

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FLORENCE, ALABAMA as follows:

SECTION 1. That the contract with Jackson Thornton & Co., P.C. a copy of which is attached hereto, to provide consulting services to perform a Cost Allocation Study and to Develop a Formal Cost Allocation Manual for the City of Florence Electricity Department, Florence, Alabama, in the contract amount of \$19,500.00 with additional cost for any necessary travel expenses as stated in the attached proposal dated April 11, 2025, and the same is hereby approved, ratified and confirmed.

SECTION 2. The Council has investigated and ascertained and hereby finds Jackson Thornton & Co., P.C. to be qualified, responsible, and competent to perform said services.

SECTION 3. That the contract for such services be awarded to Jackson Thornton & Co., P.C., and that the proper officials of the City execute the contract in the name of and on behalf of said City.

ADOPTED this the _____ day of _____, 2025.

CITY COUNCIL

APPROVED this the _____ day of _____, 2025.

MAYOR

ADOPTED & APPROVED this the _____ day of _____, 2025.

CITY CLERK-TREASURER

STATE OF ALABAMA }
 }
COUNTY OF LAUDERDALE }

CONTRACT

THIS AGREEMENT IS MADE AND ENTERED INTO IN DUPLICATE, by and between the City of Florence, Alabama, (hereinafter "City"), and Jackson Thornton & Co., P.C., a corporation (hereinafter "Consultant").

WITNESSETH:

THAT, WHEREAS, the City wishes the Consultant to provide consulting assistance for The City of Florence Electricity Department, Florence, Alabama. NOW, THEREFORE, the City and the Consultant in consideration of the recitals and mutual covenants herein set forth, mutually agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The scope of work shall consist of the Consultant providing services necessary to perform a Cost Allocation Study and to develop a Formal Cost Allocation Manual for the City of Florence Electricity Department, Florence, Alabama, and all in accordance with the proposal as attached hereunto.

ARTICLE 2 - FEES AND COMPENSATION

In consideration of the performance of the elements described as the SCOPE OF SERVICES, the City shall pay the Consultant \$19,500.00 (nineteen thousand five hundred dollars) with an additional cost for any necessary travel expenses, and is the price submitted by the Consultant in their proposal dated April 11, 2025, which is attached hereunto and made a part of the contract.

Payment to Consultant shall be made only for the actual quantities of work performed and accepted or materials furnished in accordance with this contract. Any additional work done or materials to be furnished, which in the opinion of the City, represent a significant quantity, shall be authorized by change order agreement with the Consultant.

Payment terms shall mirror the mass deployment project after receiving a duly certified and approved estimate.

ARTICLE 3 - PERSONNEL AND FACILITIES

The Consultant warrants that they have or will secure at their own expense, all personnel required to perform the services under this contract. All personnel in the work shall be fully qualified.

Consultant warrants that it is properly qualified to perform this contract in accordance with the applicable laws of the City of Florence, State of Alabama, and the United States.

ARTICLE 4 – CHANGES

The City may, at any time, by written order, make changes within the general scope of this contract in the services to be performed. If such changes cause an increase or decrease in the Consultant's cost of, or time required for, performance of any services under this contract, an equitable adjustment shall be made and this contract shall be modified in writing accordingly. No services for which additional compensation will be charged by the Consultant shall be furnished without written authorization of the City.

ARTICLE 5 – CANCELLATION

The City retains the right to cancel without cause upon thirty (30) days written notice of any and/or all terms and conditions as agreed upon within the aforementioned scope of services. If the contract is canceled, the Consultant will be paid for services rendered to the date of cancellation as mutually agreed by both parties.

ARTICLE 6 - TERMS AND CONDITIONS

In no event shall this contract constitute an employment Agreement, and the Consultant shall be considered only as an independent consultant and not employees, agents, partners, or joint ventures of the City.

The Consultant shall be solely responsible for any and all taxes (state, federal, and/or local); workers' compensation insurance; unemployment insurance payments; insurance; or any similar type of payment or any employee thereof; and shall hold the City harmless from any and all such payments.

The second party shall not knowingly violate 8 U.S.C. §1324a (employ an unauthorized alien) as a condition of receiving a contract. Consultant agrees to enroll in a designated employment eligibility verification system through the term of the contract. E-Verify is a free internet-based system that is operated or authorized by the United States Department of Homeland Security that allows employers to electronically confirm the legal working status of newly-hired employees. E-Verify shall be the designated employment eligibility verification system for the first party. As a contractor participant in E-Verify, Consultant shall be required to use E-Verify for all new employees who will be working directly on this contract.

If the second party uses one or more subcontractors in connection with the performance of this contract, the second party shall include in all subcontracts the requirement for compliance by the subcontractor with these provisions.

All laws, rules and regulations of the United States, State of Alabama, and the City of Florence as are applicable to the work to be performed hereunder shall be complied with.

It is fully understood and agreed that the Consultant is an independent contractor and not an employee, agent or representative of the City. It is expressly understood and agreed that this contract is entered into solely for the mutual benefit of the parties herein and that no benefits, rights, duties, or obligations are intended or created by this contract as to third parties not a signatory hereto.

The second party shall secure and pay for all required licenses and permits.

This contract shall be interpreted pursuant to the laws of the State of Alabama.

Executed at Florence, Alabama, this _____ day of _____, 2025.

CITY OF FLORENCE, ALABAMA
a municipal corporation

BY: _____
MAYOR

ATTEST:

CITY CLERK-TREASURER

“CITY”

JACKSON THORNTON & CO., P.C.
a corporation

BY: _____

ATTEST:

ITS: _____

“CONSULTANT”

JACKSON THORNTON

Certified Public Accountants
& Consultants

April 11, 2025

Mary McDuffa
Manager
Florence Utilities Electricity Department
502 E Dr Hicks Blvd
Florence, AL 35630

Re: Cost Allocation Proposal

You have requested that we propose on providing consulting assistance to Florence Utilities Electricity Department related to the allocation of joint costs incurred in providing electric and other services. We are pleased to submit our proposal to you by means of this letter.

Proposed Services

This project will include two (2) phases of professional consulting work. Those phases include and will focus on the following:

>A Cost Allocation Study- We will assist you and your management team with reviewing your processes and analyzing how the common costs are to be shared by Florence Utilities Electricity Department (FUED) and other city departments. Our focus of this cost study will review how these common costs will be allocated between FUED and other city departments. This is completed in order to assure that each entity will be assessed their fair share of these common costs. We will use our independent expertise in performing similar cost allocation studies for other regulated entities. This will offer comfort to FUED in relying on the processes used in allocating common costs. The results of the study will be that the common costs are properly shared between FUED and the other city departments and assist management in affirming that no subsidization of costs occur between these departments.

>B Develop a Formal Cost Allocation Manual- After completing the cost allocation study, we will assist FUED in developing a formal Cost Allocation Manual (CAM). This manual will support and define the cost allocation processes determined by the cost allocation study. It will be the control and audit manual for the cost allocation process should FUED be audited by regulators or challenged. This CAM will be used on a forward-looking basis to assist you and your management team in the allocation process for common costs shared by FUED and the other city departments. It will also provide formal independently determined support for the cost allocation process should you be asked to provide such support. Included with the study will be the TVA Excel template, populated with the FUED applicable data.

Jackson Thornton Certified Public Accountants & Consultants

200 Commerce Street, Montgomery, Alabama 36104-2591 P.O. Box 96, Montgomery, Alabama 36101-0096
334 834 7660 jacksonthornton.com A PROFESSIONAL CORPORATION

Proposed Fee

Our proposed fee for professional services related to this project is \$19,500. Any out of pocket travel expense, should it be necessary would be billed separately.

We appreciate the opportunity to submit this proposal to you and Florence Utilities Electricity Department.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Thornton" or similar, written in a cursive style.

JACKSON THORNTON & CO., P.C.