of service and cost recovery.

EXPERIENCE HIGHLIGHTS:

SANTA CLARA COUNTY, CA: DEVELOPMENT FEE STUDY

Courtney served as the project executive and project manager on this engagement which focused on Planning, Land Development Engineering, Fire Marshal, and Code Enforcement. Key analysis included:

- Documenting current and potential services.
- Capturing cross-departmental support.
- Providing Excel-Based models for future updates.

MILPITAS, CA: DEVELOPMENT SERVICES USER FEE STUDY

Courtney served as the project executive and project manager on this engagement which reviewed Planning, Building, Engineering, and Fire services. Key analysis included:

- Developing fully burdened hourly rates inclusive of divisional, departmental, and citywide overhead.
- Documenting reasonable time estimates for permit services.
- Presenting results to internal and external stakeholders.

ROLE ON THIS ENGAGEMENT:

Courtney will serve as the Principal-In-Charge on this engagement, ensuring timely project deliverables, and quality control.

RELEVANT CA CLIENTS:

Burlingame
Citrus Heights
Cupertino
Daly City
Dixon
Elk Grove
Fairfield
Humboldt County
Livermore
Long Beach
Manhattan Beach
Pacific Grove
Redwood City
San Bernardino County
San Pablo
San Mateo
Santa Clara
Santa Clara County
Sonoma County
South San Francisco
Stanislaus County
Sunnyvale
Vacaville
Winters

YEARS OF EXPERIENCE:

20

EDUCATION:

A.A., Santa Barbara City College, Administration of Justice and Sociology

PROFESSIONAL ASSOCIATION:

Government Finance Officers Association
California Society of Municipal Finance Officers

Revenue Enhancement Best Practices

**KHUSHBOO INGLE**

Vice President

BIOGRAPHY:

Khushboo Ingle is a Vice President who manages cost allocation plan, user fee, development impact fee, and cost of service engagements. Her experience with the firm also includes participation in operational audit engagements focusing on reviewing organizational, staffing, and internal processes to enhance services. Khushboo's relevant experience include:

- Analysis focuses on verifying and reviewing cost of service assumptions and ensuring compliance with best practices.
- Expertise also includes impact fee studies and development fee-studies.

EXPERIENCE HIGHLIGHTS:**BUTTE COUNTY, CA: COUNTYWIDE FEE STUDY**

Khushboo served as the Project Manager on this engagement, which included looking at all county departments, services, and fees.

- Reviewing all fees to ensure compliance with state regulations and full cost of service.
- Identifying new fees to be included.
- Calculating the full cost of public health fees.

MONTEREY COUNTY, CA: DEVELOPMENT SERVICES FEE STUDY

Khushboo is serving as the project manager on this engagement which is evaluating building, planning, and land development services:

- Restructuring building fees to be more in compliance with industry standards and flat fees.
- Working with Planning staff to streamline fee schedules and identify new fees to be included.

ROLE ON THIS ENGAGEMENT:

Khushboo will serve as the Project Manager on this engagement, leading interviews and coordinating necessary data collection for the financial analysis, policy discussions, and working with the Data Analyst to compile and analyze data.

RELEVANT CA CLIENTS:

Burlingame
Citrus Heights
Cupertino
Dixon
Elk Grove
Fairfield
Humboldt County
Livermore
Long Beach
Manhattan Beach
Orange
Pacific Grove
Redwood City
San Bernardino County
San Pablo
San Mateo
Santa Clara
Santa Clara County
Sonoma County
South San Francisco
Stanislaus County
Sunnyvale
Vacaville

YEARS OF EXPERIENCE:
14**EDUCATION:**

B.A., University of California – San Diego, International Economics

M.A., University of California – San Diego, International Affairs

PROFESSIONAL ASSOCIATION:

California Society of Municipal Finance Officers

Revenue Enhancement Best Practices

PROJECT APPROACH AND WORK SCHEDULE

Tehama County administers a variety of public service fees that have not been updated in recent years. Therefore, the County is seeking a comprehensive evaluation of its fee structures and the development of strategies for revising, aligning, and sustaining countywide fees. The purpose of this evaluation is to ensure that fees accurately reflect current economic conditions, align with departmental service costs, and comply with applicable state and federal regulations. We believe these objectives can be accomplished through the following steps:

- ❖ Review current fee structures to ensure they **accurately reflect the services** provided by each department and the manner in which those services are delivered.
- ❖ Determine the **average time** to review plans, conduct inspections, approve applications, and issue permits.
- ❖ Calculate fully burdened hourly rates accounting for **appropriate** direct and indirect **costs**.
- ❖ Conduct a market **comparison** of current fees and total costs to other similar jurisdictions.
- ❖ Document how proposed fees align with state and local regulations.
- ❖ Develop **strategies** for implementing fees that balance **fiscal needs** with **community impacts**.
- ❖ Present results to key stakeholders, **highlighting the importance** of the analysis and outlining how the City can **build upon the results**.

This study will provide Tehama County with the tools needed to strengthen financial sustainability, improve cost recovery, and support equitable service delivery. The following sections outline our general project approach, provide a detailed task plan, and proposed project schedule.

PROJECT APPROACH

Matrix Consulting Group works with a wide range of clients – over 1,800 cities and counties in over 45 states across the U.S. Every project is unique, but is managed according to the following essential project approach:

Understanding County-specific financial data.



Working with County staff through meetings and workshops.



Applying industry standards, best management practices, and technical expertise.



Calculating defensible results with buy-in from internal and external stakeholders.



Providing recommendations and transferring knowledge and work products to County staff for successful implementation.

The approach chosen for completing this project allows us to deliberately review and categorize the allowability of indirect costs as well as determine the best and most tangible metrics for allocation.

QUALITY CONTROL

We believe very strongly in the science of our craft, especially as it relates to cost allocation and cost of service studies. As such, our firm utilizes quality control techniques, which include:

- **Project Management:** Ensuring our projects meet the needs and timelines of our clients are accomplished through the following:
 - The project manager and lead analyst develop general and project-specific data collection plans and interview guides.
 - All project work activities are defined in advance and tied to each project team member, as well as deliverables, schedule, and budget.
 - We have frequent client review meetings, during which we discuss the quality and direction of the project through interim deliverables and draft documents.
- **Quantitative Results:** Financial analyses are used to develop budgets and projections and often are subject to public oversight and review. For this reason, our firm ensures data-determined quality control through the following:
 - Expenditure data entered into cost models are tied to budget documents.
 - Workload information is tied to published revenue reports/data outputs and used as a cross-check for time estimation.

These project management approaches have resulted in all our projects being delivered at a high-quality, on time, and within budget.

WORK PLAN

Below are descriptions of the tasks we will complete for the County's comprehensive fee study, including deliverables.

TASK 1: DATA COLLECTION

Before any initial meetings, Matrix Consulting Group will provide the County with a list of initial data requirements for the study. This will allow our project team to review this information thoroughly in preparation for initial discussions with staff. A typical list of data collection items includes:

- Current fiscal year adopted budget.
- Last fiscal year revenue reports for fees or services.
- List of all budgeted personnel by program.
- A list of all current fees being charged will be included in the analysis.
- List of comparative jurisdictions for the fee survey.
- Volume or workload metrics for all fees included in the analysis.
- Copy of any previous fee studies or analyses.

The above list is just a sampling of the type of information that will be requested. Providing these items allows our project team to familiarize themselves with the County's structure and current financial practices.

TASK RESULT

We will provide the County a data collection list.

TASK 2: STUDY OBJECTIVES AND PROJECT SCHEDULE

Once the data has been collected, the project team will meet with staff to discuss issues identified by the project team and to clarify any concerns the County holds regarding the current fee study methodology. Discussions will include:

- Review the County's specific needs and critical issues surrounding the development and implementation of the fee study.
- Opportunities for improvement and restructuring of previous studies and/or review and discussion of existing methodologies and calculations.
- Discussion of concerns or issues that should be addressed during the study.
- Discussions will be held regarding the current fee structure and any potential changes.
- Review and identify existing cost recovery policies or established subsidies.

- Legal issues or concerns with the implementation of new or proposed fees.

After the meeting, the project team and the designated County staff will better understand the overall approach and methodology the team will use to conduct the countywide fee study.

TASK RESULT

We will present the County with a project schedule.

TASK 3: DEVELOP A SCHEDULE OF CURRENT AND POTENTIAL FEES FOR SERVICE

The scope of this effort will be all user fees charged by the County. Current and potential fees and charges will be identified and documented. The project team will work with staff to go through current fee schedules in line-item detail. This meeting is critical in ensuring staff can incorporate any updates or changes to the fee study based on code, regulation, staffing, process, or technological changes. The focus of this meeting will be the following:

- **Renaming fees:** Rewording or renaming fees to identify services more clearly.
- **Eliminating fees:** Removing any outdated services or fees.
- **Adding new fees:** Capturing any new services or breaking out existing fee categories to identify all the services being provided and potential fees for services that could be provided.
- **Recategorization of fees:** Collapsing or expanding multiple fee ranges to better capture the services being provided.

It is important to note that this meeting occurs first to ensure that any major proposed structural changes are captured before collecting time estimate information or developing draft fee results. However, adjustments can be made.

TASK RESULT

Our team will develop a proposed fee structure.

TASK 4: CONDUCT TIME DATA GATHERING WORKSHOPS

The project team will conduct workshops to gather time estimates for each service included in the study, interview key fire personnel, and analyze the various activities being performed. The flowchart shows an example of the steps involved in permit processing and the time associated with each step.



As the flowchart shows, the application/permit processing steps will be documented in detail. The project team will minimize staff impacts by incorporating assumptions from prior studies. Staff will be provided time to edit or comment on the time estimate information.

TASK RESULT

We will create time estimate workbooks.

TASK 5: DEVELOP FULLY BURDENED HOURLY RATES

Based on the County's staffing and budget information, the project team will calculate fully burdened hourly rates, including direct and indirect costs. The following points highlight the cost components and factors included in fully burdened rates:

- **Direct costs:** This component accounts for the salary and benefits associated with each employee or position and is reflected in County staffing and salary reports.
- **Indirect costs—departmental:** This component accounts for administrative and management support provided to line-level staff, operational services, and supplies used to execute job duties. It is developed through staff interviews and budget analysis.
- **Indirect costs—countywide:** This component accounts for districtwide support, such as Finance and HR support provided by other departments or staff.

Once the cost components have been documented and developed, the project team will review MOUs and discuss them with staff to determine appropriate productive hour calculations. Focusing on available hours will ensure that fully burdened hourly rates account for leave accruals (holiday, vacation, and sick) and any meetings or training. The project team will utilize the results of this task and Task 4 to calculate the full cost of services.

TASK RESULT

Calculated fully burdened hourly rates.

TASK 6: PERFORM A TOTAL COST ANALYSIS

Matrix Consulting Group's costing model is built based on the County's operations, budget details, and intended uses for the results. This method is a customized approach specific to each jurisdiction for cost analysis of user fee services. It is a "bottom-up" approach, the most defensible methodology for

calculating user fees. The methodology incorporates the time estimate information and fully burdened hourly rate information. The following graphic shows the cost calculation:



This costing method uses time and annual activity data to establish the cost of providing services on a unit and annual basis. Once the time spent on a fee activity is determined for each individual or position, the team uses its fee and rate software to apply the fully burdened hourly rates from the previous task.

The resulting costs are presented on a unit and annual level and compared to the existing fee schedule and revenue reports. The County will obtain detailed information regarding cost recovery surpluses and deficits on both a detailed (per unit) and global (annualized) level, as well as an understanding of cost components for each service.

TASK RESULT

Per unit and annual fee study results.

TASK 7: CONDUCT A MARKET RATE SURVEY OF SIMILAR JURISDICTIONS

The project team will work with the County to identify comparable jurisdictions locally or other similarly sized counties elsewhere in Northern California. This comparative survey activity will be conducted utilizing the following:

- Developing fee scenarios for the County to be compared to other jurisdictions.
- Graphing the results of the fee analysis for easy visual comparison purposes.
- Collecting contextual information such as population size, budget, staffing, the last time a fee study was done, and the last fee schedule update.

As market surveys do not provide adequate or objective information about the relationship between a jurisdiction's costs and fees, these steps ensure we provide the County with the most information possible.

TASK RESULT

Comparative graphs included in the draft report.

TASK 8: REVIEW/REVISE FEE STUDY RESULTS

Because the analysis of service fees is based on estimates and information provided by staff, all participants must be comfortable with our methodology and the data they have provided. During this phase, the project team would provide County staff with draft results workbooks outlining the full cost calculated through the analysis. These draft results workbooks will include the time assumptions and any material costs provided by the County for another round of review.

This step is critical in ensuring that all assumptions are reviewed and agreed upon by County staff before being incorporated into the draft report.

TASK RESULT

Draft Results Workbooks

TASK 9: PREPARE A DRAFT FEE STUDY REPORT

Upon conclusion of the fee study, we will prepare a detailed report summarizing the results of each of the previous work tasks described above. This report will include:

- A succinct executive summary discussing the study, methodology, and results.
- A narrative describing the services included in the study.
- A section on proposed modifications to the current fee schedule, including removal or addition of new fees for service.
- The analysis includes a section on each fee's per-unit and annual results, and where workload data is available.
- A comparative survey section outlines key fees and compares them to those of other local jurisdictions. The section also provides contextual information regarding budget, staffing, and the date the jurisdiction last conducted fee studies.

The draft report will be provided to County staff for review and comments.

TASK RESULT

The draft report will be provided to County staff for comments.

TASK 10: FINALIZE FEE STUDY REPORT

Any edits or revisions to the draft user fee study report will be incorporated into the finalized report. This finalized report will include all the draft fee study report elements and any additional cost recovery and policy considerations.

TASK RESULT

We will develop a final fee study report.

TASK 11: MASTER FEE SCHEDULE

Once the fee report has been finalized, the project team will develop a master fee schedule for the County. This document outlines all fees, including the current fee amount, the full cost, and the County's proposed fee. This type of attachment is critical for the Board of Supervisors' adoption. This attachment can also be used in the future to conduct annual updates.

TASK RESULT

Master Fee Schedule.

TASK 11: PRESENTATION OF RESULTS

The presentation of results to County officials and/or stakeholders is critical to the success of the overall engagement. Because the study's product is often controversial, this final step aims to present a succinct summary that provides decision-makers with key information.

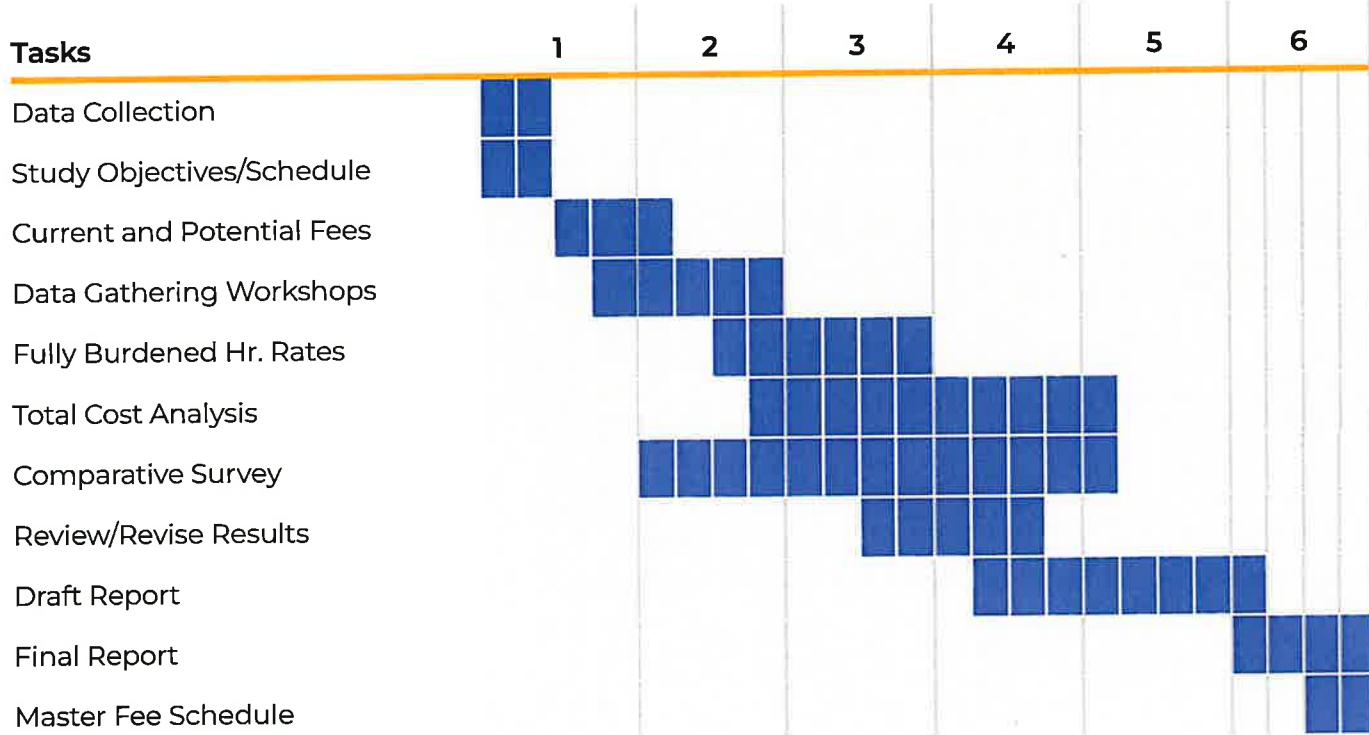
We will attend and present the study at a minimum of three (3) meetings, including those of the County Council, appropriate subcommittees, or outside stakeholders.

TASK RESULT

We will attend County Council meetings and present the study to stakeholders.

TIMELINE

Studies of this nature typically take approximately six (6) months to complete. The following chart provides a week-by-week outline of our proposed schedule.



All presentations will take place after the study is complete. All proposed timelines can be adjusted based on County staff priorities, preferences, and scheduling needs.

FIRM CAPACITY

Our firm is prepared to undertake this project given our current and anticipated workload. We maintain a balanced portfolio of projects and carefully manage staffing resources to ensure that each engagement receives the attention and expertise it requires. At present, our project commitments are well within capacity, and we have dedicated team members available to begin work immediately. Additionally, our firm's structure allows us to scale resources, as needed, drawing on subject matter experts and support staff to meet project timelines without compromising quality. This approach ensures that Tehama County will receive focused, responsive service throughout the duration of the engagement.

COUNTY STAFF INVOLVEMENT

User Fee studies typically include four types of meetings with staff: (1) Fee Study Objectives, (2) Fee Structure Reviews, (3) Time Estimate workshops, and (4) Draft Results Review. The following points describe what each of these meetings entails:

- ❖ **Fee Study Objectives:** This meeting focuses on the overall goals and objectives of the study, including current issues, report and analysis formats, scheduling, etc.
- ❖ **Fee Structure Review:** These meetings will focus on each department's fee schedule/structure. Discussions will include whether the current structure is appropriate given the services provided, whether services need to be clarified internally or externally for applicants, and whether outdated fees should be eliminated or new fees added.

- ❖ **Time Estimate Workshops:** These meetings will focus on reviewing existing time estimate assumptions and collecting new ones related to permit, application, or other fee-related services. During these meetings, we will discuss process steps associated with permits (i.e., intake, processing, routing, review, inspection, reporting, commission/board presentations, etc.), average times to perform these steps, and who is primarily responsible for performing these functions. We will also discuss any current or upcoming process changes related to code updates, technology changes, etc.
- ❖ **Draft Results Review:** These meetings will focus on reviewing the draft results calculated, including outlining per-unit impacts, confirming and finalizing time estimates, and discussing implementation options.

We work closely with our clients and their staff throughout each project, placing a strong emphasis on transparency and robust communication. Our standard practice is to meticulously review all information, focusing on verifying inputs before arriving at any final decisions. While we strive to minimize impacts on client staff, for example, by taking responsibility for data gathering and cleanup, we are committed to reviewing and verifying the accuracy of data outcomes. This commitment to precision establishes a foundation of data integrity and trust, ensuring that our joint efforts consistently yield effective results and outcomes that benefit our clients.

SUBCONTRACTORS

Matrix Consulting Group will not be using any subcontractors for this project.

ACCEPTANCE OF COUNTY TERMS

Matrix Consulting Group has reviewed the sample agreement and will agree to the terms contained in the agreement if selected.

August 29, 2025

Arminda Searcy, Administrative Analyst
 Tehama County Administration
 727 Oak Street, Suite 202
 Red Bluff, CA 96080

Dear Ms. Searcy,

Matrix Consulting Group, Ltd. is pleased to have this opportunity to submit a proposal to become a Fee Study Consultant for Tehama County. Matrix Consulting Group's typical practice is to develop fixed-price, not-to-exceed pricing, billing monthly for work provided. Matrix will complete all tasks related to the Fee Study project for a fixed fee of **\$72,500**. The following table provides our proposed cost to conduct the study, listing the time allocations and hourly rate for each staff category:

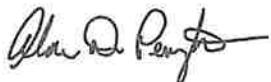
Task	Principal-in-Charge	Project Manager	Analysts (3)	Total Cost
Data Collection	0	2	4	\$1,100
Study Objectives/Project Schedule	2	2	0	\$1,100
Current & Potential Fees	2	6	12	\$3,900
Data Workshops	4	8	10	\$4,700
Fully Burdened Hourly Rates	2	10	32	\$7,900
Total Cost Analysis	8	20	64	\$17,000
Comparative Survey	0	2	24	\$4,100
Review/Revise Results	6	10	20	\$7,300
Draft Fee Study Report	10	16	40	\$13,000
Prepare Final Report	6	8	20	\$6,800
Presentation	0	0	16	\$2,400
Excel-Models/Training	4	8	0	\$3,200
Total Hours	44	92	242	
Hourly Rate	\$300	\$250	\$150	
Total Professional Fees	\$13,200	\$23,000	\$36,300	
Total Project Cost				\$72,500

This cost is all-inclusive and is a fixed fee for any costs that may occur. Our typical practice is to bill for hours worked monthly up to the contract amount. If any additional services are required, they will be billed at the hourly rates noted.

ONGOING CLIENT SUPPORT

We are committed to helping our clients develop accurate and defensible cost-of-service methodologies, ensuring they can effectively implement the results of these studies. Our project team will work with County staff to facilitate an understanding of the results and help incorporate them into the final materials.

Our client support continues after a final report has been issued. We understand that questions can arise well after project completion and are committed to working with our clients to answer any questions about methodologies and applications of results. This support is provided to our clients at no extra cost. As the firm's President, I am authorized to represent the firm contractually and execute any service agreement. I can be reached at the address and phone number below.



ALAN D. PENNINGTON

President, Matrix Consulting Group, Ltd

October 28, 2025

Arminda Searcy
Administrative Analyst
Tehama County
727 Oak Street, Suite 202
Red Bluff, CA 96080

Dear Ms. Searcy:

Matrix Consulting Group was recently awarded a contract to become a Fee Study Consultant for Tehama County. During initial discussions, County staff expressed the desire to understand the steps and costs associated with developing a Countywide Cost Allocation Plan and reviewing Franchise Fees. The Cost Allocation Plan will help the County identify indirect administrative costs and ensure that indirect costs are accurately reflected in service-related fees. The Franchise Fee study would assess current processes and determine if, where, and how Franchise Fees could be implemented to increase county cost recoveries.

The following sections provide an outline of the services to be performed, a work schedule, and a fixed-price quote.

COST ALLOCATION PLAN

The following subsections outline our approach to developing a Countywide Cost Allocation Plan, including a project timeline and price.

SCOPE OF WORK: COST ALLOCATION PLAN

The County wants to develop a Cost Allocation Plan to facilitate administrative cost recovery through service fees and other non-general fund sources. The following points highlight the tasks and services to be provided:

- ❖ **Data Collection:** Matrix Consulting Group will provide the County with a list of required data prior to any meetings to prepare for project discussions. Typical data includes budgeted/audited expenditures, personnel lists, and prior studies, helping the team understand financial practices.
- ❖ **Study Objectives and Project Schedule:** After reviewing the collected data, the team will meet with County staff to ensure mutual understanding of study goals and objectives.
- ❖ **Interview Staff and Gather Allocation Metrics:** The team will review the County's financial structure to identify departments that provide support services and meet with relevant staff. The allocation bases will be discussed and documented to ensure they reflect current services.

- ❖ **Review of Draft Cost Allocation Metrics:** Draft allocation workbooks will be created based on collected data and reviewed with central service departments. This step verifies the accuracy and relevance of the metrics, ensuring a strong alignment with the allocation nexus.
- ❖ **Structure and Prepare Draft Cost Allocation Plan:** Once cost and metric assumptions have been finalized, the draft plan will be developed to align with OMB guidelines and general accounting principles. The team will ensure expenses are vetted, and results will be shared in Excel for staff review before drafting the final report.
- ❖ **Finalize the Cost Allocation Plan:** The final report will be completed after the draft is reviewed and approved by the County. Deliverables include a detailed report and Excel schedules for easy integration into County budgeting processes.

The results of this study will provide County staff with a documented plan to support indirect cost recovery.

SCHEDULE: COST ALLOCATION PLAN

Studies of this nature typically take approximately three (3) months to complete. The following table shows the associated tasks by month:

Month	Activity
Month 1	Data Collection
	Study Objectives
	Staff Interviews
Month 2	Continue Staff Interviews
	Review Draft Metrics
	Structure Model
Month 3	Draft Cost Plan
	Final Cost Plan

The cost allocation plan can be developed in conjunction with the County's fee assessment, as this would allow for integration into the fee study results. All timelines can be created and adjusted in accordance with County staff schedules, availability, and goals.

PRICE: COST ALLOCATION PLAN

Matrix Consulting Group is committed to developing a Cost Allocation Plan at the level of detail noted above for a fixed price of **\$10,000**.

FRANCHISE FEE ASSESSMENT

The following subsections outline our approach to assessing the County's authority to charge franchise fees and calculate the full cost of those fees, including a project timeline and price.

SCOPE OF WORK: FRANCHISE FEE ASSESSMENT

The County wants to assess its ability to charge franchise fees and, where appropriate, calculate them to help recover associated costs. The following points highlight the tasks and services to be provided:

- ❖ **Legal Policy Framework Review:** The project team will begin by reviewing applicable state statutes and municipal codes to confirm the County's authority to assess franchise fees. This step will establish the legal foundation for the study and identify any limitations, exemptions, or procedural requirements that may affect the implementation of the fee.
- ❖ **Inventory and Review of Existing Franchise Agreements:** The project team will document and evaluate all current franchise and right-of-way agreements for electric, gas, telecommunications, cable, and solid waste utilities.
- ❖ **Benchmarking Comparison:** A comparative review of franchise fee practices among similar jurisdictions will be conducted. This survey will identify common fee structures, current rates, and provide context for potential adjustments.
- ❖ **Development of Fee Methodology:** Based on the findings of the legal review and comparative survey, the project team will develop appropriate calculation methods (e.g., revenue-based, cost-based, value-based). Information regarding gross utility revenues, right-of-way mileage, or administrative costs will be documented and used to determine appropriate fees.
- ❖ **Legal and Policy Validation:** Once preliminary fee calculations are complete, the project team will review the proposed franchise fees and structures to ensure compliance with legal standards and confirm that fees are proportionate. Draft findings will be shared with County staff for review.
- ❖ **Final Report:** Following reviews, we will prepare a comprehensive report summarizing the legal authority, existing agreements, benchmarking results, methodology, and recommended fee structure.

The results of this analysis will outline the County's options for implementing Franchise Fees, document the legal basis for the fee, describe the calculation, and project its revenue impacts.

SCHEDULE: FRANCHISE FEE ASSESSMENT

Studies of this nature typically take approximately five (5) months to complete. The following table shows the associated tasks by month:

Month	Activity
Month 1	Legal and Policy Framework
Month 2	Inventory and Review of Existing Agreements Comparative Survey
Month 3	Development of Fee Methodology Legal and Policy Validation
Month 4	Continue Legal and Policy Validation Prepare Franchise Fee Report
Month 5	Finalize Franchise Fee Report

All timelines can be created and adjusted in accordance with staff schedules, availability, and goals. We recommend that, due to the nature of this type of study, the County focus on the Cost Allocation and the Fee study first, and upon completion of those assessments, begin the franchise fee analysis.

PRICE: FRANCHISE FEE ASSESSMENT

Matrix Consulting Group is committed to conducting a Franchise Fee Assessment at the level of detail noted above for a fixed price of **\$35,000**.

SUMMARY

We propose developing a Cost Allocation Plan within three months, concurrent with the fee study. We propose conducting a Franchise Fee Assessment within a five-month timeframe, after the completion of the cost allocation and fee studies.

The total fixed price for these studies would be **\$45,000**. Our typical practice is to bill for hours worked monthly, with our contracts set up at a fixed price.

* * *

We appreciate the opportunity to provide additional services to Tehama County. Should you have any questions regarding this quote, please contact me at cramos@matrixcg.net or by phone at 650-858-0507. Thank you.

Courtney Ramos

COURTNEY RAMOS

Senior Vice President

Matrix Consulting Group