

AGREEMENT

THIS AGREEMENT is made and entered into this 14th day of December, 2021, by and between the City of Delray Beach, a Florida municipal corporation (hereinafter referred to as "City"), whose address is 100 N.W. 1st Avenue, Delray Beach, Florida 33444, and Black & Veatch Management Consulting, LLC., a Kansas corporation, authorized to do business in the State of Florida (hereinafter referred to as "Contractor"), whose address is 11401 Lamar Avenue, Overland Park, KS 66211.

WHEREAS, the City desires to retain the services of the Contractor to conduct a user rate study to assess the appropriateness of the current water and sewer rates to determine funding stability and the adequacy of rates to meet the City's current and growing stormwater operations and capital needs, in accordance with the City's Request for Proposals No. 2021-034, and the Contractor's response thereto, all of which are incorporated herein by reference.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereafter set forth, the Contractor and the City agree as follows:

ARTICLE 1. INCORPORATION OF REQUEST FOR PROPOSALS

The terms and conditions of this Agreement shall include and incorporate the terms, conditions, and specifications set forth in the City's Request for Proposals No. 2021-034 and the Contractor's response thereto, including all documentation required thereunder.

ARTICLE 2. DESCRIPTION OF SCOPE OF SERVICES

The Contractor shall perform those professional services identified in the scope of services accompanying the City's solicitation, which is specifically incorporated herein by reference and further detailed in Exhibit "A".

ARTICLE 3. COMPENSATION

The City shall pay to the Contractor, in compliance with the Fee Schedule attached hereto and incorporated herein as Exhibit "B", according to the terms and specifications of the referenced solicitation.

ARTICLE 4. MISCELLANEOUS PROVISIONS

a. Notice Format. All notices or other written communications required, contemplated, or permitted under this Agreement shall be in writing and shall be hand delivered, telecommunicated, or mailed by registered or certified mail (postage prepaid), return receipt requested, to the following addresses:

- i. As to the City: City of Delray Beach

100 NW 1st Avenue
Delray Beach, Florida 33444
Attn: City Manager

- ii. with a copy to: City of Delray Beach
200 NW 1st Avenue
Delray Beach, Florida 33444
Attn: City Attorney
- iii. As to the Contractor: Black & Veatch Management Consulting, LLC.
11401 Lamar Avenue
Overland Park, KS 66211
Attn: Deepa Poduval, Vice President
Email: Poduval@bv.com

b. Headings. The headings contained in this Agreement are for convenience of reference only, and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

c. Effective Date. The effective date of this Agreement shall be as of the date it has been executed by both the parties hereto.

ARTICLE 5. CONTRACT TERM

This term of this Agreement shall be from the effective date through the completion of work and full acceptance by the City, unless terminated earlier in accordance with terms set forth in the solicitation.

ARTICLE 6. E-VERIFY REQUIREMENTS

By entering into this Agreement Contractor acknowledges its obligation to comply with the provisions of Section 448.095, Fla. Stat., "Employment Eligibility." Contractor affirms and represents it is registered with the E-Verify system, utilizing same, and will continue to utilize same as required by law. Compliance with this section includes, but is not limited to, utilization of the E-Verify System to verify the work authorization status of all newly hired employees and requiring all subcontractors to provide an affidavit attesting that the subcontractor does not employ, contract with, or subcontract with, an unauthorized alien. Failure to comply with this section will result in the termination of this Agreement, or if your subcontractor knowingly violates the statute, the subcontract must be terminated immediately. Any challenge to termination under this provision must be filed in the Circuit Court no later than 20 calendar days after the date of termination. If terminated for a violation of the statute by Contractor, the Contractor may be prohibited from conducting future business with the City or awarded a solicitation or contract for a period of 1 year after the date of termination. All costs incurred to initiate and sustain the aforementioned programs shall be the responsibility of the Contractor.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates hereinafter written.

[SEAL]

CITY OF DELRAY BEACH, FLORIDA

By: [Signature]
Shelly Petrolia, Mayor

ATTEST:

By: [Signature]
Katerri Johnson, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: [Signature]
Lynn Gehl, City Attorney

BLACK & VEATCH MANAGEMENT
CONSULTING, LLC.

[SEAL]

By: [Signature]

Steve Uhlmansiek
Printed Name

Associate Vice President
Title

Reviewed by
Legal
KAR
11-17-21

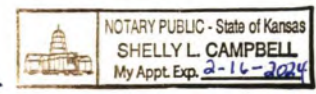
PM (B.
Merritt)
11/17/2021
[Signature]

STATE OF Kansas
COUNTY OF Johnson

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☒ online notarization, this 17 day of November, 2021, by Steve Uhlmansiek (name of person), as Associate VP (type of authority) for Black & Veatch Management Consulting, LLC (name of party on behalf of whom instrument was executed).

Personally known X OR Produced Identification
Type of Identification Produced _____

Shelly L. Campbell
Notary Public – State of Kansas



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RFP 2021-034
Stormwater Utility Rate Study

SECTION 4

SCOPE OF SERVICES

4.1 GENERAL INFORMATION AND BACKGROUND

A user rate study is needed to assess the appropriateness of the current water and sewer rates. Based upon the City's recently completed stormwater masterplan updates, the anticipation of future water quality monitoring efforts involved with anticipated maximum surface water pollutant levels dictated under the NPDES permit; annual reporting requirements of the City's NPDES permit; and projected utility fee revenues, it appears that the current stormwater utility assessment rate is inadequate for the future.

4.2 SCOPE OF SERVICES

The scope of services to be provided by the consultant includes, but is not limited to, the following:

Task 1 - Project Initiation

Task 1.1 - Kick-Off Meeting - The CONSULTANT, with input from the CITY, will prepare an agenda and meet with City staff to discuss the project's data requirements, schedule, goals, and objectives for the Rate Study.

Task 1.2 - Data Collection/Review – The CONSULTANT will identify and collect the current storm water rate, financial and operating information.

Task 2 - Develop Stormwater Rate and Financial Model

The CONSULTANT will develop a Stormwater Rate and Financial Model to support the rates for administrative and strategic planning using the available data gathered and evaluated.

Task 3 - Identification of Stormwater Utility Revenue Requirements

The CONSULTANT will develop an estimate of the annual revenue requirements for the CITY to use in the selected rate model. The estimated revenue requirements for the stormwater system will be developed for a five-year period encompassing Fiscal Years 22/23 through 27/28 to project the required stormwater rate levels as well as development of thirty-year financial projections to evaluate the rate and financial impacts of various long-term stormwater management initiatives. The development of five-year and thirty-year financial projections will include:

A. Identification of the stormwater system's current financial position including cash reserve fund balances and other financial metrics and criteria determined in conjunction with the City staff.

B. Estimation of stormwater utility expenditures needs for operations, maintenance, administration, indirect operating costs and inter-fund-transfers, equipment, regulatory compliance, capital improvements and asset rehabilitation and replacement.

C. Development of a funding plan for capital improvements and asset rehabilitation and replacement. During development of financial projections, the CONSULTANT will meet with City

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of Delray Beach (OWNER) staff to identify future short- and long-term stormwater management program needs including any anticipated requirements for increased levels of service related to stormwater operations and maintenance activities.

Task 4 - Design Stormwater Rate Alternatives

In this task, the CONSULTANT will develop a cost-of-service analysis by stormwater function and evaluate alternative fixed and variable rate structures to recover the costs identified in Task 3. The alternatives evaluated will address the method of defining stormwater equivalent billing units including the CITY's current rate structure based on impervious area for developed properties and pervious area for vacant land and an alternative method of assigning billing units based on a combination of impervious and pervious area for all properties as mutually agreed upon by the CITY and the CONSULTANT. The impervious/pervious combination method assumes the development of weighted billing units for each property based on an estimated run-off coefficient for pervious and impervious areas. The charging of different rates to different sized residential lots must be investigated. This task will also include a review of the CITY's stormwater mitigation credit policies.

Task 5 - Rate Design and Comparison

To analyze the alternative rates for storm water management services, the CONSULTANT will assign storm water costs by function and classes (e.g., customer service, administration, operating and maintenance, capital improvements, etc.), and apportion such costs to the various rate/property classifications. The Alternative rate structures will be developed based on alternative methods of defining stormwater equivalent billing units including the impervious/pervious method, classes, and alternative mitigation credit methods. Rate comparisons will be prepared to provide disclosure on the impact of the alternative methods on typical residential and non-residential customer classifications. In addition, an analysis of the alternative rates will be made with the existing rates of similar stormwater systems. This analysis should include a five (5) and thirty (30) year revenue projection based upon recommended rates and articulate the impact of the base rate proposal on the elasticity of revenues. Revisions must be made on the Land Development Regulation, Code of Ordinances Chapter 56. Stormwater. The CONSULTANT will develop proposed modification and work with CITY Staff to make those changes. The stormwater rates will affect various internal departments within the CITY therefore CONSULTANT will assist all department(s) for a smooth transition. The CONSULTANT shall include a review of the City's current stormwater mitigation credit policy and make recommendations about the amount and necessity of said credits. The CONSULTANT will review available GIS centric stormwater rate software and provide recommendations which can create an efficient process during the permitting and annual tax roll process.

The CITY has experienced a significant amount of residential development on properties improved to accommodate larger homes with a corresponding increase in impervious area. The CONSULTANT must analyze alternative software solutions that can be implemented and are compatible with the CITY's permitting process. Staff can collect information by either building permit number or address but does not have a way to relate that information to Property Control Numbers (PCNs). The software should capture specific information based on the permits submitted to the CITY and use this information will be used to calculate the stormwater assessment fee.

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Task 6 - Public Meetings

The CONSULTANT will organize and facilitate three (3) stakeholder meeting. The stakeholders include the public and the commissioners. Two (2) townhouse style meeting meetings will be for the public and one (1) workshop meeting with the City commissioners. The meetings will include discussions on the existing stormwater management program, potential improvements to the program, and proposed rate alternatives and methods to fund the existing and/or improved program. The CONSULTANT will provide meeting materials, staff to lead and facilitate the meetings, and follow up materials to address stakeholder questions. Venues for the meetings are to be provided by the OWNER. The role of the stakeholder group will be to provide feedback to the CONSULTANT and OWNER (administrative staff) on the preliminary recommendations and proposed stormwater utility fee structure. Meeting materials may include sign-in sheets, handouts, presentation materials, and meeting summaries. The stakeholder group participants will be provided copies of materials in a notebook for this purpose. The CONSULTANT will update the notebooks for each meeting.

Task 7 - Preparation and Presentation of Stormwater Utility Rate Study Report.

The results of the study will be summarized in a report and briefing document for presentation to the OWNER. The report will document the CONSULTANT's assumptions and considerations, a summary of the methodologies relied upon in developing the alternative rate structures, and our findings, conclusions, and recommendations. A draft report and briefing document will be provided for the OWNER's review prior to issuing the final report and workshop presentation. The CONSULTANT will also attend four (4) meetings with OWNER staff during the study to review the study results in addition to the initial kick-off meeting. Excluding the stakeholder meetings, a total of six (6) meetings will be attended by the CONSULTANT including one (1) workshop presentations.

Optional Task 8- Software Selection and Implementation

This task is for the purchase, implementation and training for the new software selected in Task 5. CONSULTANT will be responsible for acquiring the software for the City and working with the City's IT Department on implementation and connectivity with other software (as applicable). This task also includes incorporating the City's parcels and stormwater rate methodology selected into the software and providing the City with a turnkey tax roll system. Given the uncertainty of the software selection, this item will be bid as a cost-plus item.

Optional Task 9-Calucate the Tax Roll FY 2022/2023

The CONSULTANT shall prepare the tax roll based on the criteria established in Task 5 and the methodology determined in Task 8 for the Fiscal Year 2022/2023 to ensure the software runs correctly and efficiently.

Exhibits:

Stormwater Fee Evaluation_Mathews_July 2015

Stormwater Fee Evaluation_CDM Smith_August 2018

Delray Beach, FL Code of Ordinance Chapter 56. Stormwater Management

- i. The City is requesting proposals to create an interactive Water and Sewer Rate Model to evaluate the City's current rate structures and to recommend an alternative rate structure that is logical and equitable amongst each of the properties of various classes and sizes and required service levels.

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- ii. The proposed rate structure must provide a reliable and predictable revenue stream to fund the City's utility operations, including infrastructure requirements. This review will include all parcels/accounts of the City.
- iii. The analysis must present the estimated impact of the proposed alternative rates and fees for both base (fixed) and usage (variable) charges for every type of account serviced by the City.
- iv. This analysis should include the use of GIS technology, provide a ten (10) year revenue projection based upon recommended rates, and articulate the impact of the base rate proposal on the elasticity of revenues.

Task 1: Analysis

- a. Review the water and sewer master plan, cost estimates, financial policies, ordinances, resolution permit requirements, and other relevant data.
- b. Evaluate the process and costs associated with the implementation of a water and sewer rate study.
- c. Assess revenue needs to include adequate coverage for operations and maintenance.
- d. Evaluate alternative rate classes, rate structure, and explore allocation of costs for residential and commercial properties.
- e. Recommend proposed boundaries (map and survey to be performed by the City).
- f. Determine service charges that fully support water and sewer or other related operations and maintenance service costs.
- g. Compare rate structure to that of other municipal entities and determine if proposed rate structure conforms to acceptable industry practice.
- h. Review capital expansion fees charged to developers to increase the Water and Sewer system capacity based upon their impact on the system.

Task 2: Preparation of Report

- a. Prepare a report of the findings, conclusions, and recommendations, as mentioned in Task 1. a.
- b. The report shall provide a schedule for timely and coordinated execution of all essential aspects of the report.
- c. The report shall include as a minimum the following information:
 - 1. Executive summary to include evaluation of fiscal policies and objectives.
 - 2. Recommended rates, methodology and supporting analysis, assumptions, cost factors, fees and rate comparisons, and funding options.
 - 3. Rate evaluation and revenue requirements analysis.
 - 4. Description of standards and cost factors used in the study and accompanying rationale to account for inflation.
 - 5. Table showing rate comparison to other local governments.
 - 6. Detailed schedule of all proposed rates and fees listed by type or activity.
 - 7. Analysis of impact and benefits to residents and customers.
 - 8. Other information which provides justifiable, equitable, and legally defensible methodologies for collection of appropriate fees.
 - 9. Other information which adequately explains and justifies the recommended rate and fee schedule.

4.3 SELECTED PROPOSER'S RESPONSIBILITY

The selected Proposer shall be responsible for ensuring that all its employees are in compliance, at all times, with the Terms, Conditions and Specifications outlined in this Request for Proposal.

The selected Proposer shall be responsible for obtaining all necessary permits, licenses, and/ or registration cards in compliance with all applicable Federal, State, and Local statutes pertaining to the services as specified or required.

4.4 EMPLOYEES

Persons employed by the selected Proposer in the performance of services pursuant to this Proposal shall not be considered employees of the City, shall be independent thereof; and shall have no claim against the City as to pension, workers' compensation, insurance, salary, wages, or other employee rights or privileges granted by operation of law; and shall be 18 years of age or older.

Under no circumstances will any employee of the selected Proposer be permitted to allow minors (under 18 years of age) and/ or anyone who is not an employee of the selected Proposer to enter any non- public area of any City facility at any time for any reason.

4.5 COMPLAINTS

Inspections by the City of Delray Beach will take place throughout the contract period. Complaints shall be documented and forwarded to the selected Proposer for immediate resolution. It is the responsibility of the selected Proposer to resolve all complaints with 24 hours of notification from the City.

4.6 PROTECTION OF PROPERTY

Intentionally Omitted

4.7 REPAIRS

Intentionally Omitted

END OF SECTION 4

Exhibit B Fee Schedule

TASK NO.	DESCRIPTION	FEE
1	Project Initiation & Kick-off	\$4,225
2	Stormwater Rate and Financial Model	\$10,085
3	Identification of Stormwater Utility Revenue Requirements	\$10,840
4	Design Stormwater Rate Alternatives	\$12,445
5	Rate Design and Comparison	\$18,270
6	Public Meetings	\$13,320
7	Preparation and Presentation of Stormwater Utility Rate Study Report	\$15,950
	TOTAL – Core Tasks	\$85,135
4A	Full Capture of Impervious Area Through Digitization	\$35,224
	TOTAL Project Fee – Core Tasks + Additional Task	\$120,359

RESOLUTION NO. 172-21

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH FLORIDA, APPROVING AN AGREEMENT WITH BLACK & VEATCH MANAGEMENT CONSULTING, LLC., FOR A STORMWATER UTILITY RATE STUDY; AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AMENDMENTS THERETO AND TAKE ALL ACTIONS NECESSARY TO EFFECTUATE THIS AGREEMENT; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the City of Delray Beach ("City") is authorized to enter into agreements to provide services, programming and products in accordance with its Charter; and

WHEREAS, the City requires a stormwater utility rate study; and

WHEREAS, the City desires to enter into an agreement with Black & Veatch Management Consulting, LLC, for said services; and

WHEREAS, the City Commission deems approval of this Resolution to be in the best interest of the health, safety, and welfare of the residents and citizens of the City of Delray Beach and the public at large.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AS FOLLOWS:

Section 1. The foregoing recitals are hereby affirmed and ratified.

Section 2. The City Commission of the City of Delray Beach has reviewed and hereby approves this Agreement between the City and Black & Veatch Management Consulting, LLC., which is attached to this Resolution as Exhibit "A".

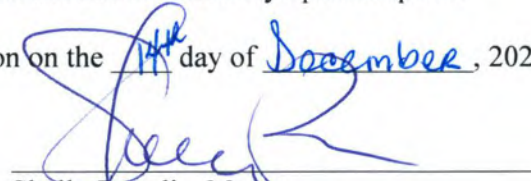
Section 3. The City Commission authorizes the City Manager to execute any amendments thereto and to take any and all actions necessary to effectuate this Agreement.

Section 4. This Resolution shall become effective immediately upon adoption.

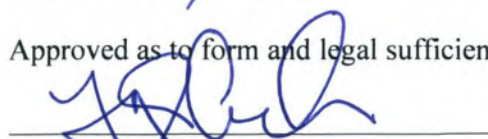
PASSED AND ADOPTED in regular session on the 14th day of December, 2021.

ATTEST:


Katerri Johnson, City Clerk


Shelly Petrolia, Mayor

Approved as to form and legal sufficiency:


Lynn Gelin, City Attorney

CITY ATTORNEY OFFICE - LEGAL REVIEW CHECKLIST

Name of Agreement: Agreement with Black & Veatch Management Consulting, LLC

Department: Utilities/Finance

Contact person: Chris Snyder

City Manager approval ☐

City Commission approval ☒

Reviewed by Purchasing ☒

Agenda item #:

Agenda meeting date:

Resolution #:

Agreement Action:

New ☒

Renewal* ☐

Amendment* ☐

*Renewal: Only change is the agreement term

*Amendment: For changes other than/in addition to term

Does the Contractor require the City to sign first?: No

For City Attorney Use only:

Agreement Terms:

Comments/Specific Provision in Agreement

Term (Duration of Agreement)	From execution until completion of work
Termination Clause	RFP 11.28 and 11.29; for convenience and default
Renewal Clause	N/A
Insurance	City standard
Indemnification	City standard
Assignment	RFP 11.22; written consent required
Fiscal Funding Requirement	RFP 11.66
FL. Public Records Provision (2016)	RFP 11.50
Inspector General Provision	RFP 11.32
Governing Law	Florida
Venue	Palm Beach County
Attorney's fees	RFP 11.42; each bears own
E-verify	Article 6 of Agreement

Business Principles:

Comments

Fees: Total Value	\$120,359
Fees: Per Fiscal Year	N/A

Other Issues:

Comments

Non-Negotiable Issues/ Miscellaneous Issues/ Special Considerations	Agreement for Stormwater Utility Rate Study.
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Consistent with applicable policies including, but not limited to, Procurement policies. Yes ☒

Attorney: William Bennett, Esq.

Reviewed and approved as to form and legal sufficiency only