

## Exhibit 2B

### COMPENSATION AND INVOICING

1. Subject to the provisions set forth in this Agreement, the CONSULTANT will be paid on a monthly basis by the CITY for authorized and satisfactorily completed work and services rendered under this Agreement. Such payment shall be full compensation for work performed and services rendered, for all supervision, labor, supplies, materials, equipment or use thereof, taxes, and for all other necessary incidentals. The amount to be paid to the CONSULTANT shall be computed as hereinafter set forth; provided that such payment shall not exceed the amount of ONE HUNDRED FIFTY MILLION AND 00/100 DOLLARS (\$150,000,000, (hereinafter called the "Total Price"), which includes all costs and fees associated with this Agreement, subject only to authorized adjustments as specifically provided in this Agreement. In the event the CONSULTANT incurs costs, fees or other compensation in excess of the Total Price, adjusted as provided herein, the CONSULTANT shall pay such excess from its own funds and the CITY shall not be required to pay any part of such excess and the CONSULTANT shall have no claim against CITY on account thereof.
2. Compensation for work and services shall be on a cost plus fixed fee basis but not to exceed the Total Price. Compensation shall be the sum of direct labor costs, indirect costs, subconsultant costs, other direct costs, fixed fee and General Excise and Use Tax as described below. Costs to be paid are identified in the "Contract Cost Estimate" schedule, which is attached hereto as Exhibit 2A and incorporated herein by this reference, and comprise the following:
  - a. Direct Labor Costs. Direct labor costs shall be the total number of hours worked on the PROJECT by each authorized employee multiplied by the employee's regular hourly rate. The list of employees authorized to charge to the PROJECT shall be named in the Cost Estimate schedule. Requests by the CONSULTANT to add employees to the list shall be submitted in writing to the CITY for approval. The request will identify the individual by name, position, primary task to be assigned, estimated hours, current raw hourly rate and the overhead rate applicable for the charges. Charges made by employees who are not on the authorized list at the time the charges were incurred will not be reimbursed by the CITY. Employees who are no longer authorized to charge to the PROJECT will be removed from the authorized list. In no event shall the premium portion of overtime be classified or billed as direct labor.
  - b. Indirect Costs. Indirect costs shall be the product of all direct labor costs multiplied by an overhead rate. The parties agree that the Overhead Rates shown in Exhibit 2C shall be used on a provisional basis for the purpose of invoicing until the audited rate that is based on a "Report of Independent Auditors" for the period is agreed upon by the CITY at which time

payment for services using the provisional rate will be adjusted to the audited rate accepted by CITY. The CONSULTANT's overhead rates are to be calculated on an annual basis and are to be prepared on the basis of accounting practices prescribed by Part 31, Subparts 31.1 and 31.2 of the Federal Acquisition Regulations.

Facilities, services and equipment for "Project Office" CONSULTANT staff will be provided by CITY. In the event the CITY does not provide the facilities, services and equipment for the Project Office such allowable, reasonable and necessary cost may be included in the CONSULTANT's Project Office overhead rate. It is agreed that PROJECT services by CONSULTANT and employees assigned to the Project Office will be invoiced to CITY at the provisionally approved Project Office overhead rate; PROJECT services by employees that are not assigned, but are expected to work in the Project Office for twenty nine (29) or more continuous days shall be invoiced to the CITY at the CONSULTANT's provisionally approved Field Overhead Rate; and PROJECT services by CONSULTANT employees not assigned to the Project Office and who are not expected to be working in the Project Office for twenty nine (29) or more continuous days shall be invoiced to the CITY at the CONSULTANT's provisionally approved General Service Office rate. The CONSULTANT's provisional overhead rates will be reviewed annually by CITY and adjusted if deemed acceptable to CITY. The initial Provisional Overhead Rate schedules are contained in attached Exhibit 2C and is incorporated by this reference.

- c. Other Direct Costs. Other direct costs shall be billed at cost without markup by the CONSULTANT and shall include actual authorized expenses incurred by the CONSULTANT for PROJECT work that is identified in the Contract Cost Estimate which is attached hereto as Exhibit 2A and incorporated herein this reference.
- d. Fixed Fee. The CITY shall pay the CONSULTANT a fixed fee of EIGHT MILLION TWO HUNDRED SIXTY THOUSAND TWO HUNDRED THIRTY-NINE AND 00/100 DOLLARS (\$8,260,239). Such fixed fee is included in the Total Price set forth above. It is understood and agreed that the fixed fee is only due and payable for the PROJECT work for which CITY has given Notice to Proceed and for which the CONSULTANT has satisfactorily completed. The fixed fee will be prorated and paid monthly in proportion to the CONSULTANT's direct labor and overhead for work satisfactorily completed. The proportion of work completed shall be documented by invoices. A payment for an individual month shall include that approved portion of the fixed fee allocable to the PROJECT work satisfactorily completed during said month and not previously paid. Any portion of the fixed fee not previously paid in the monthly payments shall be included in the final

payment. The CITY may permit an increase in the fixed fee only due to "Additional Work" anticipated beyond that work covered by the scope of services that is contained in the Scope of Work, attached hereto and incorporated herein as Exhibit 1. In the event the CITY deletes work from the Scope of Work in Exhibit 1, a proportional decrease in the fixed fee may be required.

- e. Subconsultant Costs. It is agreed that the CITY has the right to approve any CONSULTANT subcontractors related to the PROJECT. The provisions contained in Exhibit 2B shall apply to Subconsultant costs. Subconsultant costs shall be billed to the CITY at cost without markup by the CONSULTANT and shall include actual authorized expenses incurred by the CONSULTANT for PROJECT work that is identified in the Contract Cost Estimate, attached hereto as Exhibit 2A.
- f. The CONSULTANT's cost estimate contained in Exhibit 2A shall designate by employee the expected overhead rate schedule to be used for billing and any changes will require advance CITY approval.

3. **Payment Schedule.** Each month the CONSULTANT shall submit to CITY an invoice for payment for PROJECT work completed to the end of the previous month in a form and in reasonable detail as determined by the CITY. Such invoices shall be for work performed subsequent to that work covered by all previously submitted invoices and shall be completed pursuant to the rates and limitations set forth hereinabove. Invoices shall be supported by adequate documentation as determined by the CITY and shall detail the work, charge(s) by sub-task, hours, amount and employee name for which payment is being requested, including subconsultant employees, and shall itemize, with receipts and invoices attached, the Other Direct Costs for which reimbursement is being requested. Within thirty (30) days of receipt of an invoice and upon approval of the work satisfactorily completed and amount billed, the CITY will pay the invoice as approved. At no time shall the total cumulative amount paid for the PROJECT work exceed the Total Price. A copy of invoices submitted by the authorized subconsultants identified in Exhibit 2A, Schedule C for which payment is requested by the CONSULTANT shall be attached to the CONSULTANT's invoice submitted to the CITY. **The CONSULTANT shall notify the CITY Project Manager in writing no later than ten (10) days after incurring seventy-five percent (75%) of the Total Price or whenever the CONSULTANT believes the PROJECT Work cannot be completed for the Total Price.**