

**Amendment #1 to Task Order 1-10-GEN  
General Fund Cost Allocation Study  
City of Key West, Florida**

The execution of this Amendment #1 to Task Order 1-10-GEN by the City of Key West, Florida (the "City") will establish permission for Red Oak Consulting, a division of Malcolm Pirnie, Inc ("Red Oak") to proceed with the additional requested scope of work detailed herein. The additional project tasks to be completed by Red Oak are outlined below.

**1. Information Gathering, Review, and Analysis**

Red Oak received, reviewed, evaluated and incorporated information received from the City from April through November 2011. This period of review and evaluation was longer than originally planned because of the data intensive nature of the assignment and the uncertainty at the start of the project regarding how readily available the activity-related data for each department would be. In addition, Red Oak was required to analyze and incorporate updated data and information into the cost allocation plan model, create multiple versions of the cost allocation plan, and run multiple scenarios because new and updated information became available during the course of the evaluation. In addition, the City has requested additional survey and comparison data to be incorporated into the report pertaining to PILOT, right-of-way fees, and franchise fees. These efforts will require additional time of approximately 40 hours for research, data review and analysis.

**2. Cost Allocation Plan**

During the course of the cost allocation plan development, the City requested additional meetings with Red Oak to gather additional information, discuss the preliminary analysis results, provide progress updates, and present results to the City. These meetings were held, or are anticipated to be held, on the following dates:

- December 14, 2010 (Meeting to discuss the capital allocation plan analysis). This required additional time of approximately 8 hours, plus travel cost.
- March 22, 2011 (Meeting to discuss preliminary cost allocation plan results with the City). This required additional time of approximately 12 hours, plus travel cost.
- Two additional teleconferences to review and revise the cost allocation plan. This is anticipated to require additional time of approximately 6 hours.
- Results Presentation Meeting (Date to be determined based on City Council meeting schedule). This is anticipated to require additional time of approximately 8 hours, plus travel cost.

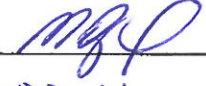
**3. Cost Estimate**

This amendment to Task Order 1-10-GEN increases the task order amount by \$18,000 from \$49,000 to \$67,000. Red Oak will continue provide monthly invoices to the City for the work performed until completion.

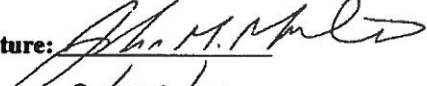
Lump Sum 

The parties agree that the Amendment to the Task Order presented herein shall be performed based on the terms and conditions established in the Master Agreement to Furnish Financial and Other Consulting Service ("Master Agreement") between the City and Malcolm Pirnie.

**City of Key West**

By: Mark Z. Finigan  
Title: ACM - Admin.  
Signature:   
Date: 4.22.11

**Malcolm Pirnie, Inc.**

By: John M. Mastrecchio  
Title: Associate Vice President  
Signature:   
Date: 3/24/11