

Scope of Work No. 1
Between
Health Fitness Corporation
And
City of Sherwood

Health Fitness Corporation ("Operator") and the City of Sherwood ("City") hereby enter into this Scope of Work No. 1. This Scope of Work is governed by the Master Services Agreement between such parties, effective as of **month, date, year** (the "Agreement"). Except as otherwise defined herein, all capitalized terms used herein shall have the same meaning as in the Agreement.

Whereas, under the terms of this SOW, Operator gives City the rights to use the health and fitness management program (the "Program") at the City location below. City may add other sites to this SOW by written agreement of the parties.

Sherwood Recreation and Aquatic Center
23000 SW Pacific Highway
Sherwood, OR 97140

1. **TERM.** This Scope of Work (the "Scope of Work") will commence on the Program Launch Date and will continue in effect until the last day of the month that is sixty (60) months after the Program Launch Date unless earlier terminated or renewed in accordance with the Agreement.
2. **OPERATOR SERVICES and OBLIGATIONS.** Operator will provide the resources described in Attachment A on a time and materials basis during the term of this Scope of Work.
3. **POINT of CONTACT.**
 - (a) City Liaison
Kristen Switzer, Community Services Director
22560 SW Pine Street Sherwood, Oregon 97140
Tel: 503-625-4210
Email Address: switzerk@sherwoodoregon.gov
 - (b) HealthFitness — Account Management
James Aranowski | Senior Director, Program Management & Engagement
Tel: 248.427.8140
Email address: james.aranowski@hfit.com

Chip Boyd | Area Manager, National Accounts – Fitness & Recreation
Tel: 817-734-9934
Email Address: chip.boyd@christushealth.org

Ann Wyatt | Vice President, Program Management & Engagement
Email Address: ann.wyatt@hfit.com
4. **CITY RESPONSIBILITIES.** In addition to its obligations in the Agreement, City will provide a point person and support defined by Attachment A.

5. **PAYMENTS.** Please refer to Section 7 of the Master Service Agreement for the fees, billing, and payment terms.

AGREED:

CITY OF SHERWOOD

HEALTH FITNESS CORPORATION

By: _____

By: _____

Name: _____

Name: _____

Date: _____

Date: _____

ATTACHMENT A – SCOPE OF WORK

1. CONTRACT SERVICES

Operator is only responsible for the contract services detailed in this Scope of Work. City is responsible for the sourcing and/or supplying of any other contract services not detailed in this Scope of Work.

2. SERVICES AND PRODUCTS

Services, Products, and fees will be reviewed annually between the City and Operator and may be amended with approval by both parties.

Operator will provide on-site staffing, program delivery, and account management support.

The Sherwood Recreation and Aquatic Center includes:

- A 25 yard long, 3 lane pool and an additional swim area with zero depth entry.
- Family changing rooms.
- Teen center.
- Child watch area.
- Full-size basketball/volleyball court.
- Rock climbing wall.
- Multiple group class and spin studios.
- Cardiovascular and strength training equipment areas.
- Functional training room.
- Indoor walking/running track (1/14 mile)
- Supporting the activity spaces are male and female locker rooms, a reception counter, several offices, storage rooms, janitor and pool/HVAC equipment rooms.

3. ON-SITE STAFF

Operator will provide all staff salaries, wages, and benefits. Operator will also provide staff replacements during regular staff time off and as needed. A staff summary is provided below. Exhibit 1 – Project Organizational Chart provides an illustration of all staff referenced below.

	Staff Position	Full-Time Equivalency
	Full-Time Staff	
1	General Manager	1.0
2	Program Manager, Recreation and Aquatics	1.0
3	Membership Manager	1.0
4	Marketing and Outreach Coordinator	1.0
5	Administrative Assistant	1.0
6	Fitness Manager	1.0
7	Recreation Manager	1.0
8	Wellness Manager (youth -senior)	1.0
9	Aquatic Supervisor (Senior Lifeguard)	1.0
10	Front Desk Supervisor #1	1.0
11	Front Desk Supervisor #2	1.0
12	Facility Maintenance Manager	1.0
	Full-Time Staff Total	12.0

	Staff Position	Full-Time Equivalency
	Part-Time Staff	
13	Fitness Specialists	2.675
14	Gymnasium Attendants	1.100
15	Senior Lifeguards	1.675
16	Lifeguards	5.350
17	Group Class Instruction	1.125
18	Active Older Adult Group Class Instruction	0.500
19	Water Workout Class Instruction	0.350
20	Swim Lesson Instruction	2.025
21	Personal Trainers	0.000
22	Front Desk Attendants	3.350
23	Child-Care Attendants	3.825
24	Maintenance Attendant	1.575
	Part-Time Staff Total	23.55
	Staff Grand-Total (full and part-time)	35.55

Note: All existing YMCA staff will be included in the interview process when Operator is initially filling the above positions and will be given the first opportunity to be on-boarded to HealthFitness for the moving forward on-site program staff. The only requirement will be that they meet the moving forward on-site staff qualifications as jointly agreed upon by the City and the Operator. Once staff candidates are identified through the interview process the Operator will introduce the candidates to the City Liaison(s) and provide the City Liaison(s) with an opportunity to advise and provide comment. Final staff selections will be solely the responsibility of Operator.

(COMPONENT #8)

3.1 Staff Resources

Ready Set Go Onboarding Process: Operator will utilize a structured onboarding process to provide on-site staff with tools and knowledge to be successful in their role. The onboarding process that will be utilized for each individual is entitled “Ready Set Go”. This process will include a step-by-step approach to integrating within a client culture and location. The process will also assist each individual with becoming aware of the Operator’s company structure, key contacts and resources, and learning the day-to-day operational aspects of fitness, recreation, and wellness management.

e-Training: Operator’s on-site staff will also be supported by monthly e-Trainings that include trainings focused on Operator’s operational management systems such as point-of-sale, member management platform, budget and expense management, as well as leveraging the Operator’s social media platform, Fuser.

Additional Training Resources: To complement the Ready Set Go and e-Training curriculums, the Operator’s on-site staff will also be offered optional trainings and a webinar series focusing on best practices for developing fitness, recreation, and wellness programs, as well as industry news and trends, and continuing education courses. The on-site general manager and/or regional support will work closely with on-site staff throughout the onboarding process to set expectations, answer questions and keep to a training timeline.

Peer Group Training: Operator will offer the on-site staff a variety of peer group training opportunities including:

- **Staff Exchanges:** On-site staff may spend a day or more at another Operator client site to learn new skills and broaden their perspective.

- **Peer Workshops:** A peer and an outside facilitator train a group of instructors in a specific area relevant to most or all programs. This approach fosters program consistency, sharing of ideas and a rich learning environment.
- **The Campfire:** A place for on-site staff to connect informally and discuss best practices in program design. Staff share stories of what’s worked with their client’s program, learn different approaches from others and refocus on program design best practices. Topics include but are not limited to:
 - Aquatics Management
 - Health Fairs/Wellness Fairs/Fitness Fairs
 - Wellness Champions and Wellness Committees
 - Internships for Recreation, Aquatics, Wellness and Fitness
 - Sports and Recreation Programs
 - Charity Themed Events
 - Integration with city vendors and partners, as appropriate
 - Participant Satisfaction Surveys
 - Social Media
- **Manager Meetings and Conferences:** Each region conducts area meetings and conferences for managers, focusing on business updates, team building sessions, leadership training and customer service workshops.
- **IDEA Health & Fitness Association’s “Club Connect” Membership:** Operator will provide membership for all on-site staff working ten or more hours per week. The Club Connect program will provide the ability for on-site staff to earn free continuing education credits by taking online courses, building programs, and more.

4. ACCOUNT SUPPORT

4.1 Operator Regional Account Management Team

The Regional Account Management Team will direct the City account and provide overall account management and staff support. This team includes:

- a) James Aranowski | Senior Director, Program Management & Engagement
- b) Chip Boyd | Area Manager, National Accounts – Fitness & Recreation
- a) Ann Wyatt | Vice President, Program Management & Engagement

4.2 Account Management Services Summary

Account management services will include:

- b) Staff transition and recruitment.
- c) Training and development workshops for Operator’s on-site staff.
- d) Program supervision to ensure quality control.
- e) Assistance with annual Business Plan development.
- f) Liaison between the City and Operator.
- g) Contract management and renewal.

4.3 Account Management Interaction

Interaction with the Operator’s on-site staff and the City Liaison(s) includes:

- a) Confer fully and frequently with the City Liaison(s) regarding program management operations. Interaction and input regarding general direction of programming will be provided by the City of Sherwood Parks and Recreation Advisory Board. The Parks and Recreation Advisory Board will serve as an advocate of the community and provide a voice from the community regarding program operations in general. (COMPONENT #5)
- b) The HealthFitness account management team will also receive and respond to feedback from the Parks and Recreation Advisory Board regarding special requests and/or needs (e.g., homeless showers, extended center hours of operation for a specific reason and or event). (COMPONENT #13)

- c) Attend City Council Meetings on at least a quarterly basis to provide a qualitative report on the overall financial performance of the facility and performance of planned programs.
- d) Program updates and reports submitted to the City Liaison(s) on a monthly, quarterly and annual basis.
- e) Ongoing analysis and evaluation of the Business Plan process and program objectives.
- f) Discuss projects, program development, upcoming activities and services.
- g) Review issues and discuss strategies.
- h) Ongoing positive reinforcement, professional support and guidance for on-site staff.
- i) Identify trends in the fitness, recreation, and wellness fields and recommend enhancements to the City programs and facility.
- j) Ensure compliance with all City operational rules and regulations.

4.4 Quality Assurance Services

- a) Perform general administrative functions in accordance with the City Program scope (e.g., records management, report generation).
- b) Evaluate program and service effectiveness through the Operator Quality Assurance Plan.
- c) Participate in regular onsite safety drills. Frequency of safety drills to be identified with the City.
- d) Provide a qualified Account Management Team.
- e) Regularly scheduled meetings and formal communication with the City Liaison(s) and the Operator's on-site staff.
- f) Communication/Interaction between the Operator's Account Management Team and City Liaison(s) regarding national health data, trends, industry findings and new Operator program options available to the City.
- g) Annual client and participant satisfaction surveys.

5. HEALTH AND FITNESS PROGRAM MANAGEMENT

5.1 Hours of Staffed Operation

Monday – Thursday

5:00 am–10:00 pm

Friday

5:00 am–9:00 pm

Saturday

6:00 am–7:00 pm

Sunday

8:00 am–6:00 pm

The facility opening and closing hours can be adjusted but only with the prior written approval of the City Manager. A notice will be posted on site at the facility at least one month in advance of any change so monthly members and pass purchasers are aware.

5.2 Membership Categories and Rates

Type of Membership	Resident Monthly Dues	Non-Resident Monthly Dues	Registration Fee
Youth 3–11	\$20	\$23	\$25
Young Adult 12–20	\$26	\$29	\$25
Adult 21–64	\$35	\$38	\$50
Adult Couple 18+	\$58	\$64	\$75
Senior 65+	\$35	\$38	\$50
Family*	\$70	\$77	\$75
*Up to 5 people on account. \$10 for each additional member. Must show proof of residence.			

Note: Operator agrees to keep the membership categories and rates the same at least for the first year after the Program Launch Date. Operator will work with the Parks and Recreation Advisory Board regarding any future fee adjustments after Year 1. Any such adjustments will need to be reviewed by the City Parks and Recreation Advisory Board and are subject to final approval by Sherwood City Council.

(COMPONENT #9)

5.3 Program Development and Annual Management Services

Operator will provide comprehensive program development and operational management services on an annual basis. The Operator will work collaboratively with the City Liaison(s) regarding overall program design and content. The City Liaison(s) will provide input and approval of final program scope and processes. Operator will provide program development and operational management services including:

- a) Annual Management Plan to include a strategic plan and integrated program calendar, operating budget, mission statement, and overall program goals and objectives.
- b) Facility management procedures including equipment maintenance and building and grounds maintenance procedures.
- c) Staff training manual with position specific responsibilities.
- d) Marketing and communication plan.
- e) Operating Procedures Manual (operational policies and procedures).
- f) Participant enrollment process according to program design, including risk and liability releases, which are subject to review and approval by the City and must include a release of claims against the City.
- g) Program and facility orientation process according to program design.
- h) Program calendar of events (e.g., fitness, recreation, and wellness for all ages and genders).
- i) Fitness and recreation program scope (e.g., group class programming such as silver sneakers/silver & fit programming, special needs/handicapped programs, instructional swim programs).
- j) Wellness program scope (e.g., mind your health seminars, “What’s What Meet-Up” educational programming).
- k) Member Management Platform.
- l) On-site and up-to-date membership and personnel files.
- m) Quality Assurance Program (QAP) including a reporting schedule and annual compilation of program results in a report format developed in conjunction with the City Liaison(s). The QAP will also include regular account review meetings with the City Liaison(s) along with a member and client survey process.
- n) Management of variable program and facility related supply items and services needed.

- o) Monitor usage of the facility and ensure that users comply with all rules and regulations and ensure that no one is in need of help or assistance.
 - p) Maintain the center in a safe, clean and sanitary manner. All administrative and general exercise areas will be kept clean and free of obstacles that may cause accidents/injury.
 - q) Provide a program for community members to rent on-site meeting spaces in a manner that does not interfere with other operations. Such rentals shall be limited to uses that are recreational and health and fitness related.
 - r) Recommend facility, equipment and operation improvements as necessary and appropriate.
 - s) Inspect all equipment periodically for safety purposes and remove from use any equipment that becomes unsafe. Notify the City of damaged or missing equipment and/or components.
 - t) Daily preventive equipment maintenance and supervision of third-party maintenance vendors.
 - u) Create and maintain a complete inventory of equipment and supplies belonging to or in control of the City. Recommend equipment replacement where replacement would be the most cost-effective option. Develop a 3-5 year equipment replacement plan/strategy.
 - v) Written and rehearsed Emergency Action Plans incorporating AED and First Aid Kits.
 - w) Development of Incident/Accident reporting systems and regular review/follow up and cataloging for historical reference, pattern identification, and emerging risks.
 - x) Compliance with legal requirements regarding the Health Insurance Portability and Accountability Act (HIPAA), and PI data.
 - y) Material Safety Data Sheet (MSDS) compliance (inventory, identification/labeling)
 - z) Sanitation plans for Aquatic surfaces, Fitness Equipment and proper handling of bio hazard material.
 - aa) Consultative assistance as needed on an annual basis regarding facility and or programming related topics (e.g., facility renovation and/or expansion, new programming concepts).
- (COMPONENT #14)

5.4 Direct Participant Program Services

Operator will provide a diverse menu of program offerings on an annual basis. The Operator will work collaboratively with the City Liaison(s) and Park and Recreation Advisory Committee regarding overall program offerings and content. The City Liaison(s) and Park and Recreation Advisory Committee will provide input and approval of the program menu and calendar of events on an annual basis. During the first year after the Program Launch Date, Operator will continue to provide, in all respects, the same level, type, quality, and volume of program offerings as were provided by the YMCA during the period of July 1, 2016 to June 30, 2017. Operator will communicate with the City Liaison(s) regarding program participation rates on a regular basis to identify if adjustments are needed. In years 2-5 of the contract the Operator will collaborate with the City Liaison(s) and Park and Recreation Advisory Committee regarding the moving forward level, type, and volume of program offerings. Any changes to program offerings must be approved by the City Liaison(s) and Park and Recreation Advisory Committee. Without limiting the generality of the foregoing, Operator will be responsible for:

(COMPONENT #4)

- a) Facilitating all aspects of member engagement (e.g., registration, forms and process development, participant pre-program screenings according to the City Program).
- b) Orientations to facilities and program amenities and options.
- c) General daily activity area and floor supervision and participant guidance throughout the Recreation and Aquatic Center.
- d) Child Watch services including the City approved child care policies, until further input can be given and decisions made regarding any future changes to the program.
- e) Continuation of the Sherwood Dragons Swim Team along with scheduled pool time for the local High School teams. (COMPONENT #1)

- f) Continuation of the Silver Sneakers and Silver & Fit Programs. Collaboration with the City Liaison(s) and Park and Recreation Advisory Committee regarding this “program” primarily being dedicated to the Citizens of the City of Sherwood. Silver Sneakers offers health programs exclusively for seniors. Membership to Silver Sneakers is covered under most Medicare plans, including AARP Medicare & United HealthCare Insurance. The fitness program enables senior citizens to enjoy benefits such as weights, bicycles, and swimming, at a level that they are capable of enjoying. Health plans offer the Silver & Fit program to eligible Medicare Advantage/Supplement beneficiaries and group retirees. The program offers facility-based offerings as well as home-based options. (COMPONENT #2)
- g) Develop programming and class offerings for special needs and handicapped children. (COMPONENT #11)
- h) Community outreach programs on an annual basis (e.g., fund-raising, community outreach). The Operator will work with the City Liaison(s) and Park and Recreation Advisory Committee to develop a Community Outreach Program Calendar that will include a range of 8-12 events/programs annually. (COMPONENT #12)
- i) Continue with a Scholarship Program that provides financial assistance to the City of Sherwood community residents that meet award criteria as approved by the City Liaison(s) and Park and Recreation Advisory Committee. Assist with creation of a “Friends of the Recreation and Aquatic Center” program to assist with scholarships. Sherwood Citizens would get priority in respect to scholarship awards. Work with the City Liaison(s) regarding the development of a non-resident award process. (COMPONENT #10)
- j) Personal Training delivered in a fee-for-service approach.
- k) Group class instruction delivered in the current weekly scope (up to 62 classes per week).
- l) Active older adult group class programming delivered in the current weekly scope (up to 26 classes per week).
- m) Water workout classes delivered in the current weekly scope (up to 14 classes per week).
- n) Instructional swim lessons delivered in the current weekly scope (up to 81 classes per week). Operator will require that all swim instructors carry the following American Red Cross certifications: (COMPONENT #6)
 - First Aid, CPR/AED for the Professional Rescuer and Water Safety Instructor (WSI).
 - At least one year of experience teaching swimming strongly preferred.
 - Experience in teaching age groups from 0 to 100 including adults, children and special populations preferred.
 - Ability to pass background checks including but not limited to county and multi-jurisdiction and national sex offender registry.
- o) Recreation/Family Programming (e.g., fun runs, open swim, sports leagues/tournaments).
- p) Thematic and seasonal/holiday special events (e.g., Fun Run).
- q) Teen Center events calendar (e.g., dances, sports themed activities).
- r) Mind Your Health Educational Seminars. Operator has a current library of 30 educational topics in a variety of themes to choose from. This library of educational seminars may be considered when developing the moving forward Recreation and Aquatic Center Program Calendar.
- s) Multi-Session Classes. Operator has a current library of 7 multi-session classes with a variety of activity themes to choose from. This library of classes may be considered when developing the moving forward Recreation and Aquatic Center Program Calendar.
- t) What’s What Meet-Up Outreach Sessions. Operator has a current library of 8 outreach sessions in a variety of topics to choose from. This library of educational sessions may be considered when developing the moving forward Recreation and Aquatic Center Program Calendar.
- u) Staff Delivered Challenges. Operator has a current library of 8 challenges in a variety of themes to choose from. This library of challenges may be considered when developing the moving forward Recreation and Aquatic Center Program Calendar.

 **Exhibit 2: Operator’s Value-Added Program Offerings.**

6. MARKETING AND COMMUNICATION PLAN

Operator will develop a marketing and communication plan (the Plan) including community outreach for the facility and program. The Plan will include marketing strategies to generate and sustain participation in the City’s Recreation and Aquatic Program throughout the year. The Operator will work collaboratively with the City Liaison(s) towards the development of the Recreation and Aquatic Center’s new branding initiatives and then ensure the standards are used accordingly throughout each operational year.

Established Communication Materials: Operator will provide the City with a library of established campaigns that can be customized with the moving forward center and program branding. Current examples of established campaigns include Idioms, which offers oversized, reusable posters as well as a series of 30-second videos. The established campaign library also includes more traditional campaigns, such as “Gain Health”, “Make the Moves that Matter” and “Little Things, Big Difference”. The established campaigns will provide the City with templates for mediums such as postcards, letters, e-mails, program enrollment packets, group exercise schedules and posters. The Operator will work collaboratively with the City Liaison(s) and Park and Recreation Advisory Committee to utilize the marketing resources in development of the moving forward marketing plan.

As a part of the marketing process, the Operator will develop a program calendar including categorical program areas such as participant engagement and education, community outreach, member engagement, group exercise, member retention, and health improvement programs. The calendar will be geared towards the marketing, recruitment and engagement of the eligible Sherwood population as program members and active participants.

 **Exhibit 3: Operator’s Marketing Campaign Resources.**

7. MEMBER MANAGEMENT SYSTEM

Technology Solution: Operator has included a line-item in the budget for a technology solution that will allow for the efficient management of program operations — for both direct participant-facing interaction as well as the back-office operational management tasks. Operator assumes all City-owned current program information including any available membership data, financial information, historical reports and all other information relating to running the Sherwood Recreation and Aquatic Center will be transferred and/or a copy provided to HealthFitness as of September 30, 2018.

See below for a summary of the proposed approach to the moving forward technology solution for the Sherwood’s Recreation and Aquatic Center.

Our recommended approach is to first work with the City Liaison(s) to better understand the current operating system and what data can be migrated, we then can recommend a software system that best meets the City’s moving forward system needs (e.g., CSI, MINDBODY, etc.). We have extensive experience utilizing a variety of industry technology solutions and are confident we can work with the City Liaison(s) to identify a system that will best fit the Recreation and Aquatic Center’s needs moving forward. Our intent is to implement technology that supports operational best practices, but also offers new solutions that enrich management tools that ultimately lead to an enhanced participant experience.

Overview of System Features:

- Accounting:

- Point of Sale
- Billing and Accounts Receivable
- Inventory Management
- Series Sales (packaging and managing of services sold in a series format, e.g., personal training)
- Management:
 - Check-In
 - Event Management
 - Member Management (member data intelligence)
 - Event Management (plan, build, and scheduler for events)
 - Equipment Checkout
 - Locker Management
- Online Services: (automated online service features)
 - New Member Enrollment
 - Registration in Programs and Classes
 - Scheduling (classes, programs, leagues, special events)
 - Secure Dues Payment and Paperless Billing
- Scheduling:
 - Group Classes
 - League and Tournament Management
 - Program Enrollment (outreach, wellness, etc.)
 - Scheduler for Management of Appointments and Bookings (e.g., personal training)
- Reports:
 - Data Integration and Custom Report Generation
- Business intelligence system to assist with data analytics (e.g., Tableau).
 - Data Visualization: Connect and Visualize Data from Varied Sources
 - Analytics: Spreadsheets, Dashboards, Multiple View Capability, Live and/or Automated Updates
 - Sharing: Publish Dashboards to Share Live Online

Further interaction will be needed with the City Liaison(s) to confirm the strategy regarding selection of the moving forward system. The Operator's objective will be to collaborate with the City Liaison(s) at the appropriate point during the transition phase to identify and implement the solution in a time-efficient approach.

8. ADDITIONAL INFORMATION

8.1 Independent Contractors

Operator is not responsible for providing any independent contractors other than those specifically outlined in this Attachment A.

8.2 Recruiting

Operator is responsible and will incur all expenses related to on-site staff transition and/or recruitment (i.e., newspaper and magazine classifieds as needed, internet postings, etc.).

8.3 Recruiting Travel

Operator is responsible for all recruiting travel expenses, including travel by Operator's senior staff to interview candidates, travel related expenses for out-of-area candidates to interview for positions (if applicable), and relocation expenses for out-of-area candidates (if applicable).

8.4 Travel and Entertainment

Beginning on the Program Launch Date, the Operator's Senior Director and/or Area Manager is responsible for meeting with the City Liaison(s) on a regular basis, not less often than monthly, to assure quality control and assess Program effectiveness. Operator is responsible for Travel and Entertainment expenses incurred during on-site visits including air or ground transportation (at the prevailing IRS-designated rate per mile), meals, lodging, tolls, and parking.

9. CLIENT RESPONSIBILITIES

9.1 Management Commitment and Support

The City will designate at least one (1) Liaison (City Liaison) for the Operator. On an ongoing basis, each of the City Liaison(s) will devote an adequate amount of his or her time for engagement with the Operator regarding overall program operations.

9.2 Office Space

The City will provide, not to exceed City site guidelines, the following for the on-site program management staff:

- a) Enclosed staff office or cubicle work space (note, participant related health and fitness counseling sessions must be held in an enclosed area to ensure privacy/confidentiality).
- b) Telephone with conferencing capability with long distance service.
- c) Computer workstations with software equivalent to City's standard software systems and email access for program communications as applicable.
- d) Laptop computer and docking station, if required, with software equivalent to City 'standard' software systems and e-mail access; the laptop ensures encryption following Operator client-owned mobile device (COMD) standards.
- e) Color Printer.
- f) Access to copier/fax – color copier access preferred for materials.
- g) Internet access.
- h) Lockable cabinets for supplies storage.
- i) Operator designated lockable file cabinet for participant files and individual health information storage.
- j) If cell phone access is a requirement by the Client, the Client provides the hardware and maintains the monthly fees and ensures encryption following client-owned mobile device (COMD) standard. If Operator purchases the cell phones and service on the Client's behalf and manages each month's ongoing fees, fees are agreed upon and are invoiced at a fixed rate each month.

9.3 Capital Purchases

City is responsible for making capital expenditures for the Centers and Programs not defined under the Operator responsibilities (herein "Capital Expenditures"). Capital Expenditures include all items for the Centers and Programs including, but not limited to, office equipment and furniture, computer hardware and connectivity, and audio/visual equipment.

9.4 Facility Maintenance, Repairs and Utility Services

The City is responsible for the following facility related services and or supplies:

- a) Making or installing, at the City expense and in the name of the City, of such alterations, repairs or decorations to the facilities as the City deems reasonable or necessary.

9.5 Other Insurance

City will be responsible for providing insurance for the items it is responsible for in this Scope of Work and Agreement. Operator liability insurance covers the hours that programs and services are being delivered including the hours applied to the supervision of the Recreation and Aquatic Center. Hours outside the defined program and service delivery are the responsibility of the City.

ATTACHMENT B – PRO FORMA

Operator has developed a projected 5 Year Pro Forma. The Pro Forma includes the following revenue and expense summary categories and net outcome over the 5 Year term:

Category	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	5 Year Total
Revenue	\$2,725,030.00	\$2,862,510.00	\$3,006,589.50	\$3,159,871.88	\$3,323,368.97	\$15,077,370.34
Core Expenses	(\$2,530,485.29)	(\$2,608,539.39)	(\$2,689,399.40)	(\$2,773,179.14)	(\$2,859,997.46)	(\$13,461,600.67)
Management Fee¹	(\$192,000.00)	(\$197,760.00)	(\$203,692.80)	(\$209,803.58)	(\$216,097.69)	(\$1,019,354.08)
Expense Total	(\$2,722,485.29)	(\$2,806,299.39)	(\$2,893,092.20)	(\$2,982,982.72)	(\$3,076,095.15)	(\$14,480,954.75)
Net²	\$2,544.71	\$56,210.61	\$113,497.30	\$176,889.15	\$ 247,273.82	\$596,415.60
Recovery	100%	102%	104%	106%	108%	104%

¹ Assumes cost for the Operator’s fixed management fee. The fixed management fee assumes a 3% increase in years 2 through 5 of the contract term. This fee includes annual account management support; staff training and development; access to the Operator’s marketing resource library; and to the staff delivered programming menu including motivational challenges, multi-session class programming, and the Mind Your Health Seminar Series, and Operator Profit. **COMPONENT #7**

² The Operator’s Pro Forma does not show a negative net and/or deficit in any operational year that the City would have to absorb. Additionally, 100% of the positive net revenue over the 5 Year term (\$596,415.60) will go to the City. **COMPONENT #3**

BILLING

Please refer to Section 7 of the Master Service Agreement for the fees, billing, and payment terms.