NOTICE OF AWARD OF CONTRACT

TO: PUBLIC FINANCIAL MANAGEMENT, INC
4350 N. FAIRFAX DRIVE, SUITE 580
ARLINGTON, VA 22203

DATE ISSUED: MAY 30, 2013
CURRENT REFERENCE NO: 239-11
CONTRACT TITLE: DMF - FINANCIAL ADVISOR
PRIOR REFERENCE NO: 192-10

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is awarded the above referenced contract. The contract term covered by this Notice of Award is effective IMMEDIATELY and expires on JUNE 30, 2014.

This is the FINAL year award notice of a FIVE year contract.

The contract documents consist of the terms and conditions of Agreement No. 178-09, including any exhibits, attached or amendments thereto.

CONTRACT PRICING:

1) REFER TO CONTRACTOR’S LETTER DATED MAY 14, 2013 (ATTACHED).

2) PRICE ADJUSTMENTS FOR EXTENSION OPTIONS BASED ON FEBRUARY CPI-U.

ATTACHMENTS:

1) AMENDMENTS NO. 1 - 3
2) AGREEMENT NO. 178-09

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: JOANNE CARTER
VENDOR TEL. NO.: 202-872-8650
VENDOR PAYMENT TERMS: NET 30 DAYS
VENDOR FAX. NO.: 202-872-8840
EMAIL ADDRESS: CARTERJ@PFM.COM
COUNTY CONTACT: MICHELLE COWAN
COUNTY TEL. NO.: 703-228-3415

CONTRACT AUTHORIZATION

Ivette Gonzalez
Procurement Officer

DATE: 5/30/13

DISTRIBUTION

BID FOLDER: 1
May 14, 2013

Ms. Jason Jackson
Staff Specialist
Arlington County Departments of Human Resources,
Management & Finance, and Technology Services
2100 Clarendon Boulevard, Suite 500
Arlington, VA  22201

Re: Renewal - Contract No. 239-11 (of Agreement 178-09) for Financial Advisory Services

Dear Ms. Jackson:

In response to your email dated May 9, 2013, regarding Contract No. 239-11 (of Agreement 178-09) between Public Financial Management, Inc. ("PFM") and Arlington County (the "County") for financial advisory services, PFM requests an escalation in the amount of our annual retainer and hourly rates. As stipulated in your email, our Contract allows increases for the next year of the Contract (July 1, 2013 through June 30, 2014) up to the current CPI-U percentage change, not to exceed 2.0%.

PFM proposes that the current retainer of $50,600.00 (for the FY-ending June 30, 2013) be increased by 2.0%. The new annual retainer (for the Contract period July 1, 2013 through June 30, 2014) would be $51,612.00. In addition, revised hourly rates are shown in the table below. Please note that we have adjusted the hourly rates by varying percentages and not exceeding 2.0%.

<table>
<thead>
<tr>
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<th>FY 2013 Hourly Rate</th>
<th>Proposed FY 2014 Hourly Rate</th>
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<tbody>
<tr>
<td>Managing Director</td>
<td>$310</td>
<td>$315</td>
</tr>
<tr>
<td>Senior Managing Consultant</td>
<td>$260</td>
<td>$265</td>
</tr>
<tr>
<td>Consultant</td>
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<td>$195</td>
</tr>
<tr>
<td>Associate</td>
<td>$140</td>
<td>$140</td>
</tr>
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All of us at PFM are looking forward to our continued engagement with Arlington County. If you have any questions regarding our response, please call me at 703-741-0175.

Sincerely,

Public Financial Management, Inc.

JoAnne Carter
Managing Director

cc: Michelle Cowan
Director, Department of Management and Finance
Arlington County