

**PROFESSIONAL SERVICES AGREEMENT
FOR
PROJECT #12221Q
WASTEWATER, INDUSTRIAL WASTEWATER AND STORMWATER RATE STUDIES**

THIS PROFESSIONAL SERVICES AGREEMENT, entered into this ____ day of _____, 2022, between the City of Yakima, a Washington municipal corporation ("City"), and FCS GROUP, ("Contractor").

WITNESSETH: The parties, in consideration of the terms and conditions herein, do hereby covenant and agree as follows:

1. Statement of Work

The minimum services (hereinafter referred to as "Services") that the Contractor will provide include services described in the Scope of Work, which is attached as Exhibit A hereto and incorporated herein by this reference.

2. Compensation

The services performed under this Contract shall not exceed One Hundred Twenty-Nine Thousand Nine Hundred Thirty-Seven Dollars (\$129,937.00). The City agrees to pay the Contractor according to Exhibit B, attached hereto and incorporated herein, which Exhibit includes the deliverables and payment schedule of itemized prices as estimated and listed in the Contractor's Proposal submittal at the time and in the manner and upon the conditions provided for the Contract.

3. Contract Term

The period of this Contract shall be for a period of one year from its effective date. The City may, at its option, extend the Contract on a year to year basis for up to four(4) additional years. Contract extensions shall be automatic, and shall go into effect without written confirmation, unless the City provides advance notice of the intention to not renew.

4. Agency Relationship between City and Contractor

Contractor shall, at all times, be an independent Contractor and not an agent or representative of City with regard to performance of the Services. Contractor shall not represent that it is, or hold itself out as, an agent or representative of City. In no event shall Contractor be authorized to enter into any agreement or undertaking for, or on, behalf of City.

5. Successors and Assigns

- a. Neither the City, nor the Contractor, shall assign, transfer, or encumber any rights, duties, or interests accruing from this Contract without the prior written consent of the other.
- b. The Contractor for himself, and for his heirs, executors, administrators, successors, and assigns, does hereby agree to the full performance of all the covenants herein contained upon the part of the Contractor.

6. Property Rights

All records or papers of any sort relating to the City and to the project will at all times be the property of the City and shall be surrendered to the City upon demand. All information concerning the City and said project

which is not otherwise a matter of public record or required by law to be made public, is confidential, and the Contractor will not, in whole or part, now or at any time disclose that information without the express written consent of the City.

7. Inspection and Production of Records

- a. The records relating to the Services shall, at all times, be subject to inspection by and with the approval of the City, but the making of (or failure or delay in making) such inspection or approval shall not relieve Contractor of responsibility for performance of the Services in accordance with this Contract, notwithstanding the City's knowledge of defective or non-complying performance, its substantiality or the ease of its discovery. Contractor shall provide the City sufficient, safe, and proper facilities, and/or send copies of the requested documents to the City. Contractor's records relating to the Services will be provided to the City upon the City's request.
- b. Contractor shall promptly furnish the City with such information and records which are related to the Services of this Contract as may be requested by the City. Until the expiration of six (6) years after final payment of the compensation payable under this Contract, or for a longer period if required by law or by the Washington Secretary of State's record retention schedule, Contractor shall retain and provide the City access to (and the City shall have the right to examine, audit and copy) all of Contractor's books, documents, papers and records which are related to the Services performed by Contractor under this Contract.
- c. All records relating to Contractor's services under this Contract must be made available to the City, and the records relating to the Services are City of Yakima records. They must be produced to third parties, if required pursuant to the Washington State Public Records Act, Chapter 42.56 RCW, or by law. All records relating to Contractor's services under this Contract must be retained by Contractor for the minimum period of time required pursuant to the Washington Secretary of State's records retention schedule.
- d. The terms of this section shall survive any expiration or termination of this Contract.

8. Work Made for Hire

All work the Contractor performs under this Contract shall be considered work made for hire, and shall be the property of the City. The City shall own any and all data, documents, plans, copyrights, specifications, working papers, and any other materials the Contractor produces in connection with this Contract. On completion or termination of the Contract, the Contractor shall deliver these materials to the City.

9. Compliance with Law

Contractor agrees to perform all Services under and pursuant to this Contract in full compliance with any and all applicable laws, rules, and regulations adopted or promulgated by any governmental agency or regulatory body, whether federal, state, local, or otherwise, including policies adopted by the City, as those laws, ordinances, rules, regulations, and policies now exist or may hereafter be amended or enacted. Contractor shall procure and have all applicable and necessary permits, licenses and approvals of any federal, state, and local government or governmental authority or this project, pay all charges and fees, and give all notices necessary and incidental to the due and lawful execution of the work.

Contractor shall procure and have all applicable and necessary permits, licenses and approvals of any federal, state, and local government or governmental authority or this project, pay all charges and fees, and give all notices necessary and incidental to the due and lawful execution of the work.

- a. Procurement of a City Business License. Contractor must procure a City of Yakima Business License and pay all charges, fees, and taxes associated with said license.
- b. Contractor must provide proof of a valid Washington department of Revenue state excise tax registration number, as required in Title 85 RCW.
- c. Contractor must provide proof of a valid Washington Unified Business Identification (UBI) number. Contractor must have a current UBI number and not be disqualified from bidding on any public works contract under RCW 39.06.101 or 36.12.065(3).
- d. Contractor must provide proof of a valid Washington Employment Security Department number as required by Title 50 RCW.
- e. Foreign (Non-Washington) Corporations: Although the City does not require foreign corporate proposers to qualify in the City, County or State prior to submitting a proposal, it is specifically understood and agreed that any such corporation will promptly take all necessary measures to become authorized to conduct business in the City of Yakima, at their own expense, without regard to whether such corporation is actually awarded the contract, and in the event that the award is made, prior to conducting any business in the City.

10. Nondiscrimination Provision

During the performance of this Contract, the Contractor agrees as follows:

The Contractor shall not discriminate against any person on the grounds of race, creed, color, religion, national origin, sex, age, marital status, sexual orientation, gender identity, pregnancy, veteran's status, political affiliation or belief, or the presence of any sensory, mental or physical handicap in violation of the Washington State Law Against Discrimination (RCW chapter 49.60) or the Americans with Disabilities Act (42 USC 12101 et seq.).

This provision shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training, and the provision of Services under this Agreement.

In the event of the Contractor's noncompliance with the non-discrimination clause of this contract or with any such rules, regulations, or orders, this Contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for any future City contracts.

11. Pay Transparency Nondiscrimination Provision:

The Contractor will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor's legal duty to furnish information.

12. Indemnification and Hold Harmless

- a. Contractor shall take all necessary precautions in performing the Services to prevent injury to persons or property. The Contractor agrees to release, indemnify, defend, and hold harmless the City, its elected and appointed officials, officers, employees, agents, representatives, insurers, attorneys, and volunteers from all liabilities, losses, damages, and expenses related to all claims, suits, arbitration actions, investigations, and regulatory or other governmental proceedings arising from or in connection with this Agreement or the acts, failures to act, errors or omissions of the Contractor, or any Contractor's agent or subcontractor, in performance of this Agreement, except for claims caused by the City's sole negligence. The City's right to indemnification includes attorney's fees costs associated with establishing the right to indemnification hereunder in favor of the City.
- b. If any suit, judgment, action, claim or demand arises out of, or occurs in conjunction with, the negligent acts and/or omissions of both the Contractor and the City, or their elected or appointed officials, officers, employees, agents, attorneys or volunteers, pursuant to this Contract, each party shall be liable for its proportionate share of negligence for any resulting suit, judgment, action, claim, demand, damages or costs and expenses, including reasonable attorneys' fees.
- c. **Industrial Insurance Act Waiver.** It is specifically and expressly understood that the Contractor waives any immunity that may be granted to it under the Washington State industrial insurance act, Title 51 RCW, solely for the purposes of this indemnification. Contractor's indemnification shall not be limited in any way by any limitation on the amount of damages, compensation or benefits payable to or by any third party under workers' compensation acts, disability benefit acts or any other benefits acts or programs. Contractor shall require that its subcontractors, and anyone directly or indirectly employed or hired by Contractor, and anyone for whose acts Contractor may be liable in connection with its performance of this Agreement, comply with the terms of this paragraph, waive any immunity granted under Title 51 RCW, and assume all potential liability for actions brought by their respective employees. The Parties acknowledge that they have mutually negotiated this waiver.
- d. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, the Contractor's liability, including the duty and cost to defend, shall be only to the extent of the Contractor's negligence.
- e. Nothing contained in this Section or this Contract shall be construed to create a liability or a right of indemnification in any third party.
- f. The terms of this Section shall survive any expiration or termination of this Contract.

13. Contractor's Liability Insurance

At all times during performance of the Services and this Contract, Contractor shall secure and maintain in effect insurance to protect the City and Contractor from and against any and all claims, damages, losses, and expenses arising out of or resulting from the performance of this Contract. Contractor shall provide and maintain in force insurance in limits no less than that stated below, as applicable. The City reserves the right to require higher limits should it deem it necessary in the best interest of the public.

Contractor shall provide a Certificate of Insurance to the City as evidence of coverage for each of the policies and outlined herein. A copy of the additional insured endorsement attached to the policy shall be included with the certificate. This Certificate of insurance shall be provided to the City, prior to commencement of work.

Failure of City to demand such verification of coverage with these insurance requirements or failure of City to identify a deficiency from the insurance documentation provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.

Contractor's insurance coverage shall be primary insurance with respect to those who are Additional Insureds under this Contract. Any insurance, self-insurance or insurance pool coverage maintained by the City shall be in excess of the Contractor's insurance and neither the City nor its insurance providers shall contribute to any settlements, defense costs, or other payments made by Contractor's insurance.

If at any time during the life of the Contract, or any extension, Contractor fails to maintain the required insurance in full force and effect, all work under the contract shall be discontinued immediately. Any failure to maintain the required insurance may be sufficient cause for the City to terminate the Contract.

The following insurance is required:

a. Commercial Liability Insurance

Before this Contract is fully executed by the parties, Contractor shall provide the City with a certificate of insurance and additional insured endorsements as proof of commercial liability insurance with a minimum liability limit of Two Million Dollars (\$2,000,000.00) per occurrence, combined single limit bodily injury and property damage, and Two Million Dollars (\$2,000,000.00) general aggregate. If Contractor carries higher coverage limits, such limits shall be shown on the Certificate of Insurance and Endorsements and the City, its elected and appointed officials, employees, agents, attorneys and volunteers shall be named as additional insureds for such higher limits. The certificate shall clearly state who the provider is, the coverage amount, the policy number, and when the policy and provisions provided are in effect. Said policy shall be in effect for the duration of this Contract. The certificate of insurance and additional insured endorsements shall name the City of Yakima, its elected and appointed officials, employees, agents, attorneys and volunteers as additional insureds, and shall contain a clause that the insurer will not cancel or change the insurance without first giving the City prior written notice. The insurance shall be with an insurance company or companies rated A-VII or higher in Best's Guide and admitted in the State of Washington. The requirements contained herein, as well as City of Yakima's review or acceptance of insurance maintained by Contractor is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by Contractor under this contract.

b. Automobile Liability Insurance

Before this Contract is fully executed by the parties, Contractor shall provide the City with a certificate of insurance as proof of automobile liability insurance with a minimum liability limit of Two Million Dollars (\$2,000,000.00) per occurrence. If Contractor carries higher coverage limits, such limits shall be shown on the Certificate of Insurance and Endorsements and the City, its elected and appointed officials, employees, agents, attorneys and volunteers shall be named as additional insureds for such higher limits. The certificate shall clearly state who the provider is, the coverage amount, the policy number, and when the policy and provisions provided are in effect. Said policy shall be in effect for the duration of this Contract. The certificate of insurance and additional insured endorsements shall name the City of Yakima, its elected and appointed officials, employees, agents, attorneys and volunteers as additional insureds, and shall contain a clause that the insurer will not cancel or change the insurance without first giving the City prior written notice. The insurance shall be with an insurance company or companies rated A-VII or higher in Best's Guide and admitted in the State of Washington. The requirements contained herein, as well as City of Yakima's review or acceptance of insurance maintained by Contractor is not intended to and shall not in any manner limit or qualify the liabilities or

obligations assumed by Contractor under this contract. The business auto liability shall include Hired and Non-Owned coverage if necessary.

c. Employer's Liability (Stop Gap)

Contractor and all subcontractor(s) shall at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable, and shall maintain Employer's Liability insurance with a limit of no less than \$1,000,000.00. The City shall not be held responsible in any way for claims filed by Contractor or its employees for services performed under the terms of this Contract. Contractor agrees to assume full liability for all claims arising from this Contract including claims resulting from negligent acts of all subcontractor(s). Contractor is responsible to ensure subcontractor(s) have insurance as needed. Failure of subcontractors(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

d. Professional Liability

The Contractor shall provide evidence of Professional Liability insurance covering professional errors and omissions. Contractor shall provide the City with a certificate of insurance as proof of professional liability insurance with a minimum liability limit of Two Million Dollars (\$2,000,000.00) per claim combined single limit bodily injury and property damage, and Two Million Dollars (\$2,000,000.00) aggregate. The certificate shall clearly state who the provider is, the coverage amount, the policy number, and when the policy and provisions provided are in effect. The insurance shall be with an insurance company or companies rated A-VII or higher in Best's Guide. If the policy is written on a claims made basis the coverage will continue in force for an additional two years after the completion of this contract. If insurance is on a claims made form, its retroactive date, and that of all subsequent renewals, shall be no later than the effective date of this Contract.

14. Severability

If any term or condition of this Contract or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Contract are declared severable.

15. Contract Documents

This Contract, the Request for Qualifications & Proposals No. 12221Q and Wastewater, Industrial Wastewater, and Stormwater Rate Studies Scope of Work, conditions, addenda, and modifications and Contractor's proposal (to the extent consistent with Yakima City documents) constitute the Contract Documents and are complementary. Specific Federal and State laws and the terms of this Contract, in that order respectively, supersede other inconsistent provisions. These Contract Documents are on file in the Office of the Purchasing Manager, 129 No. 2nd St., Yakima, WA, 98901, and are hereby incorporated by reference into this Contract.

16. Termination

Termination for Cause:

In the event the Contractor breaches this Contract, the City may terminate the Contract at its sole discretion in such event that it provides the Contractor with written notice of Contractor's breach and the Contractor fails to cure its breach within 30 days of this notice.

In the event the City breaches this Contract, the Contractor may terminate the Contract at its sole discretion in such event that it provides the City with written notice of City's breach and the City fails to cure its breach of the Contract within 60 days of this notice.

The following represents a non-exclusive, illustrative list of instances that shall be considered a breach by the Contractor:

- a. Defaults on an obligation under the Contract;
- b. Fails to perform any material obligation required under the Contract;
- c. Files a petition in bankruptcy, becomes insolvent, or otherwise takes action to dissolve as a legal entity;
- d. Allows any final judgment not to be satisfied or a lien not to be disputed after a legally-imposed, 30-day notice;
- e. Makes an assignment for the benefit of creditors;
- f. Fails to follow the sales and use tax certification requirements of the State of Washington;
- g. Incurs a delinquent Washington tax liability;
- h. Becomes a State or Federally debarred Contractor;
- i. Is excluded from federal procurement and non-procurement Contracts;
- j. Fails to maintain and keep in force all required insurance, permits and licenses as provided in the Contract;
- k. Fails to maintain the confidentiality of the City information that is considered to be Confidential Information, proprietary, or containing Personally Identifiable Information;
- l. Contractor performance threatens the health or safety of a City, County or municipal employee; or

Termination for Convenience:

The City may terminate the Contract, without cause, by providing 30 days written notice of termination.

In the event of termination for convenience, the Contractor shall be entitled to receive compensation for any fees owed under the Contract. The Contractor shall also be compensated for partially completed services. In this event, compensation for such partially completed services shall be no more than the percentage of completion of the services requested, at the sole discretion of the City, multiplied by the corresponding payment for completion of such services as set forth in the Contract. Alternatively, at the sole discretion of the City, the Contractor may be compensated for the actual service hours provided. The City shall be entitled to a refund for goods or services paid for but not received or implemented, such refund to be paid within 30 days of written notice to the Contractor requesting the refund.

Change in Funding: In addition to the above termination provisions, if the funds upon which the City relied to establish this Contract are withdrawn, reduced, or limited, or if additional or modified conditions are placed on such funding, the City may terminate this Contract by providing at least five business days written notice to the Contractor. The termination shall be effective on the date specified in the notice of termination.

17. Dispute Resolution

In the event that any dispute shall arise as to the interpretation of this agreement, or in the event of a notice of default as to whether such default does constitute a breach of the contract, and if the parties hereto cannot mutually settle such differences, then the parties shall first pursue mediation as a means to resolve the dispute. If the afore mentioned methods are either not successful then any dispute relating to this Agreement shall be decided in the courts of Yakima County, in accordance with the laws of Washington. If both parties consent in writing, other available means of dispute resolution may be implemented.

18. Re-Award

When the contract is terminated by the Contractor upon providing the written notice as herein required, the City, pursuant to City ordinance, may re-award the contract to the next most responsible Proposer within 120 days from original award.

When a Contractor is unable to supply goods and/or services to the City and is in breach of the contract, or when the contract is terminated by the City for cause as herein provided, the City reserves the right to re-award the contract to the next most responsible Proposer within 120 days from original award.

19. Substitution

The Contractor shall not substitute or deviate from said specifications of this Contract without a written amendment, signed by the City Manager, or pursuant to Section 52 below entitled "Change or Notice". Any violation of this procedure by the Contractor will be considered cause for immediate cancellation of the Contract for cause by the City.

20. Contractor Shall Furnish

Except as otherwise specifically provided in this Contract, Contractor shall furnish the following, all as the same may be required to perform and provide the services in accordance with the terms of this Contract: personnel, labor, products and supervision; and technical, professional and other services. All such services, products, property and other items furnished or required to be furnished, together with all other obligations performed or required to be performed, by Contractor under this Contract are sometime collectively referred to in this Contract as the "(Services)."

21. Complementary Provisions

All provisions of this Contract are intended to be complementary, and any services required by one and not mentioned in another shall be performed to the same extent as though required by all. Details of the services that are not necessary to carry out the intent of this Contract, but that are not expressly required, shall be performed or furnished by Contractor as part of the services, without any increase in the compensation otherwise payable under this Contract.

22. Invoices

The City will use its best efforts to pay each of Contractor's invoices within thirty (30) days after the City's receipt and verification thereof; provided, however, that all such payments are expressly conditioned upon Contractor providing services hereunder that are satisfactory to the City. The City will notify the Contractor promptly if any problems are noted with the invoice. To insure prompt payment, each invoice should cite purchase order number, RFQP number, detailed description of work, unit and total price, discount term and include the Contractor's name and return remittance address.

Contractor will mail invoices to the City at the following address:

City of Yakima
Attn: Dana Kallevig
Utility Project Manager
2220 East Viola Avenue
Yakima, WA 98901

23. Prime Contractor

Contractor is the Prime Contractor hereunder. The Prime Contractor shall be the sole point of contact with regard to all contractual matters arising hereunder, including the performance of services and the payment of any and all charges resulting from its contractual obligations.

24. Delegation of Professional Services

The services provided for herein shall be performed by Contractor, and no person other than regular associates or employees of Contractor shall be engaged on such work or services. Contractor shall not (by contract, operation of law or otherwise) delegate or subcontract performance of any services to any other person or entity without the prior written consent of the City. Any such delegation or subcontracting without the City's prior written consent shall be voidable at the City's option.

No delegation of subcontracting of performance of any of the services, with or without the City's prior written consent, shall relieve Contractor of its responsibility to perform the services in accordance with this Contract. Contractor shall be fully responsible for the performance, acts and omissions of Contractor's employees, Contractor's subcontractors, and any other person who performs or furnishes any services (collectively, the "Support").

Contractor shall at all times be an independent contractor and not an agent or representative of the City with regard to performance of the services. Contractor shall not represent that it is, nor hold itself out as, an agent or representative of the City. In no event shall Contractor be authorized to enter into any agreement or undertaking for or on behalf of the City. Neither the Contractor nor any employee of the Contractor is entitled to any benefits that the City provides its employees. The Contractor is solely responsible for payment of any statutory workers compensation or employer's liability insurance as required by state law. The Contractor will have an active account with the Department of Revenue, other state agencies as needed, and a separate set of books or records that reflect all items of income and expenses of the business that the Contractor is conducting.

Contractor shall perform the services in a timely manner and in accordance with the standards of the profession. At the time of performance, Contractor shall be properly licensed, equipped, organized, and financed to perform the services in accordance with this Contract. Subject to compliance with the requirements of this Contract, Contractor shall perform the services in accordance with its own methods.

25. Licenses

If applicable, Contractor shall have a valid and current business license per Chapter 5.02 Section 5.02.010 of the Yakima Municipal Code covering this type of business and shall satisfy all applicable City Code provisions. Said license shall be obtained prior to the award of any contract. Inquiries as to fees, etc., should be made to the Office of Code Administration, telephone (509) 575-6121.

In addition, Contractors are required to be registered by the State per Chapter 18.27 of the Revised Code of Washington and their registration number must be listed on the bid/RFP/quote.

Contractor shall take all reasonable precautions to protect against any bodily injury (including death) or property damage that may occur in connection with the services.

26. Removal of Subcontractor

If dissatisfied with the background, performance, and/or general methodologies of any subcontractor, the City may request in writing that the subcontractor be removed. The Contractor shall comply with this request at once and shall not employ the subcontractor for any further work/services under this Contract.

27. Taxes and Assessments

Contractor shall be solely responsible for and shall pay all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury insurance, and other deductions from income which may be required by law or assessed against either party as a result of this Contract. In the event the City is assessed a tax or assessment as a result of this Contract, Contractor shall pay the same before it becomes due.

The City and its agencies are exempt from payment of all federal excise taxes, but not sales tax (currently at 8.3%). Tax will not be considered in determining which proposal is the lowest or best, however RCW 39.30.040 allows the City to take any sales tax and B&O tax that is will receive from purchasing supplies, materials and equipment within its boundaries into consideration when determining the lowest responsible Proposer.

28. Contractor Tax Delinquency

Contractors who have a delinquent Washington tax liability may have their payments offset by the State of Washington.

29. Inspection: Examination of Records

The Contractor agrees to furnish the City with reasonable periodic reports and documents as it may request and in such form as the City requires pertaining to the work or services undertaken pursuant to this Agreement. The costs and obligations incurred or to be incurred in connection therewith, and any other matter are to be covered by this Agreement.

The records relating to the services shall, at all times, be subject to inspection by and with the approval of the City, but the making of (or failure or delay in making) such inspection or approval shall not relieve Contractor of responsibility for performance of the services in accordance with this Contract, notwithstanding the City's knowledge of defective or non-complying performance, its substantiality or the ease of its discovery. Contractor shall provide the City sufficient, safe, and proper facilities and equipment for such inspection and free access to such facilities.

30. Recordkeeping and Record Retention

The Contractor shall establish and maintain adequate records of all expenditures incurred under the contract. All records must be kept in accordance with generally accepted accounting procedures. All procedures must be in accordance with federal, state and local ordinances.

The City shall have the right to audit, review, examine, copy, and transcribe any pertinent records or documents relating to any contract resulting from this proposal held by the Contractor. The Contractor will retain all documents applicable to the contract for a period of not less than three (3) years after final payment is made.

31. Confidential, Proprietary and Personally Identifiable Information

Contractor shall not use Confidential, Proprietary or Personally Identifiable Information of City for any purpose other than the limited purposes set forth in this Contract, and all related and necessary actions taken in fulfillment of the obligations there under. Contractor shall hold all Confidential Information in confidence, and shall not disclose such Confidential Information to any persons other than those directors, officers, employees, and agents ("Representatives") who have a business-related need to have access to such Confidential Information in furtherance of the limited purposes of this Contract and who have been apprised of, and agree to maintain, the confidential nature of such information in accordance with the terms of this Contract.

Contractor shall institute and maintain such security procedures as are commercially reasonable to maintain the confidentiality of the Confidential Information while in its possession or control including transportation, whether physically or electronically.

Contractor shall ensure that all indications of confidentiality contained on or included in any item of Confidential Information shall be reproduced by Contractor on any reproduction, modification, or translation of such Confidential Information. If requested by the City in writing, Contractor shall make a reasonable effort to add a proprietary notice or indication of confidentiality to any tangible materials within its possession that contain Confidential Information of the City, as directed.

Contractor shall maintain all Confidential Information as confidential for a period of three (3) years from the date of termination of this Contract, and shall return or destroy said Confidential Information as directed by the City in writing.

Contractor may disclose Confidential Information in connection with a judicial or administrative proceeding to the extent such disclosure is required under law or a court order, provided that the City shall be given prompt written notice of such proceeding if giving such notice is legally permissible.

32. Suspension of Work

The City may suspend, in writing by certified mail, all or a portion of the Service under this Agreement if unforeseen circumstances beyond the City's control are interfering with normal progress of the Service. The Contractor may suspend, in writing by certified mail, all or a portion of the Service under this Agreement if unforeseen circumstances beyond Contractor's control are interfering with normal progress of the Service. The Contractor may suspend Service on the Project in the event the City does not pay invoices when due, except where otherwise provided by this Agreement. The time for completion of the Service shall be extended by the number of days the Service is suspended. If the period of suspension exceeds ninety (90) days, the terms of this Agreement are subject to renegotiation, and both parties are granted the option to terminate the Service on the suspended portion of Project in accordance with Section 16.

33. Provision of Services

The Contractor shall provide the services set forth herein with all due skill, care, and diligence, in accordance with accepted industry practices, standards and legal requirements, and to the City's satisfaction; the City decision in that regard shall be final and conclusive. The City may inspect, observe and examine the performance of the services performed on the City premises at any time. The City may inspect, observe and examine the performance of Contractor's services at reasonable times, without notice, at any other premises.

- a. If the City notifies the Contractor that any part of the services rendered are inadequate or in any way differ from the Contract requirements for any reason, other than as a result of the City's default

or negligence, the Contractor shall, at its own expense, reschedule and perform the services correctly within such reasonable time as the City specifies. This remedy shall be in addition to any other remedies available to the City by law or in equity.

- b. The Contractor shall be solely responsible for controlling the manner and means by which it and its Contracted Personnel or its subcontractors perform the services, and the Contractor shall observe, abide by, and perform all of its obligations in accordance with all legal requirements and City work rules.

34. Notice of Change in Financial Condition

If, during the Contract Term, the Contractor experiences a change in its financial condition that may affect its ability to perform under the Contract, or experiences a change of ownership or control, the Contractor shall immediately notify the City in writing. Failure to notify the City of such a change in financial condition or change of ownership or control shall be sufficient grounds for Contract termination.

35. Assignment

This Contract, or any interest herein, or claim hereunder, shall not be assigned or transferred in whole or in part by Contractor to any other person or entity without the prior written consent of the City. In the event that such prior written consent to an assignment is granted, then the assignee shall assume all duties, obligations, and liabilities of Contractor stated herein.

36. No Conflict of Interest

Contractor represents that it or its employees do not have any interest and shall not hereafter acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of this Contract. Contractor further covenants that it will not hire anyone or any entity having such a conflict of interest during the performance of this Contract.

37. Contract Preservation

If any provision of the Agreement, or the application of such provision, shall be rendered or declared invalid by a court of competent jurisdiction, or by reason of its requiring any steps, actions or results, the remaining parts or portions of this Agreement shall remain in full force and effect.

38. Promotional Advertising / News Releases

Reference to or use of the City, any of its departments, agencies or other subunits, or any official or employee for commercial promotion is prohibited. News releases pertaining to this procurement shall not be made without prior approval of the City. Release of broadcast e-mails pertaining to this procurement shall not be made without prior written authorization of the contracting agency.

39. Time is of the Essence

Timely provision of the services required under this Contract shall be of the essence of the Contract, including the provision of the services within the time agreed or on a date specified herein.

40. Expansion clause

Any resultant contract may be further expanded by the Purchasing Manager in writing to include any other item normally offered by the Contractor, as long as the price of such additional products is based on the same

cost/profit formula as the listed item/service. At any time during the term of this contract, other City departments may be added to this contract, if both parties agree.

41. Patent Infringement

The contractor selling to the City the articles described herein guarantees the articles were manufactured or produced in accordance with applicable federal labor laws. Further, that the sale or use of the articles described herein will not infringe any United States patent. The contractor covenants that it will at its own expense defend every suit which shall be brought against the City (provided that such contractor is promptly notified of such suit, and all papers therein are delivered to it) for any alleged infringement of any patent by reason of the sale or use of such articles, and agrees that it will pay all costs, damages, and profits recoverable in any such suit.

42. Warranty

Unless otherwise specifically stated by the City, Contractor warrants that all goods and/or services furnished under this contract are warranted against defects by the City for one (1) year from date of receipt, are new, conform strictly to the specifications herein, are merchantable, good workmanship, free from defect, are fit for the intended purpose of which such goods and services are ordinarily employed and if a particular purpose is stated in a Special Condition, the goods are then warranted as for that particular purpose. Contractor further warrants that no violation of any federal, state or local law, statute, rule, regulation, ordinance or order will result from the manufacturer, production, sale, shipment, installation or use of any other goods. Contractor's warranties (and any more favorable warranties, service policies, or similar undertaking of Contractor) shall survive delivery, inspection, and acceptance of the goods or services.

43. Access and Review of Contractor's Facilities

The City may visit and view any of the offices, premises, facilities and vehicles of the Contractor and/or Contractor's Subcontractor upon request and reasonable notice during the term of the Contract and Contract renewals/extensions.

44. Facility Security

The City may prohibit entry to any secure facility, or remove from the facility, Contractor or any employee of the Contractor who does not perform his/her duties in a professional manner, or who violates the secure facility's security rules and procedures. The City reserves the right to search any person, property, or article entering its facilities.

45. Waiver of Breach

A waiver by either party hereto of a breach of the other party hereto of any covenant or condition of this Contract shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Contract, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

46. Integration

This Contract, along with the City of Yakima's RFQ #12221Q and Wastewater, Industrial Wastewater AND stormwater rate studies and the Contractor's response to the Request for Qualifications ("RFQ"), represents the entire understanding of the City and Contractor as to those matters contained herein. No prior oral or

written understanding shall be of any force or effect with respect to those matters covered herein. This Contract may not be modified or altered except in writing signed by both parties.

47. Force Majeure

Contractor will not be responsible for delays in delivery due to acts of God, fire, strikes, epidemics, pandemics, war, riot, delay in transportation or railcar transport shortages, provided Contractor notifies the City immediately in writing of such pending or actual delay. Normally, in the event of any such delays (acts of God, etc.) the date of delivery will be extended for a period equal to the time lost due to the reason for delay.

48. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the State of Washington.

49. Venue

The venue for any judicial action to enforce or interpret this Contract shall lie in a court of competent jurisdiction in Yakima County, Washington.

50. Authority

The person executing this Contract, on behalf of Contractor, represents and warrants that he/she has been fully authorized by Contractor to execute this Contract on its behalf and to legally bind Contractor to all the terms, performances and provisions of this Contract.

51. Change or Notice

Any alterations, including changes to the nature of the service, made to the Contract shall be rendered in writing and signed by both responsible parties; no changes without such signed documentation shall be valid. No alterations outside of the general scope and intent of the original Request for Qualifications or in excess of allowable and accepted price changes shall be made.

In no event shall the Contractor be paid or be entitled to payment for services that are not authorized herein or any properly executed amendment.

Notice of Business Changes: Contractor shall notify the City in writing within three (3) business days of any change in ownership of the facilities of the Contractor or of the facilities of any subcontractor. The Contractor shall notify the City in writing as soon as possible, and in no event later than three (3) business days, after any decision by the Contractor to change or discontinue service that will affect services provided to the City under this Contract.

The City shall have the right to renegotiate the terms and conditions of this Contract to the extent required to accommodate a change in governing law or policy that, in the sole discretion of the City, either substantially and unreasonably enlarges the Contractor's duties hereunder, or renders performance, enforcement or compliance with the totality of the Contract impossible, patently unreasonable, or unnecessary. Notices and demands under and related to this Contract shall be in writing and sent to the parties at their addresses as follows:

TO CITY:
Bob Harrison
City Manager
City of Yakima
129 North 2nd Street
Yakima WA, 98901

COPY TO:
Mike Price
Wastewater Manager
City of Yakima Wastewater
2220 East Viola Ave
Yakima, WA 98901

TO CONTRACTOR:
Angie Sanchez Virnoche
Vice President/Principal
Redmond Town Center
7525 166th Ave. NE, Ste. D-215
Redmond, WA 98059

52. Survival

The foregoing sections of this Contract, 1-51 inclusive, shall survive the expiration or termination of this Contract in accordance with their terms.

IN WITNESS WHEREOF, the parties hereto execute this Contract as of the day and year first above written.

CITY OF YAKIMA

FCS GROUP

City Manager

Date:

By: _____

Title: _____

Date: _____

Attest:

City Clerk

(Print name)

EXHIBIT A

CITY OF YAKIMA

WASTEWATER, INDUSTRIAL WASTEWATER, AND STORMWATER RATE STUDIES

The following Scope of Work (SOW) identifies the tasks that FCS GROUP will perform for the City of Yakima's (City) Wastewater, Industrial Wastewater (IW), and Stormwater Rate Study. It assumes that the policy review and revenue requirement forecast will have already been performed as part of the Wastewater Treatment Facility Master Plan engagement.

TASK PLAN

Task 1 | Data Collection / Kickoff Meeting

FCS GROUP will submit a request for needed data and arrange for a kickoff meeting with City staff to set a course for completing the work. This project kickoff meeting will provide an opportunity for the project team to identify and discuss key policy and technical issues to be addressed in the study, along with any data questions. We will review, analyze, and validate the data received and identify any data limitations, gaps, or issues of concern.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Submit a written request for the data needed to complete the study. Review and validate the data.
- Attend one (1) onsite kickoff meeting with key staff from the City.
- Perform routine project administration tasks such as invoicing and monthly status reports.

Task 2 | Update Industrial Wastewater Rates

Updated Industrial Wastewater (IW) charges will ensure that the City can recover the cost of the IW system to the degree possible without creating a disincentive for industrial users to voluntarily connect to the IW line. Customers connected to the IW collection line have rates broken into three categories, as follows:

- Industrial wastewater rate, for influent treated by the Upflow Anaerobic Sludge Blanket (UASB) system.
- Modified retail rates (for UASB effluent that enters the regular treatment plant). At present, this consists of 60% of the ready-to-serve charge and 60% of the volume rate per ccf.
- Strong waste surcharges (BOD, TSS, and FOG): 100% of the stated rate.

Following are the steps to generate updated industrial wastewater rates.

- Collect data about operating and capital costs (including a set-aside for future capital reinvestment) specific to the UASB and the IW collection line.
- Collect updated data about the customers who discharge to the IW collection line, and the amount of flows discharged.
- In consultation with the City, determine if there are other potential IW customers planned for the future.
- Develop unit costs and convert them into an IW rate for the UASB and the IW collection line.

- Re-evaluate the assumption that 40% of the retail rates are related to the collection system rather than the treatment plant. (This 40% is deducted from the IW rates since the IW customers have their own collection line.)
- Determine the amount that would be paid by a given IW customer if its wastewater were to go through the normal treatment process with normal charges.
- The IW charge applied to a given customer is the lesser of the IW charges or the total charges under normal treatment rates.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Updated IW rates, along with an updated method for applying that rate to particular customers.

Task 3 | Update Strong Waste Surcharges

Strong waste surcharges apply to the City's commercial and industrial customers that generate high levels of wastewater strength. The three main types of wastewater strength are biochemical oxygen demand (BOD), total suspended solids (TSS), and fats, oils, and greases (FOG). If a business has higher levels of any of these three variables than a typical single-family house (that is, higher than "domestic" strength), it causes higher costs for the City's treatment plant, independent of the amount of flow generated by that business. FOG also increases the cost of the collection system.

The purpose of the strong waste surcharges is to recover those additional City costs in proportion to each customer's estimated contribution of above-domestic-strength wastewater. It is measured in pounds of loadings, which is a function of the estimated wastewater concentration (of BOD, TSS, or FOG) and the amount of wastewater flow generated by a given customer.

There are three separate strong waste surcharges—one each for BOD, TSS, and FOG. Following are the steps to update the strong waste surcharges:

- Allocate the treatment plant assets to four functional categories: Flow, BOD, TSS, and FOG.
- Allocate treatment plant operating and capital costs to the same four functional categories.
- Consult with the City about whether to continue or adjust the assumption from the 2014 study that FOG accounts for about 10% of total collection system costs.
- Forecast the total flow and loadings at the treatment plant. (The "flow" costs are recovered through the usage rates—part of the regular wastewater rates, not from the strong waste charge.)
- Determine the unit costs—that is, the total allocated costs divided by the total annual pounds of loadings, by category, projected by year.
- When applied to the loadings of customers that generate above-domestic strength wastewater, these unit costs become the strong waste surcharges.
- Note that "domestic strength" is defined by concentration thresholds, so when applying the strong waste surcharges, the City must multiply a given customer's incremental concentration by its wastewater flows and a conversion factor, to generate the incremental pounds of loadings. The strong waste surcharge rate is multiplied by the number of incremental pounds of loadings.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Updated strong waste surcharges for BOD, TSS, and FOG.

Task 4 | Update MIU Pretreatment Program Charges

The City's pre-treatment program was formed to regulate non-domestic strength wastewater discharges. Revenues collected from program-related charges are used to administer and enforce the program. Charge

categories include significant industrial user (SIU) permit fees, minor industrial user (MIU) base fees, and costs incurred for outsourcing sampling and laboratory testing. The SIU rates are based on 90% of the amount in the Washington Administrative Code (WAC) 173-224-040, but the MIU rates are to be determined in this rate study. The MIU charges are a flat amount per month for those businesses determined to be MIUs.

The MIU charges are a function of the annual cost of pretreatment, minus two types of offsetting revenues, divided by the number of MIU customers.

Following are the steps to update the MIU charges.

- Determine the annual cost of the pretreatment program.
- Determine the amount of projected SIU fee revenue.
- Determine the revenue from outsourced sampling and lab testing.
- Determine the number of MIUs.
- Calculate the MIU charges, projected over the study forecast horizon.

Based on discussions with City staff, there is a subset of MIU customers that may be receiving a lower level-of-service (no routine sampling), and therefore it may be appropriate to charge these customers a lower amount. This task includes an evaluation to address this topic.

Note: our forecast horizon is typically ten years or the duration of the CIP, whichever is less. Many jurisdictions adopt rates and charges over a five- or six-year period, even if the forecast extends farther. We will discuss the horizon with the City staff.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Updated monthly MIU pretreatment charges, including an MIU charge that reflects a lower level-of-service provided to a subset of customers.

Task 5 | Update Wholesale Revenue Estimates

The City provides wastewater treatment for two neighboring communities: Terrace Heights and Union Gap. This task consists of updating wholesale revenue estimates based on the terms of the Three Party Agreement and the level of demand from Terrace Heights and Union Gap. We will review the contract terms and historical billing records to generate a forecast of wholesale revenue, which will serve as an offset against retail rates.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Updated forecast of wholesale revenue.

Task 6 | Review & Validate Wholesale Billing Tool

In 2014-15, FCS GROUP developed a wholesale bill calculator tool for the City's use. Since that time, various City staff have been responsible for updating the tool each year, and the City would like a review to ensure that the tool is still functioning as expected.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Review and validate the City's current version of the wholesale billing against the original tool to check for consistency of formulas, inputs, and outputs.
- Provide a summary of findings.

- Note, the scope and budget for this task do not include providing an updated wholesale tool. If necessary, the estimated time required to develop an updated tool would not be known until a summary of findings is developed. However, this work could be done under Task 12.

Task 7 | Develop Wastewater Retail Rates

For wastewater, the regular retail rates assume domestic level strength, so the rates do not need to differentiate between residential and non-residential customers. The ready-to-serve rate is a fixed monthly charge based on meter size, while the usage rate is based on metered water consumption, expressed in hundred cubic feet (ccf).

After having developed the overall revenue requirement for the wastewater utility (as part of the WWTF Master Plan engagement), and after having updated the strong waste charges, industrial wastewater charges, MIU pretreatment charges, and wholesale revenue projections, the calculation of City retail rates is straightforward: the total retail rate revenue needed is the overall revenue requirement minus the other sources of revenue.

There is one design feature in the retail rates that we can explore, at the City's election. That is the relationship between the City's reliance on the fixed monthly "ready-to-serve" charge and the usage charge. Because residential and non-residential customers pay the same rates per month and per ccf, if we want to ensure that an equitable share of costs are recovered from residential vs. non-residential customers, we need to look at the relative reliance on volumetric rates vs. fixed charges. Non-residential customers use much more water than residential customers, so relying more heavily on volumetric rates will shift the overall rate burden toward non-residential customers. In contrast, relying more heavily on fixed monthly charges puts more of the overall rate burden on residential customers.

There is one other consideration, though. Fixed monthly charges are more stable than volumetric charges, so even if a cost-of-service analysis determines those non-residential customers should be generating a higher percentage of the total retail rate revenue, the City might choose not to move too far toward volumetric rates, just to preserve revenue stability.

The steps below assume that the City desires to evaluate the equity of the current rate design by performing a cost-of-service analysis and evaluating the mix of fixed and volumetric revenue.

- Collect data on customer billing history; test and analyze that data, to know how much water is used by residential vs. non-residential customers.
- Perform a functional allocation of costs—like what is described in Task 3 for the strong waste charge, but it would apply to the entire wastewater utility, not just the treatment plant, and it would include a "customer" function in addition to the other four functions.
- Allocate the functionalized costs to customer classes. Because the only decision at stake is the relative reliance on fixed versus volumetric charges, we suggest that the analysis focus on two customer classes only: residential and non-residential.
- Compare the allocated cost attributable to residential and non-residential customers with the revenue generated from each type of customer. This will tell us whether it would be equitable to shift the rate burden more toward or away from residential customers. This in turn will suggest whether the fixed charge should go up relative to the usage charge or vice versa.
- Develop alternative rate schedules that are revenue-neutral, where one option contains the status quo mix between fixed and volumetric charges, and the alternative option presents a revenue mix that is closer to the equitable level suggested by the cost-of-service analysis.
- After staff feedback, either include both options in the documentation and presentation to the City Council or assume across-the-board rate increases.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- An updated schedule of retail rates, with or without an alternative scenario that adjusts the mix between the ready-to-serve and usage rates.

Task 8 | Sanitary & Industrial Wastewater (IW) Connection Charges

This task supports an update to the City's sanitary sewer connection charges to ensure that the City recovers an appropriate level of capital costs from development, as growth occurs. This task will not change how the City scales up its connection charges (i.e., meter size).

Following are the steps to update the sanitary sewer charges.

- Capacity Base. Using available information, FCS GROUP will derive the applicable capacity base (the denominator in the connection charge calculation).
- Existing Facilities Component. FCS GROUP will calculate the existing facilities component of the connection charge using financial and engineering data provided by the City.
- Future Facilities Component. FCS GROUP will calculate the future facilities component using cost and engineering information collected and refined (as necessary) from the capital improvement plans, recent system plans, and with the input of City staff.
- Calculate the maximum allowable charges per single-family residential equivalent, assumed to be the smallest meter size served by the City – 3/4" x 3/4". These charges will be compared with and evaluated against the current charges for each meter size. The charges for larger developments within the City scale up based on meter size and this analysis would scale up the connection charge based on the existing multipliers by meter size.
- Single-family GFC comparison for up to six (6) jurisdictions chosen by City staff.

This task will also develop a policy and / or cost-based approach that justifies a different connection charge for customers connecting to the industrial wastewater line based on the benefits that the IW / UASB process provides for the City's wastewater treatment plant. Lastly, the documentation for this task will note known jurisdictions that provide for the payment of connection fees in installments.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Updated schedule of sanitary connection charges by meter sizes.
- An alternative schedule of industrial wastewater charges by meter size.

Task 9 | Develop Stormwater Revenue Requirement

Updated stormwater rates can provide needed funding for capital projects and improved O&M practices identified by the City in the 2021 Stormwater Master Plan. To prepare an updated stormwater revenue requirement, we would perform the following steps:

- Collect data on capital improvement projects, operating and maintenance (O&M) expenditures, current revenues, fund balances, outstanding debt, the number of current customers by class, and the volume (both number and amount) of current stormwater credits.
- Evaluate policy parameters such as minimum reserves, maximum debt levels, and rate-funded capital reinvestment.
- Develop a capital funding strategy to determine how best to pay for the capital improvement program (CIP). One of the results of the capital funding strategy is the amount of ongoing debt service that might be needed.
- Develop the annual forecast of O&M expenses, existing debt service, new debt service, and required reserves, assuming existing rates.
- If there is a deficiency, determine the level of rate increases needed to meet cash flow requirements and, if applicable, debt service coverage obligations.
- If needed, develop rate increase strategies to smooth out the customer impacts.
- Stormwater classes include residential (small, average, and large) and non-residential using impervious surface data as the basis. Unless the City indicates otherwise, we are assuming that there is no need to revise the design of current stormwater rates and credits.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- An updated multi-year forecast (10 years or the length of the CIP, whichever is less) of stormwater rates needed to meet the City's planned needs and financial policies.
- A proposed rate schedule incorporating the rate changes called for in the forecast.

Task 10 | Stormwater Utility Rate Structure Evaluation

FCS GROUP will write a brief issue paper summary on stormwater rate structures and rate credits, and will define and analyze the issues, present alternative solutions (including industry standards, if applicable), and recommend a course of action. Specific topics to include single-family residential tiers, administrative burden to maintain small, average, and large residential tier information, equivalent residential unit values, and rate credits. Final versions will be provided that incorporate City feedback.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Interview stormwater staff regarding the current rate structure.
- Develop a rate structure / rate credit issue paper.

Task 11 | Code Language Updates

FCS GROUP will review the City's existing wastewater and stormwater rate code language and provide updates in *track changes*, reflecting recommendations from the rate study. Any updates to sampling and laboratory testing fees will be provided by City staff (*7.60.105 Rates, charges and fees for pretreatment program. E.*)

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Track changes code updates reflecting rate recommendations resulting from the rate study, for the following sections:
 - » 7.60.020 Retail wastewater service charge and strong waste surcharge.
 - » 7.60.025 Charges to industrial wastewater customers.
 - » 7.60.035 Septage and exceptional wastewater disposal charges. (Assuming an across-the-board increase to match the retail rate forecast; this scope does not include an evaluation of septage and exceptional wastewater disposal charges).
 - » 7.60.105 Rates, charges and fees for pretreatment program.
 - » 7.80.110 [Surface Water Management Utility] Base rate.

Task 12 | Other Special Analyses as Requested

This task gives the City staff flexibility to ask us to turn our attention to areas not included in the basic scope of work. Perform other analyses as requested by the City.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Response to special analyses requested by the staff.

Task 13 | Documentation

One of the final steps for this project is documenting the analysis and results. FCS GROUP will prepare and provide documentation capturing recommendations to staff and the City Council. The written documentation helps communicate the study results and provides a record for future reference.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- A set of discussion notes for each staff review meeting (up to four).
- A PowerPoint presentation for each City Council briefing (up to two).
- A draft report summarizing major assumptions, findings, and study recommendations. Provide draft report in electronic format.
- Following comments from the staff and City Council, a final initial report in electronic format will be provided. An electronic version of the spreadsheet models will also be provided.

Task 14 | Meetings & Presentations

This task includes our attendance and participation in the meetings with the City staff and Council. Meetings with the staff are important to report findings and test recommendations for reasonableness. Presentations to the City Council are needed to communicate study results and lay the groundwork for a rate resolution or ordinance.

DELIVERABLES TO INCLUDE THE FOLLOWING:

- Up to five (5) remote meetings with City staff and management to review interim findings, receive policy direction, and prepare for the City Council presentation.
- Two (2) in-person meetings with the City Council to present study results and recommendations.
- Additional remote meetings can be scheduled as needed, budget permitting.

SCHEDULE

Completion of the analysis is based on a variety of issues, including timeliness of receipt of requested data, quality of data, ability to schedule meetings in a timely manner, and the ability of City staff to provide policy direction for the study to move forward at key study milestones. The study assumes a July 1, 2023 rate implementation date. An estimated study schedule is below.

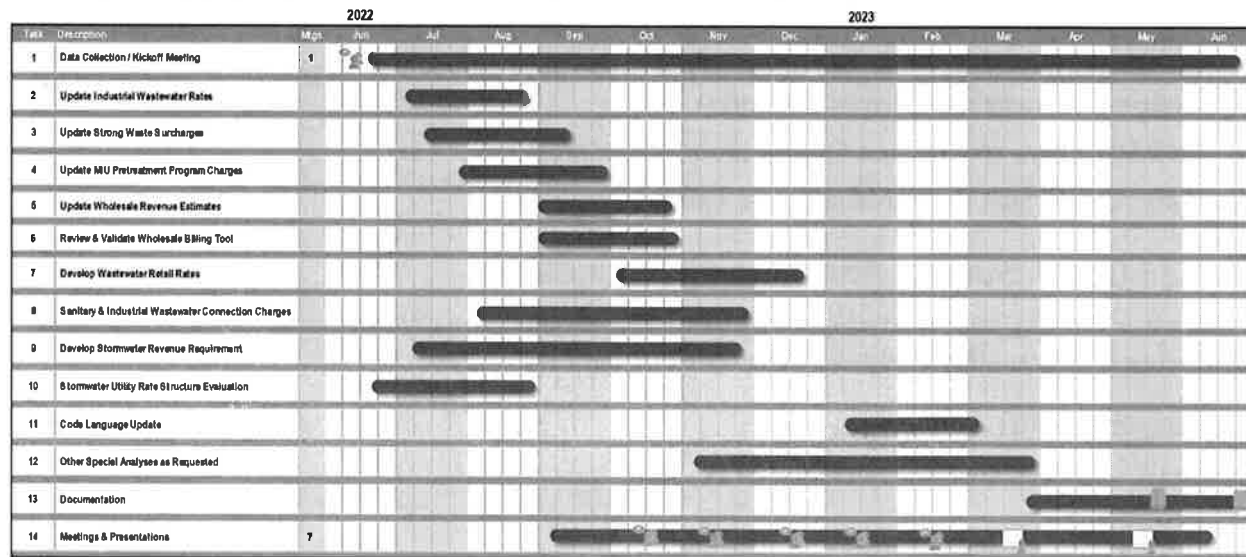


EXHIBIT B

BUDGET

The table below summarizes our estimated cost to complete the task plan: **\$129,937**. The detailed estimates are for planning purposes only – the “not to exceed” amount refers to the total contract, not any given task.

Task	Description (meetings)	Consultant Hours				Admin Support	Total Hours	Total Budget
		Project Principal \$280	Project Advisor \$215	Project Manager \$215	Analyst \$155			
Task 1	Data Collection / Kickoff Meeting							
	Data request & follow-up			2	8		10	\$ 1,670
	Project kickoff meeting (1) onsite		8	8	8		24	4,680
	Project administration	2		6		6	14	2,390
								\$ 8,740
Task 2	Update Industrial Wastewater Rates							
	Cost / customer data analysis		2	4	12		18	\$ 3,150
	Unit cost development		2	4	8		14	2,530
	IW vs. traditional rate comparison	1	2	2	4		9	1,760
								\$ 7,440
Task 3	Update Strong Waste Surcharges							
	WWTP functional asset / cost allocation		2	4	16		22	\$ 3,770
	Review flow and loadings information		2	4	8		14	2,530
	Unit cost development	1	2	2	4		9	1,760
								\$ 8,060
Task 4	Update MIU Pretreatment Program Charges							
	MIU cost / customer projection		1	4	12		17	\$ 2,935
	SIU and sampling/testing revenue projection		1	2	4		7	1,265
	MIU charge calculation	1	1	1	2		5	1,020
	Evaluate MIU rate for lower level of service	1	2	2	6		11	2,070
								\$ 7,290
Task 5	Update Wholesale Revenue Estimates							
	Review wholesale agreement terms		1	2	8		11	\$ 1,885
	Review historical level of demand		1	2	4		7	1,265
	Forecast wholesale revenue	1	1	1	2		5	1,020
								\$ 4,170
Task 6	Review & Validate Wholesale Billing Tool							
	Review original wholesale billing tool		1	4	4		9	\$ 1,695
	Review current wholesale billing tool for consistency		1	8	4		13	2,555
	Prepare high-level summary of findings	1	1	4			6	1,355
								\$ 5,605
Task 7	Develop Wastewater Retail Rates							
	Customer billing data analysis			4	32		36	\$ 5,820
	Other functional asset / cost allocation		2	4	12		18	3,150
	Allocate costs to customer groups	1	1	2	12		16	2,785
	Fixed vs. variable rate design	1	1	4	12		18	3,215
								\$ 14,970
Task 8	Sanitary & Industrial Wastewater Connection Charges							
	Develop capacity base for sanitary charge	1	1	2	8		12	\$ 2,165
	Develop sanitary existing facilities cost base			2	12		14	2,290
	Develop sanitary future facilities cost base			2	12		14	2,290
	Calculate sanitary connection charge	2	2	2	6		12	2,350
	Develop IW credit policy	1	4	4	4		13	2,620
	Develop comparison survey			1	4		5	835
								\$ 12,550
Task 9	Develop Stormwater Revenue Requirement							
	Financial policy framework	1		1	4		6	\$ 1,115
	Capital funding strategy		1	4	12		17	2,935
	Operating forecast		1	2	8		11	1,885
	Revenue needs assessment		2	8	30		40	6,800
	Across-the-board rate forecast	1		2	8		11	1,950
	Rate comparison survey			1	4		5	835
								\$ 15,520
Task 10	Stormwater Utility Rate Structure Evaluation							
	Interview stormwater staff		2	2			4	\$ 860
	Develop rate structure / credit issue paper	1	2	6	4		15	3,050
								\$ 3,910
Task 11	Code Language Update							
	Review City's current code		2		2		4	\$ 740
	Update code with study recommendations	1	4		6		11	2,070
								\$ 2,810
Task 12	Other Special Analyses as Requested							
	Prepare analyses	1	2	4	24		31	\$ 5,290
								\$ 5,290
Task 13	Documentation							
	Discussion notes x5		5	5	12		22	\$ 4,010
	PowerPoint presentations x2	2	4	8	16		30	5,620
	Draft report	2	6	8	32		48	8,530
	Final report		1	2	4		7	1,265
								\$ 19,425
Task 14	Meetings & Presentations							
	Remote review meetings with City staff (5)	1	10	10	10		31	\$ 6,130
	Onsite City Council meetings (2)		16	16	4		36	7,500
	Mileage							527
								\$ 14,157
Total		24	100	174	408	6	712	\$129,937

PROJECT #12221Q

WASTEWATER, INDUSTRIAL WASTEWATER AND STORMWATER RATE STUDIES