

**DEPARTMENTAL INPUT
CONTRACT/PROJECT MEASURE ANALYSIS AND RECOMMENDATION**

Rev 1

New contract
 OTR
 CO
 SS
 BW
 Emergency

Previous Contract/Project No.
BPP-RFP530

Re-Bid
 Other

LIVING WAGE APPLIES: YES NO

Requisition/Project No: RQWS1400007

TERM OF CONTRACT: 5 years

Requisition/Project Title: Water & Sewer Rates and Fees Analysis

The purpose of the Study is to provide recommendations to WASD concerning rate structures for water and wastewater utility services. The recommendations provided by the Consultant will reflect factors related to the adequacy of rates, the actual cost to provide services, and the implementation of appropriate rates based on the Study objectives. The Study shall be conducted during a five year period beginning in Fiscal Year (FY) 2015 and ending FY 2019.

User Department(s): WASD

Issuing Department: ISD/PM

Contact Person: Pearl P. Bethel

Phone: (305) 375-2102

Estimated Cost: \$1,100,000 (for 5 years)

Funding Source: Operating Revenues

Revenue Generating: No

ANALYSIS

Commodity/Service No: 918-97

Trade/Commodity/Service Opportunities

Contract/Project History of Previous Purchases For Previous Three (3) Years
Check Here if this is a New Contract/Purchase with no Previous History

	<u>EXISTING</u>	<u>2nd YEAR</u>	<u>1st YEAR</u>
Contractors:	Black & Veatch	Black & Veatch	Black & Veatch
Small Business Enterprise:	20% SBE Goal (Planning & Economics Group)	20% SBE Goal (Planning & Economics Group)	20% SBE Goal (Planning & Economics Group)
Contract Value:	\$150,000	\$929,905	\$929,905

Comments: This was a three year contract with four one year options to renew.

Continued on another page (s): Yes No

RECOMMENDATIONS

SBE	Set-Aside	Sub-Contractor Goal	Bid Preference	Selection Factor
		%		
		%		
		%		
		%		

Basis of Recommendation:

Signed: Pearl P. Bethel

Date to SBD: August 15, 2014

Date Returned to PMS: _____

RECEIVED
 DEPT. BUSINESS DE
 2014 AUG 18 AM 9:

Water and Sewer Rates and Fees Analysis
Contract No. BW

THIS AGREEMENT made and entered into as of this _____ day of _____, 2014 by and between **Black & Veatch Corporation**, a corporation organized and existing under the laws of the State of Delaware, having its principal office at **11401 Lamar, Overland Park, KS 66211** (hereinafter referred to as the "Contractor"), and Miami-Dade County, a political subdivision of the State of Florida, having its principal office at 111 N.W. 1st Street, Miami, Florida 33128 (hereinafter referred to as the "County"),

WITNESSETH:

WHEREAS, the Contractor has offered to provide consulting services, on a non-exclusive basis, that shall conform to the Scope of Services (Appendix A); and all associated addenda and attachments, incorporated herein by reference and the requirements of this Agreement; and,

WHEREAS, the County desires to procure from the Contractor such consulting services in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1. DEFINITIONS

The following words and expressions used in this Agreement shall be construed as follows, except when it is clear from the context that another meaning is intended:

- a) The words "Contract" or "Agreement" to mean collectively these terms and conditions, the Scope of Services (Appendix A), Price Schedule (Appendix B), and all other attachments hereto.
- b) The words "Contract Date" to mean the date on which this Agreement is effective.
- c) The words "Contract Manager" to mean Miami-Dade County's Director, Internal Services Department, or the duly authorized representative designated to manage the Contract.
- d) The word "Contractor" to mean **Black & Veatch Corporation** and its permitted successors and assigns.
- e) The word "Days" to mean Calendar Days.
- f) The word "Deliverables" to mean all documentation and any items of any nature submitted by the Contractor to the County's Project Manager for review and approval pursuant to the terms of this Agreement.
- g) The words "directed", "required", "permitted", "ordered", "designated", "selected", "prescribed" or words of like import to mean respectively, the direction, requirement, permission, order, designation, selection or prescription of the County's Project Manager; and similarly the words "approved", "acceptable", "satisfactory", "equal", "necessary", or words of like import to mean respectively, approved by, or acceptable or satisfactory to, equal or necessary in the opinion of the County's Project Manager.
- h) The words "Extra Work" or "Additional Work" resulting in additions or deletions or modifications to the amount, type or value of the Work and Services as required in this Contract, as directed and/or approved by the County.
- i) The words "Project Manager" to mean the County Mayor or the duly authorized representative designated to manage the Project.
- k) The words "Scope of Services" to mean the document appended hereto as Appendix A, which details the work to be performed by the Contractor.
- l) The word "subcontractor" or "subconsultant" to mean any person, entity, firm or corporation, other than the employees of the Contractor, who furnishes labor and/or materials, in connection with the Work, whether directly or indirectly, on behalf and/or under the direction of the Contractor and whether or not in privity of Contract with the Contractor.
- m) The words "Work", "Services" "Program", or "Project" to mean all matters and things required to be done by the Contractor in accordance with the provisions of this Contract.

ARTICLE 2. ORDER OF PRECEDENCE

If there is a conflict between or among the provisions of this Agreement, the order of precedence is as follows: 1) these terms and conditions, 2) appendices to these terms and conditions; the Scope of Services (Appendix A) and Price Schedule (Appendix B), and any associated addenda and attachments thereof.

ARTICLE 3. RULES OF INTERPRETATION

- a) References to a specified Article, section or schedule shall be construed as reference to that specified Article, or section of, or schedule to this Agreement unless otherwise indicated.
- b) Reference to any agreement or other instrument shall be deemed to include such agreement or other instrument as such agreement or other instrument may, from time to time, be modified, amended, supplemented, or restated in accordance with its terms.
- c) The terms "hereof", "herein", "hereinafter", "hereby", "herewith", "hereto", and "hereunder" shall be deemed to refer to this Agreement.
- d) The titles, headings, captions and arrangements used in these Terms and Conditions are for convenience only and shall not be deemed to limit, amplify or modify the terms of this Contract, nor affect the meaning thereof.

ARTICLE 4. NATURE OF THE AGREEMENT

- a) This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained in this Agreement. The parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this Agreement, and that this Agreement contains the entire agreement between the parties as to all matters contained herein. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written. It is further agreed that any oral representations or modifications concerning this Agreement shall be of no force or effect, and that this Agreement may be modified, altered or amended only by a written amendment duly executed by both parties hereto or their authorized representatives.
- b) The Contractor shall provide the services set forth in the Scope of Services, and render full and prompt cooperation with the County in all aspects of the Services performed hereunder.
- c) The Contractor acknowledges that this Agreement requires the performance of all things necessary for or incidental to the effective and complete performance of all Work and Services under this Contract. All things not expressly mentioned in this Agreement but necessary to carrying out its intent are required by this Agreement, and the Contractor shall perform the same as though they were specifically mentioned, described and delineated.
- d) The Contractor shall furnish all labor, materials, tools, supplies, and other items required to perform the Work and Services that are necessary for the completion of this Contract. All Work and Services shall be accomplished at the direction of and to the satisfaction of the County's Project Manager.

- e) The Contractor acknowledges that the County shall be responsible for making all policy decisions regarding the Scope of Services. The Contractor agrees to provide input on policy issues in the form of recommendations. The Contractor agrees to implement any and all changes in providing Services hereunder as a result of a policy change implemented by the County. The Contractor agrees to act in an expeditious and fiscally sound manner in providing the County with input regarding the time and cost to implement said changes and in executing the activities required to implement said changes.

ARTICLE 5. CONTRACT TERM

The Contract shall become effective on the date indicated on the front cover of this contract and shall continue through the last day of the sixtieth (60th) month. The County reserves the right to exercise its option to extend this Contract for up to one hundred-eighty (180) calendar days beyond the current Contract period and will notify the Contractor in writing of the extension. This Contract may be extended beyond the initial one hundred-eighty (180) calendar day extension period by mutual agreement between the County and the Contractor, upon approval by the Board of County Commissioners.

ARTICLE 6. NOTICE REQUIREMENTS

All notices required or permitted under this Agreement shall be in writing and shall be deemed sufficiently served if delivered by Registered or Certified Mail, with return receipt requested; or delivered personally; or delivered via fax or e-mail (if provided below) and followed with delivery of hard copy; and in any case addressed as follows:

(1) to the County

- a) to the Project Manager:
Miami-Dade County Water and Sewer Department
3071 SW 38th Avenue, RM-107-2
Miami, FL 33146
Attention: George M. Par
Office: (786) 552-8950
e-mail: GPAR@miamidade.gov

and,

- b) to the Contract Manager:
Miami-Dade County
Internal Services Department, Procurement Management Division
111 N.W. 1st Street, Suite 1375
Miami, FL 33128-1974
Attention: Assistant Director
Phone: (305) 375-5548
Fax: (305) 375-2316

(2) To the Contractor

Black & Veatch, Corporation
201 South Orange Avenue, Suite 500
Orlando, Florida 32801
Attention: John Kersten, Vice-President
Phone: (407) 419-3575
Fax: (407) 419-3501
E-mail: kerstenjr@bv.com

Either party may at any time designate a different address and/or contact person by giving notice as provided above to the other party. Such notices shall be deemed given upon receipt by the addressee.

ARTICLE 7. PAYMENT FOR SERVICES/AMOUNT OBLIGATED

The Contractor warrants that it has reviewed the County's requirements and has asked such questions and conducted such other inquiries as the Contractor deemed necessary in order to determine the price the Contractor will charge to provide the Work and Services to be performed under this Contract. The compensation for all Work and Services performed under this Contract, including all costs associated with such Work and Services, can be found in Appendix B, Price Schedule. The County shall have no obligation to pay the Contractor any additional sum in excess of these amounts, except for changes and/or modifications to the Contract, which are approved and executed in writing by the County and the Contractor.

All Services undertaken by the Contractor before County's approval of this Contract shall be at the Contractor's risk and expense.

ARTICLE 8. PRICING

Prices shall be as indicated in Appendix B, Price Schedule; however, the Contractor may offer incentive discounts to the County at any time during the Contract term, including any renewal or extension thereof.

ARTICLE 9. METHOD AND TIMES OF PAYMENT

The Contractor agrees that under the provisions of this Agreement, as reimbursement for those actual, reasonable and necessary costs incurred by the Contractor, which are directly attributable or properly allocable to the Services, the Contractor may bill the County periodically, but not more than once per month, upon invoices certified by the Contractor pursuant to Appendix B, Price Schedule. All invoices shall be taken from the books of account kept by the Contractor, shall be supported by copies of payroll distribution, receipt bills or other documents reasonably required by the County, shall show the County's contract number, and shall have a unique invoice number assigned by the Contractor. It is the policy of Miami-Dade County that payment for all purchases by County agencies and the Public Health Trust shall be made in a timely manner and that interest payments be made on late payments. In accordance with Florida Statutes, Section 218.74 and Section 2-8.1.4 of the Miami-Dade County Code, the time at which payment shall be due from the County or the Public Health Trust shall be forty-five (45) days from receipt of a proper invoice. The time at which payment shall be due to small businesses shall be thirty (30) days from receipt of a proper invoice. All payments due from the County or the Public Health Trust, and not made within the time specified by this section shall bear interest from thirty (30) days after the due date at the rate of one percent (1%) per month on the unpaid balance. Further, proceedings to resolve disputes for payment of obligations shall be concluded by final written decision of the County Mayor, or his or her designee(s), not later than sixty (60) days after the date on which the proper invoice was received by the County or the Public Health Trust.

In accordance with Miami-Dade County Implementing Order 3-9, Accounts Receivable Adjustments, if money is owed by the Contractor to the County, whether under this Contract or for any other purpose, the County reserves the right to retain such amount from payment due by County to the Contractor under this Contract. Such retained amount shall be applied to the amount owed by the Contractor to the County. The Contractor shall have no further claim to such retained amounts which shall be deemed full accord and satisfaction of the amount due by the County to the Contractor for the applicable payment due herein.

Invoices and associated back-up documentation shall be submitted in duplicate by the Contractor to the County as follows:

Miami-Dade County Water and Sewer Department
3071 SW 38th Avenue
Miami, FL 33146
Attention: George Par

The County may at any time designate a different address and/or contact person by giving written notice to the other party.

ARTICLE 10. INDEMNIFICATION AND INSURANCE

The Contractor shall indemnify and hold harmless the County and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys' fees and costs of defense, which the County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement by the Contractor or its employees, agents, servants, partners principals or subcontractors. The Contractor shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits or actions of any kind or nature in the name of the County, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may issue thereon. The Contractor expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the Contractor shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County or its officers, employees, agents and instrumentalities as herein provided.

Contractor's obligation to indemnify shall not extend or apply to any portion of a claim alleging that the County's financial statements are inaccurate or incomplete or were not prepared in accordance with the Generally Accepted Accounting Principles. Contractor has no obligation to indemnify the County from any portion of claims resulting from the acts or omissions committed by the County.

Upon County's notification, the Contractor shall furnish to the Internal Services Department, Procurement Management Division, Certificates of Insurance that indicate that insurance coverage has been obtained, which meets the requirements as outlined below:

1. Worker's Compensation Insurance for all employees of the Contractor as required by Florida Statute 440.
2. Commercial General Liability Insurance on a comprehensive basis, in an amount not less than \$_____ combined single limit per occurrence for bodily injury and property damage. Miami-Dade County must be shown as an additional insured with respect to this coverage.

3. Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with the work, in an amount not less than \$_____ combined single limit per occurrence for bodily injury and property damage.

The insurance coverage required shall include those classifications, as listed in standard liability insurance manuals, which most nearly reflect the operation of the Contractor. All insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Florida with the following qualifications:

The company must be rated no less than "B" as to management, and no less than "Class V" as to financial strength by A.M. Best Company, Oldwick, New Jersey, or its equivalent, subject to the approval of the County Risk Management Division.

OR

The company must hold a valid Florida Certificate of Authority as shown in the latest "List of All Insurance Companies Authorized or Approved to Do Business in Florida", issued by the State of Florida Department of Financial Services and are members of the Florida Guaranty Fund.

Certificates of Insurance must indicate that for any cancellation of coverage before the expiration date, the issuing insurance carrier will endeavor to mail thirty (30) day written advance notice to the certificate holder. In addition, the Contractor hereby agrees not to modify the insurance coverage without thirty (30) days written advance notice to the County.

Compliance with the foregoing requirements shall not relieve the Contractor of this liability and obligation under this section or under any other section in this Agreement.

Award of this Contract is contingent upon the receipt of the insurance documents, as required, within ten (10) business days. If the insurance certificate is received within the specified timeframe but not in the manner prescribed in this Agreement, the Contractor shall have an additional five (5) business days to submit a corrected certificate to the County. If the Contractor fails to submit the required insurance documents in the manner prescribed in this Agreement within fifteen (15) business days, the Contractor shall be in default of the contractual terms and conditions and award of the Contract may be rescinded, unless such timeframe for submission has been extended by the County.

The Contractor shall be responsible for ensuring that the insurance certificates required in conjunction with this Section remain in force for the duration of the contractual period of the Contract, including any and all option years or extension periods that may be granted by the County. If insurance certificates are scheduled to expire during the contractual period, the Contractor shall be responsible for submitting new or renewed insurance certificates to the County at a minimum of thirty (30) calendar days in advance of such expiration. In the event that expired certificates are not replaced with new or renewed certificates which cover the contractual period, the County shall suspend the Contract until such time as the new or renewed certificates are received by the County in the manner prescribed herein; provided, however, that this suspended period does not exceed thirty (30) calendar days. Thereafter, the County may, at its sole discretion, terminate this contract.

ARTICLE 11. MANNER OF PERFORMANCE

- a) The Contractor shall provide the Services described herein in a competent and professional manner satisfactory to the County in accordance with the terms and conditions of this Agreement. The County shall be entitled to a satisfactory performance of all Services described herein and to full and prompt cooperation by the Contractor in all aspects of the Services. At the request of the County, the Contractor shall promptly remove from the project any Contractor's employee, subcontractor, or any other person performing Services hereunder. The Contractor agrees that such removal of any of its employees does not require the termination or demotion of any employee by the Contractor.
- b) The Contractor agrees to defend, hold harmless and indemnify the County and shall be liable and responsible for any and all claims, suits, actions, damages and costs (including attorney's fees and court costs) made against the County, occurring on account of, arising from or in connection with the removal and replacement of any Contractor's personnel performing services hereunder at the behest of the County. Removal and replacement of any Contractor's personnel as used in this Article shall not require the termination and or demotion of such Contractor's personnel.
- c) The Contractor agrees that at all times it will employ, maintain and assign to the performance of the Services a sufficient number of competent and qualified professionals and other personnel to meet the requirements to which reference is hereinafter made. The Contractor agrees to adjust its personnel staffing levels or to replace any its personnel if so directed upon reasonable request from the County, should the County make a determination, in its sole discretion that said personnel staffing is inappropriate or that any individual is not performing in a manner consistent with the requirements for such a position.
- d) The Contractor warrants and represents that its personnel have the proper skill, training, background, knowledge, experience, rights, authorizations, integrity, character and licenses as necessary to perform the Services described herein, in a competent and professional manner.
- e) The Contractor shall at all times cooperate with the County and coordinate its respective work efforts to most effectively and efficiently maintain the progress in performing the Services.
- f) The Contractor shall comply with all provisions of all federal, state and local laws, statutes, ordinances, and regulations that are applicable to the performance of this Agreement.

ARTICLE 12. EMPLOYEES OF THE CONTRACTOR

All employees of the Contractor shall be considered to be, at all times, employees of the Contractor under its sole direction and not employees or agents of the County. The Contractor shall supply competent employees. Miami-Dade County may require the Contractor to remove an employee it deems careless, incompetent, insubordinate or otherwise objectionable and whose continued employment on County property is not in the best interest of the County. Each employee shall have and wear proper identification.

ARTICLE 13. INDEPENDENT CONTRACTOR RELATIONSHIP

The Contractor is, and shall be, in the performance of all work services and activities under this Agreement, an independent contractor, and not an employee, agent or servant of the County. All persons engaged in any of the work or services performed pursuant to this Agreement shall at all times, and in all places, be subject to the Contractor's sole direction, supervision and control. The Contractor shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the Contractor's relationship and the relationship of its employees to the County shall be that of an independent contractor and not as employees and agents of the County.

The Contractor does not have the power or authority to bind the County in any promise, agreement or representation other than specifically provided for in this Agreement.

ARTICLE 14. AUTHORITY OF THE COUNTY'S PROJECT MANAGER

- a) The Contractor hereby acknowledges that the County's Project Manager will determine in the first instance all questions of any nature whatsoever arising out of, under, or in connection with, or in any way related to or on account of, this Agreement including without limitations: questions as to the value, acceptability and fitness of the Services; questions as to either party's fulfillment of its obligations under the Contract, negligence, fraud or misrepresentation before or subsequent to acceptance of the Contractor's Proposal; questions as to the interpretation of the Scope of Services; and claims for damages, compensation and losses.
- b) The Contractor shall be bound by all determinations or orders and shall promptly comply with every order of the Project Manager, including the withdrawal or modification of any previous order and regardless of whether the Contractor agrees with the Project Manager's determination or order. Where orders are given orally, they will be issued in writing by the Project Manager as soon thereafter as is practicable.
- c) The Contractor must, in the final instance, seek to resolve every difference concerning the Agreement with the Project Manager. In the event that the Contractor and the Project Manager are unable to resolve their difference, the Contractor may initiate a dispute in accordance with the procedures set forth in this Article. Exhaustion of these procedures shall be a condition precedent to any lawsuit permitted hereunder.
- d) In the event of such dispute, the parties to this Agreement authorize the County Mayor or designee, who may not be the Project Manager or anyone associated with this Project, acting personally, to decide all questions arising out of, under, or in connection with, or in any way related to or on account of the Agreement (including but not limited to claims in the nature of breach of contract, fraud or misrepresentation arising either before or subsequent to execution hereof) and the decision of each with respect to matters within the County Mayor's purview as set forth above shall be conclusive, final and binding on parties. Any such dispute shall be brought, if at all, before the County Mayor within ten (10) days of the occurrence, event or act out of which the dispute arises.
- e) The County Mayor may base this decision on such assistance as may be desirable, including advice of experts, but in any event shall base the decision on an independent and objective determination of whether Contractor's performance or any Deliverable meets the requirements of this Agreement and any specifications with respect thereto set forth herein. The effect of any decision shall not be impaired or waived by any negotiations or settlements or offers made in connection with the dispute, whether or not

the County Mayor participated therein, or by any prior decision of others, which prior decision shall be deemed subject to review, or by any termination or cancellation of the Agreement. All such disputes shall be submitted in writing by the Contractor to the County Mayor for a decision, together with all evidence and other pertinent information in regard to such questions, in order that a fair and impartial decision may be made. Whenever the County Mayor is entitled to exercise discretion or judgement or to make a determination or form an opinion pursuant to the provisions of this Article, such action shall be fair and impartial when exercised or taken. The County Mayor, as appropriate, shall render a decision in writing and deliver a copy of the same to the Contractor. Except as such remedies may be limited or waived elsewhere in the Agreement, Contractor reserves the right to pursue any remedies available under law after exhausting the provisions of this Article.

ARTICLE 15. MUTUAL OBLIGATIONS

- a) This Agreement, including attachments and appendices to the Agreement, shall constitute the entire Agreement between the parties with respect hereto and supersedes all previous communications and representations or agreements, whether written or oral, with respect to the subject matter hereto unless acknowledged in writing by the duly authorized representatives of both parties.
- b) Nothing in this Agreement shall be construed for the benefit, intended or otherwise, of any third party that is not a parent or subsidiary of a party or otherwise related (by virtue of ownership control or statutory control) to a party.
- c) In those situations where this Agreement imposes an indemnity obligation on the Contractor, the County may, at its expense, elect to participate in the defense if the County should so choose. Furthermore, the County may at its own expense defend or settle any such claims if the Contractor fails to diligently defend such claims, and thereafter seek indemnity for costs from the Contractor.

ARTICLE 16. QUALITY ASSURANCE/QUALITY ASSURANCE RECORD KEEPING

The Contractor shall maintain, and shall require that its subcontractors and suppliers maintain, complete and accurate records to substantiate compliance with the requirements set forth in the Scope of Services. The Contractor and its subcontractors and suppliers, shall retain such records, and all other documents relevant to the Services furnished under this Agreement for a period of three (3) years from the expiration date of this Agreement and any extension thereof.

ARTICLE 17. AUDITS

The County, or its duly authorized representatives or governmental agencies, shall until the expiration of three (3) years after the expiration of this Agreement and any extension thereof, have access to and the right to examine and reproduce any of the Contractor's books, documents, papers and records and of its subcontractors and suppliers which apply to all matters of the County. Such records shall subsequently conform to Generally Accepted Accounting Principles requirements, as applicable, and shall only address those transactions related to this Agreement.

Pursuant to County Ordinance No. 03-2, the Contractor will grant access to the Commission Auditor to all financial and performance related records, property, and equipment purchased in whole or in part with government funds. The Contractor agrees to maintain an accounting system that provides accounting records that are supported with adequate documentation, and adequate procedures for determining the allowability and allocability of costs.



INTERNAL SERVICES DEPARTMENT
PROCUREMENT MANAGEMENT SERVICES

Justification/Input Document for Non-Competitive Acquisition

It is the policy of Miami-Dade County to consistently purchase goods and services using full and open competition. The citizens of Miami-Dade County are best served when we make sound business decisions based on competitive bids or proposals. Early acquisition planning that includes consultation with Internal Service Department's procurement staff can help avoid delays and facilitates effective market research. However, there may be instances when other than full and open competition may be justified. When a user Department(s) determines that other than full and open competition is necessary or in the best interest of the County, appropriate justification for that course of action must be submitted to ISD for approval and execution in order to waive the competitive bid/proposal process.

Please provide the information requested below to support the need and feasibility for waiving the competitive bid/proposal process:

Department:	Water & Sewer Department		
Title	Water & Sewer Rates & Fees Analysis		
Contact Person:	George M. Par [Signature]	Phone Number:	786-552-8950
Requisition No.:	[Signature]	Estimated Value:	\$1,100,000.00 (Total 5yrs)
Proposed Vendor:	Black & Veatch Inc.		
Previous Contract Number:	EPP-RFP530-4(4) (Total 7yrs)	Previous Contract Value:	\$1,604,000.00

Purpose of the Purchase

Please describe your minimum requirements and the benefits of making the acquisition.

Water & Sewer Rates & Fees Analysis - This contract is specific to the analysis and consulting services to review cost recovery for approximately 428,000 water and 346,000 wastewater retail services. Additionally, this contract includes an annual cost of service study for ten combined water and wastewater wholesale municipalities, five wholesale water municipalities and three wastewater municipalities. In the original rate and fee analysis contract, Black and Veatch conducted a thorough retail and wholesale rate study to restructure WASD's retail and wholesale rates that was supported by the County Manager and adopted by the Board of County Commissioners. It has now been 7 years since that study was completed. As a result of the \$1.6 billion Consent Decree Settlement Agreement, included in the \$12.6 billion Capital Improvement Plan, the Department will require a comprehensive review of both wholesale and retail rate structures to properly recover costs. The minimum requirements include 1) review, evaluate and recommend modification to existing water and wastewater retail rate structure for proper revenue recovery in both systems 2) review, evaluate and recommend modifications to the first tier or low-volume 3,750 monthly gallon rate 3) evaluate the trend of increasing 2nd - 4th tier water and wastewater rates 4) present impact of either increasing pricing or adjust usage of retail customer tier 1 and impact of these changes on higher water and wastewater volume users 5) stress testing of billing system as recommendations are applied 6) present nation-wide comparative charts based on recommended rate changes 7) support for development of wholesale customer presentation materials and presentations for rate methodology 8) update various modules of the existing rate modeling software.



Best Interest of the County / Uniqueness of Product

Please provide a detailed description as to why a waiver of formal bidding is in the County's best interest (e.g., product standardization, compatibility, proprietary access or distributorship, how vendor is uniquely qualified to provide the needed product or service, etc.). Please note that a lack of advance planning is not an acceptable justification for a non-competitive acquisition.

In 2006 Black and Veatch (B&V) was selected from a competitive bid process to conduct a Water and Sewer Rates and Fees Analysis (EPP-RFP 530). The analysis consisted of a Cost of Service Study in which B&V evaluated the Water and Sewer Department's (WASD) retail and wholesale rate structures and made recommendations that adjusted the existing rate structure to adequately recover costs. B&V was tasked to perform: a) a review of existing allocations to identify recovery requirements for both retail and wholesale water and wastewater systems, and b) to develop a rate model to calculate rates based on water and wastewater system demands (customer and consumption). As requested in the original contract, B&V delivered a full report including recommendations that adjusted WASD's rate structure and those recommendations were subsequently adopted by the Board of County Commissioners (BCC). A rate model specific to WASD requirements was also developed by B&V based on the recommended/adopted rate changes. This rate model is currently being used by the Department to calculate actual and budgeted cost of providing water and treating wastewater by allocating regional (costs shared by all) and local (retail cost only) cost.

B&V is also required to conduct two annual wholesale rate development meetings with the Department's Wholesale customers; B&V has developed cost allocation strategies that have been positively accepted by them. Through a separate contract, as the bond consultants for the Department, B&V has developed a unique sense of understanding of the Department's operations, the condition of the Department's assets and an understanding of the \$13.5 billion capital improvements and consent decree settlement agreement requirements. The Department is looking at various options to fund the Capital Improvement Plan (CIP) estimated at \$13.5 billion over the next 20 years (\$9.7 billion is needed in future funding).

In FY 2012-13, the Department negotiated a consent agreement with the Federal Environmental Protection Agency (EPA) to address regulatory violations resulting from failing wastewater infrastructure for approximately \$1.6 billion; the agreement was adopted by the BCC on May 21, 2013; on April 9, 2014, the U.S. District Court for the Southern District approved the Consent Decree, replacing and superseding the two existing consent decrees issued in the early-mid 1990's; all projects are currently included in the \$13.5 billion capital plan; increased debt requirements will lead to future rate adjustments.

In view of the foregoing and recent project (CIP & Consent Decree) approvals by the BCC and the US District Court for the Southern District, B&V has provided a task plan to complete Tasks 1-2 within the current contract allocation by Aug-31-2014:

1. Review of First Tier Rate Discount
2. Determination of the Adequacy of Rates
3. Rate Structure Evaluation
4. Review Assistance Programs Options
5. Staff education and Transfer of Information
6. Reports and Meetings
7. Rate Model Updates
8. Annual wholesale meetings

It is expected that Tasks 3-8 will be completed during the term of this proposed Bid Waiver Contract and it is also in the best interests of the County to maintain continuity for a complete and integrated solution through one source, B&V without interruption.

The continuation of these services is critical to the Department's future revenue stream as B&V is



**INTERNAL SERVICES DEPARTMENT
PROCUREMENT MANAGEMENT SERVICES**

currently working on strategies to price low water usage tiers to recover fixed costs, and develop revenue enhancements that complement the current adopted rate structure set in place by the BCC will help to finance the CIP currently underway.

In summary, WASD is seeking continuity with B&V for the following reasons:

- Continuation in the development of WASD's rate structure to expeditiously address financial strains of meeting Consent Decree required projects with set deadlines
- Continuation in analysis of low-volume users/ first rate tier pricing setting to recover fixed costs
- Continuation of upgrades to the existing rate model developed by B&V based on WASD specified processes and documents
- Knowledge obtained (financial and engineering) of the department's Water and Wastewater operations, asset evaluations and financial condition. B&V has access to knowledge obtained through the Bond Engineer contract that other vendors would have to duplicate evaluations to properly recommend
- Continuation in wholesale rate development including cost allocation methodologies that were set in place by B&V and accepted by municipalities

Given what the vendor has accomplished so far, and the financial commitments that the Department is anticipating, it is in the County's best interest to contract with B&V to maintain continuity in the methodology of current rate structures and rate models that B&V has developed specifically for WASD. Also, there is an immediate requirement to recommend expeditiously all options available to recover costs from rate structure changes rather than just rate increases.

Market Research

Please describe your market research and the results thereof. This should include a description of other, similar sources or products available in the market if any and why they are not acceptable.

The current rates for Black and Veatch are competitive in comparison to the municipalities and similar sized water clients sourced as follows:

Hourly Rates	Update of Engineering Report & Annual Rate Review			
	Principal Consultant	Senior Consultant	Senior Associate	Associate
Company				
Black and Veatch Inc.	\$243	\$192	\$106	\$93
Utility Financial Solutions LLC	\$250-280	\$180-200	\$120-130	\$90-110
FCS Group	\$225	\$175	\$145	\$115
Greeley & Hansen LLC	\$211	\$130	\$100	\$67
Public Resources Mgmt. Group Inc.	\$180	\$130	\$110	\$100



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Proposed Actions

Please describe the actions the Department will take to overcome the present barriers to competition prior to any future acquisitions of this product or service.

Black and Veatch understand WASD's water and wastewater systems operations and needs. Any new vendor would require significant resources, effort and cost to deliver the current level of services, since they would need to obtain the same historical knowledge base.

WASD checks the marketplace for competitive rates and new service offerings and monitors Black and Veatch rates to avoid price creep. Black and Veatch maintained 2006 contracted prices for the duration of the contract and lowered rates twice during the option to renew periods.

Department Director's Approval

Date Approved