

EXHIBIT 1 TO ORDINANCE

AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES FOR A STORMWATER UTILITY RATE AND IMPLEMENTATION STUDY (RFQ NO. 2021-076)

THIS AGREEMENT made and entered into this _____ day of _____, 2021, by and between the City of Lee's Summit, Missouri (hereinafter "City"), and Black & Veatch Management Consulting, LLC (hereinafter "Engineer").

WITNESSETH:

WHEREAS, City intends to have engineering services for s Stormwater Utility Rate and Implementation Study (hereinafter "Project"); and

WHEREAS, Engineer has submitted a proposal for the Project and an estimate of engineering costs to perform the Project; and

WHEREAS, the City Manager is authorized and empowered by City to execute contracts providing for professional engineering services; and

WHEREAS, City desires to enter into an agreement with Engineer to perform the Project; and

WHEREAS, Engineer represents that the firm is equipped, competent, and able to undertake such an assignment.

NOW THEREFORE, in consideration of the mutual covenants and considerations herein contained, **IT IS HEREBY AGREED** by the parties hereto as follows:

ARTICLE I

SCOPE OF BASIC SERVICES TO BE PROVIDED BY ENGINEER

Engineer shall provide the following professional engineering services to City ("Basic Services") as shown in the section "Phase I Scope of Work" in *Exhibit A*, attached hereto and incorporated herein by reference.

ARTICLE II

OPTIONAL SERVICES TO BE PROVIDED BY ENGINEER

Engineer shall furnish, if needed by City, and only upon receipt of written authorization by the Director of Public Works, the optional services provided in the section "Phase 2 Scope of Work" in *Exhibit A*, attached hereto and incorporated by reference ("Optional Services").

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ARTICLE III SCOPE OF SERVICES TO BE PROVIDED BY CITY

City shall use its best efforts to provide the information to Engineer, as assumed in *Exhibit A*, attached hereto and incorporated herein by reference.

ARTICLE IV PAYMENTS TO THE ENGINEER

For the services performed by Engineer pursuant to this Agreement, and as full compensation therefore, and for all expenditures made and all expenses incurred by Engineer in connection with this Agreement, except as otherwise expressly provided herein, subject to and in conformance with all provisions of this Agreement, City will pay Engineer a maximum fee for Basic Services and Optional Services in the sum of Four Hundred Fifty-Seven Thousand Six Hundred Sixty-Two Dollars (\$457,662.00), according to the following provisions:

- A. The cost of all Basic Services covered under Article I shall be billed hourly at the rates set forth in *Exhibit A*, attached hereto and incorporated herein by reference. Expenses incurred to provide the Basic Services shall be billed as set forth in *Exhibit A*. The total fees (hourly fees and expenses) for the Basic Services shall not exceed the total sum of Three Hundred Thousand Eight Hundred Five Dollars (\$300,805.00).
- B. The cost of all Optional Services covered under Article II shall be billed hourly at the rates set forth in *Exhibit A*, attached hereto and incorporated herein by reference. Expenses incurred to provide the Optional Services shall be billed as set forth in *Exhibit A*. The total fees (hourly fees and expenses) for the Optional Services shall not exceed the total sum of One Hundred Fifty-Six Thousand Eight Hundred Fifty-Seven Dollars (\$156,857.00).
- C. If so requested by Engineer, City will make payment monthly for Basic Services and Optional Services that have been satisfactorily completed. The City shall make payment to Engineer within a period not to exceed thirty (30) days from the date an invoice is received by City. All invoices shall contain the following information:
 - 1. Project Name/Task Name/RFP Number/Description of Agreement.
 - 2. Invoice Number and Date.
 - 3. Purchase Order Number issued by City.
 - 4. Itemized statement for the previous month of Labor (including Personnel Description, Title or classification for each person on the Project, Hours Worked, Hourly Rate, and Amount), Itemized Reimbursable Expenses, and Invoice Total.
 - 5. Description of monthly progress detailing the amount of the services completed to date and projected completion time.

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6. Project Billing Summary containing the Contract or Agreed Maximum Fee Amount, Cumulative Amount Previously Billed, Billing Amount this Invoice, Contract or Agreed Amount Remaining, and Percent of Maximum Fee Billed to Date.

All moneys not paid when due as provided herein shall bear interest at a per annum rate equal to one percent (1%) plus the average *Consumer Price Index for All Urban Consumers (CPI-U)-U.S. City Average* for the time period in which payment is past due; provided, however, that in no event will the amount of interest to be paid by the City exceed 9% per annum.

ARTICLE V COMPLETION TIME

The Basic Services shall be completed in accordance with the schedule in the section "Phase I Project Schedule" in *Exhibit A*, attached hereto and incorporated herein by reference.

The Director of Public Works may, with the mutual consent of the parties, amend the deadlines contained in this Article by written authorization upon a showing of cause for amendment by Engineer.

The Optional Services shall be completed in accordance with the deadlines set by the Director of Public Works and accepted by Engineer at the time said Optional Services are authorized by the Director of Public Works.

ARTICLE VI INSURANCE

A. General.

1. Insurer Qualifications. Without limiting any obligations or liabilities of Engineer, Engineer shall purchase and maintain, at its own expense, the insurance set forth in this Article with insurance companies authorized to do business in the State of Missouri, with an AM Best, Inc. rating of A or above, and with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Agreement at the City's option.
2. No Representation of Coverage Adequacy. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Engineer from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

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3. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name and endorse, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.
4. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Agreement.
5. Primary Insurance. Engineer's insurance shall be endorsed to indicate its primary, non-contributory insurance with respect to performance of this Agreement and in the protection of the City as an Additional Insured. Such coverage shall be at least as broad as ISO CG 20 01 04 13.
6. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for six (6) years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance citing the required coverage is in force and contains the provisions as required herein for the six-year period.
7. Waiver. To the fullest extent permitted by law, all policies required herein, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the City, its agents, representatives, officials, officers, and employees for any claims arising out of the work or services of Engineer. Engineer shall arrange to have such subrogation waivers incorporated into each policy via endorsement.
8. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention under the required general liability and automobile liability policies shall not erode the limit required by the City. Engineer shall be solely responsible for any such deductible or self-insured retention amount.
9. Automatic Escalator. The limits of liability for each policy coverage amount stated above shall be automatically adjusted upward as necessary to remain at all times not less than the maximum amount of liability set forth in Chapter 537.610 RSMo. applicable to political subdivisions pursuant to 537.600; provided that nothing herein or in any such policy shall be deemed to waive the City's sovereign immunity. The statutory waiver of sovereign immunity for 2021 is \$2,940,868 for all claims arising out of a single accident or occurrence.

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10. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Engineer shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Article and insurance requirements set forth herein protecting the City and Engineer. Engineer shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.
11. Notice of Claim. Engineer shall upon receipt of notice of any claim in connection with this Agreement promptly notify the City, providing full details thereof, including an estimate of the amount of loss or liability. Engineer shall also promptly notify the City of any reduction in limits of protection afforded under any policy listed in the certificate(s) of insurance in an amount such that the policy aggregate becomes less than the current statutory waiver of sovereign immunity regardless of whether such impairment is a result of this Agreement. A breach of this provision is material breach of the contract.
12. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Engineer will provide the City with suitable evidence of insurance in the form of certificates of insurance and, if requested by the City, a copy of the relevant endorsement for the insurance policies as required by these requirements, issued by Engineer's insurance insurer(s) as evidence that policies are placed with reasonably acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in these requirements and that such coverage and provisions are in full force and effect. The City shall reasonably rely upon the certificates of insurance and endorsements for the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way these insurance requirements or obligations.

If any of the policies required by these requirements expire during the life of the Agreement, it shall be Engineer's responsibility to forward renewal certificates and relevant endorsements the City 30 days prior to the expiration date. All certificates of insurance and relevant endorsements shall be identified by referencing the Agreement; certificates of insurance and endorsement for the insurance policies submitted without referencing the Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance shall specifically include the following provisions:

- a. The City, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:
 - i. Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.
 - ii. Auto Liability – Under ISO Form CA 20 48 or equivalent.
 - iii. Excess Liability – Follow Form to underlying insurance.

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- b. Engineer's insurance under which City is included as an additional insured shall be primary, non-contributory insurance with respect to performance of the Agreement.
 - c. All policies, except for Professional Liability, waive rights of recovery (subrogation) against City, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Engineer under this Agreement.
 - d. ACORD certificate of insurance form 25 (2014/01) is preferred.
13. All Certificates of Insurance shall name the City of Lee's Summit as the certificate holder and send the certificate and any endorsements to:

City of Lee's Summit
Attn: Public Works Department
220 SE Green Street
Lee's Summit, MO 64063-2358

B. Required Insurance Coverage.

1. Commercial General Liability. Engineer shall maintain "occurrence" form Commercial General Liability insurance with unimpaired limits of at least \$3,000,000 for each occurrence, \$3,000,000 Products and Completed Operations Annual Aggregate and a \$3,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, bodily injury, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 01 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, officials and employees shall be endorsed as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement forms CG 20 10 07 04 and CG 20 37 07 04, or their equivalents. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
2. Automobile Liability. Engineer shall maintain Business Automobile Liability insurance with an unimpaired limit of at least \$1,000,000 each occurrence on Engineer's owned, hired and non-owned vehicles assigned to or used in the performance of the Engineer's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. City, its agents, representatives, officers, directors, officials and employees shall be endorsed as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

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3. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Engineer engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Engineer shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the services performed by the Engineer, or anyone employed by the Engineer, or anyone for whose negligent acts, mistakes, errors and omissions the Engineer is legally liable, with an unimpaired liability insurance limit of \$5,000,000 each claim and \$5,000,000 annual aggregate. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.
 4. Workers’ Compensation Insurance. If Engineer employs anyone who is required by law to be covered by workers’ compensation insurance, Engineer shall maintain Workers’ Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Engineer’s employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.
 5. Cyber Liability Insurance. If this Agreement is the subject of any services involving the City’s information technology structure, or if the Engineer engages in any services in any way related to performing work involving the City’s information technology structure under this Agreement, Engineer shall maintain Cyber Liability insurance with limits not less than \$3,000,000 per occurrence or claim, \$3,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as are undertaken by Engineer in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs, regulatory fines and penalties, and credit monitoring expenses with limits sufficient to respond to these obligations.
- C. Cancellation and Expiration Notice. Insurance required herein shall not expire or be canceled, or be materially changed without thirty (30) days’ prior written notice to the City.

ARTICLE VII MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are agreed to by both parties to this Agreement:

- A. COVENANT AGAINST CONTINGENT FEES: Engineer warrants that Engineer has not employed or retained, and will not employ or retain for the duration of this Agreement, any company or person, other than a bona fide employee working for the Engineer, to solicit or secure this Agreement, and that Engineer has not paid or agreed to pay any company or person, other than

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bona fide employee, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee. Engineer further covenants that in the performance of this Agreement no person having such interest shall be employed.

- B. OWNERSHIP OF ENGINEERING DOCUMENTS: Payment by City to Engineer as aforesaid in Article IV shall vest in City title to all drawings, sketches, studies, analyses, reports, models, and other paper, documents, computer files, and material produced by Engineer exclusively for the services performed pursuant to this Agreement up to the time of such payments, and the right to use the same without other or further compensation, provided that any use for another purpose shall be without liability to the Engineer. Any reuse without written verification or adaptation by Engineer for the specific purpose intended will be at City's risk and without liability or exposure to Engineer, and City shall indemnify and hold harmless, to the extent allowed by the Constitution and Laws of the State of Missouri, Engineer from all claims, damages, losses, expenses, including attorneys' fees arising out of or resulting therefrom.
- C. MODIFICATIONS TO SCOPE OF WORK: In the event of any changes in the scope of services contained in this Agreement, prior to commencing the services City and Engineer shall enter into a modification of this Agreement describing the changes in the services to be provided by Engineer and City, providing for compensation for any additional services to be performed by Engineer, and providing completion times for said services.
- D. EMERGENCY CHANGES IN SERVICES: The Director of Public Works, with the consent of the City Manager, is authorized to execute on behalf of the City modification agreements as provided for in subsection C. above where there is an emergency and the overall compensation authorized in Article IV above, and any supplements or modifications thereto, is not increased. For purposes of this subsection, an "emergency" shall mean those unforeseen circumstances that present an immediate threat to public health, welfare, or safety; or when immediate response is necessary to prevent further damage to public property, machinery, or equipment; or when delay would result in significant financial impacts to the City as determined by the Director of Public Works and the City Manager.

In the event an emergency change in services is authorized by the Director of Public Works and the City Manager pursuant to this provision, the modification agreement shall be submitted to the City Council for ratification at its next available meeting.

- E. TERMINATION: In the event of termination by City, if there are any services hereunder in progress but not completed as of the date of termination, then said Agreement may be extended upon written approval of the City until said services are completed and accepted.
 - 1. Termination for Convenience: The services called for by this Agreement or any supplements thereto may be terminated upon request and for the convenience of City

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upon thirty (30) days advance written notice. City shall pay Engineer for all services rendered up to the date of termination.

2. Termination for Cause: This Agreement may also be terminated for cause by City or Engineer. Termination for cause shall be preceded by a fourteen-(14) day correction period effective upon delivery of written notice. City shall pay Engineer for all services rendered up to the date of termination. In the event of termination for cause by City, compensation for services rendered by Engineer up to the date of termination shall be offset by City's cost to mitigate or correct the effects of such termination, including but not limited to damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.
 3. Termination Due to Unavailability of Funds in Succeeding Fiscal Years: When funds are not appropriated or otherwise made available to support continuation of the Project in a subsequent fiscal year, this Agreement shall be terminated and Engineer shall be reimbursed for the services rendered up to the date of termination plus the reasonable value of any nonrecurring costs incurred by Engineer but not amortized in the price of the services delivered under this Agreement.
- F. COMPLIANCE WITH LAWS: Engineer shall comply with all Federal, State, and local laws, ordinances, and regulations applicable to the services. Engineer shall secure all licenses, permits, etc. from public and private sources necessary for the fulfillment of its obligations under this Agreement.
- G. SUBLETTING ASSIGNMENT OR TRANSFER: Engineer shall not subcontract, sublet, assign, or transfer any interest in the services covered by this Agreement, except as provided for herein and except with the prior written and signed consent of City. The use of subcontractors shall in no way relieve Engineer of his/her primary responsibility for the services. No approval will be necessary for non-professional services such as reproductions, printing, materials, and other services normally performed or provided by others.
- H. CONFERENCES, VISITS TO SITE, INSPECTION OF SERVICES: Upon reasonable advance notice and during normal business hours at Engineer's place of business, representatives of City shall have the privilege of inspecting and reviewing the services being performed by Engineer and consulting with him/her at such time. Conferences are to be held at the request of City or Engineer.
- I. ENGINEER'S ENDORSEMENT: Engineer shall endorse all plans, specifications, estimates, and engineering data furnished by him/her.
- J. INSPECTION OF DOCUMENTS: Engineer shall maintain all records pertaining to its services hereunder for inspection, upon reasonable advance notice and during normal business hours at Engineer's place of business, by a City representative during the contract period and for three (3) years from the date of final payment for each individual project performed pursuant to this Agreement.

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- K. **INDEMNIFICATION AND HOLD HARMLESS:** Engineer shall indemnify, defend, and hold harmless City and its officers, employees, elected officials, and attorneys, each in their official and individual capacities (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all judgments, damages, claims, fines, penalties, losses, costs, and expenses (including reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (collectively "Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the intentional, reckless, or negligent acts, directives, errors, omissions, or willful misconduct, in the performance of Engineer's duties and services under this Agreement, or any supplements or amendments thereto, of Engineer, or its employees, officers, agents, or any tier of subcontractor or person for which Engineer may be legally liable in the performance of this Agreement

Nothing contained in this Agreement is to be construed to waive the City's sovereign immunity or any other immunity or defense available to the City, its officers, employees, agents, or elected officials.

- L. **LIMITATION OF LIABILITY:** In no event will either Party be liable to other Party for indirect or consequential damages, and in no event will City's liability under this Agreement exceed the amount to be paid to Engineer pursuant to Article IV of this Agreement.
- M. **PROFESSIONAL RESPONSIBILITY:** Engineer warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.
- N. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties with respect to its subject matter, and any prior agreements, understandings, or other matters, whether oral or written, are of no further force or effect. This Agreement may be amended, changed, or supplemented only by written agreement executed by both of the parties hereto.
- O. **CONFLICT:** In the event of any conflict, ambiguity, or inconsistency between this Agreement and any other document that may be annexed hereto, the terms of this Agreement shall govern.
- P. **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri, and any suit pertaining to this Agreement may be brought only in courts in eastern Jackson County, Missouri. The Parties expressly and irrevocably consent to the exclusive jurisdiction and venue of such courts and expressly waive the right to transfer or remove any such action.
- Q. **OPINION OF PROBABLE CONSTRUCTION COST AND SCHEDULE:** Since Engineer has no control over the cost of labor, materials, or equipment, or over contractor's(s') methods of determining prices, or over competitive bidding or market conditions, the estimate of construction cost and schedule provided for herein is to be made on the basis of Engineer's experience and qualifications and represents Engineer's best judgment as a professional engineer familiar with

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the construction industry, but Engineer cannot and does not guarantee that the bids or the Project construction cost or schedule will not vary from the opinion of probable construction cost and schedule prepared by Engineer.

- R. TAX EXEMPT: City and its agencies are exempt from State and local sales taxes. Sites of all transactions derived from this Agreement shall be deemed to have been accomplished within the State of Missouri.
- S. SAFETY: In the performance of its services, Engineer shall comply with the applicable provisions of the Federal Occupational Safety and Health Act, as well as any pertinent Federal, State and/or local safety or environmental laws and regulations.
- T. ANTI-DISCRIMINATION CLAUSE: Engineer and its agents, employees, or subcontractors shall not in any way, directly or indirectly, discriminate against any person because of age, race, color, handicap, sex, national origin, or religious creed.
- U. DELAY IN PERFORMANCE: Neither City nor Engineer shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions, floods, earthquakes, fire, epidemics, war, riots, and other civil disturbances, strikes, lockouts, work slowdowns, and other labor disturbances, sabotage, judicial restraint, and delay in or inability to procure permits, licenses, or authorizations from any local, State, or Federal agency for any of the supplies, materials, accesses, or services required to be provided by either City or Engineer under this Agreement. Engineer and City shall be granted a reasonable extension of time for any delay in its performance caused by any such circumstances. Should such circumstances occur, the nonperforming party shall within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of the Agreement.
- V. NON-EXCLUSIVE AGREEMENT. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods and services from another source when necessary.
- W. TIME OF THE ESSENCE. Time is of the essence in this Agreement. Unless otherwise specifically provided, any consent to delay in Engineer's performance of its obligation is applicable only to the particular transaction to which it relates, and is not applicable to any other obligation or transaction.
- X. SIGNATORY AUTHORITY. Each person signing this Agreement represents that such person has the requisite authority to execute this Agreement on behalf of the entity the person represents and that all necessary formalities have been met.

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- Y. IMMIGRATION REQUIREMENTS. Pursuant to Section 258.530, RSMo. if Agreement exceeds five thousand dollars (\$5,000.00), Engineer warrants and affirms to the City that (i) Engineer is enrolled and participates in a federal work authorization program with respect to the employees working in connection with the contracted services and (ii) Engineer does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

Engineer shall swear to and sign an affidavit declaring such affirmation, and provide the City with supporting documentation of its enrollment and participation in a federal work authorization program with respect to the employees working in connection with this Agreement. The required documentation must be from the federal work authorization program provider (e.g. the electronic signature page from the E-Verify program's Memorandum of Understanding); a letter from Engineer reciting compliance is not sufficient.

- Z. RIGHTS AND REMEDIES. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the City's acceptance of and payment for services, shall not release the Engineer from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

- AA. NO THIRD-PARTY RIGHTS: The services provided for in this Agreement are for the sole use and benefit of City and Engineer. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than City and Engineer.

- BB. CONFIDENTIALITY OF RECORDS. The Engineer shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in its records or obtained from the City or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Engineer's duties under this Agreement. Persons requesting such information should be referred to the City. Engineer also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Engineer as needed for the performance of duties under this Agreement.

- CC. ANTI-DISCRIMINATION AGAINST ISRAEL ACT. If this Agreement has a total potential value of \$100,000 or more and Engineer has 10 or more employees, the following applies. Pursuant to Section 34.600, RSMo. and to the fullest extent permitted by law, Engineer certifies that Engineer is not engaged in a boycott of Israel as of the Effective Date of this Agreement, and agrees for the duration of this Agreement to not engage in a boycott of Israel as defined in Section 34.600, RSMo.

- DD. PROVISIONS REQUIRED BY LAW. Each and every provision of law and any clause required by law to be in the Agreement will be read and enforced as though it were included herein and,

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if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either Party, the Agreement will promptly be physically amended to make such insertion or correction.

EE. SEVERABILITY. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Agreement which may remain in effect without the invalid provision or application.

FF. NOTICE: Whenever any notice is required by this Agreement to be made, given or transmitted to any party, it shall be enclosed in an envelope with sufficient postage attached to ensure delivery and deposited in the United States Mail, first class, with notices to City addressed to:

City Engineer
City of Lee's Summit
220 SE Green Street
Lee's Summit, MO 64063

Director of Public Works
City of Lee's Summit
220 SE Green Street
Lee's Summit, MO 64063

and notices to Engineer shall be addressed to:

Black & Veatch Management Consulting, LLC
11401 Lamar Avenue
Overland Park, KS 66211

or such place as either party shall designate by written notice to the other. Said notices may also be personally hand delivered by each party to the other, at the respective addresses listed above. If hand delivered, the date of actual completion of delivery shall be considered the date of receipt. If mailed, the notice shall be considered received the third day after the date of postage.

GG. E-SIGNATURE AND COUNTERPARTS. The Parties agree that this Agreement may be signed in two or more counterparts and/or signed electronically, and all such counterparts together shall constitute one and the same contract; such signatures shall bind the signing party in the same manner as if a handwritten signature had been delivered.

ARTICLE VIII

EXHIBITS

The following Exhibits are attached to and made a part of this Agreement:

Exhibit A – Stormwater Utility Implementation and Rate Study Services

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City and Engineer, by signing this Agreement, acknowledges that they have independently assured themselves and confirms that they individually have examined all Exhibits, and agrees that all of the aforesaid Exhibits shall be considered a part of this Agreement and agrees to be bound to the terms, provisions, and other requirements thereof, unless specifically excluded.

THIS AGREEMENT shall be binding on the parties thereto only after it has been duly executed and approved by City and Engineer.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the ____ day of _____, 2021.

CITY OF LEE'S SUMMIT, MISSOURI

Stephen A. Arbo, City Manager

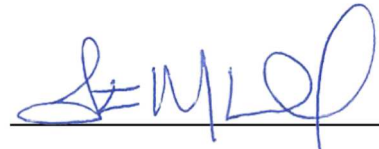
ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED AS TO FORM:

Scott Ison,
Chief Counsel of Infrastructure and Recreation

**BLACK & VEATCH MANAGEMENT
CONSULTING, LLC:**




BY: Steve Uhlmansiek

TITLE: Associate Vice President

ATTEST:

Reviewed by legal
KAR 9-30-21

PM (A. White)
9/30/2021 



LEE'S SUMMIT, MISSOURI

Stormwater Utility Implementation and Rate Study Services

FINAL | SEPTEMBER 28, 2021



BLACK & VEATCH



September 28, 2021

City of Lee's Summit:

George Binger, P.E, Deputy Director of Public Works / City Engineer

220 S. E. Green Street

Lee's Summit, MO 64063

RE: Professional Services for Stormwater Utility Implementation and Rate Study Services – RFQ 2021-076

Dear Mr. Binger:

Black & Veatch Management Consulting, LLC (Black & Veatch) appreciates the opportunity to submit a scope of work and fee to the City of Lee's Summit (City) in response to the City's request for assistance with Stormwater Utility Implementation and Rate Study Services (Study).

This scope of work provides an overview of the key objectives and overall project approach and a detailed discussion of the tasks the team expects to perform and associated assumptions where applicable. In addition, this scope of work includes the anticipated deliverables in each task, study schedule and the level of effort and cost associated with the tasks.

If you have any questions regarding this Scope of Work, please contact Anna White at Whiteam@bv.com.

We appreciate your consideration of the proposed scope of work and welcome the opportunity to be of assistance to the City.

Very truly yours,

A handwritten signature in blue ink that reads "Deepa Poduval".

Deepa Poduval

Vice-President



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Project Understanding

In this section, we present a brief overview of our understanding of the project and the City's key desired outcomes.

UNDERSTANDING OF PROJECT

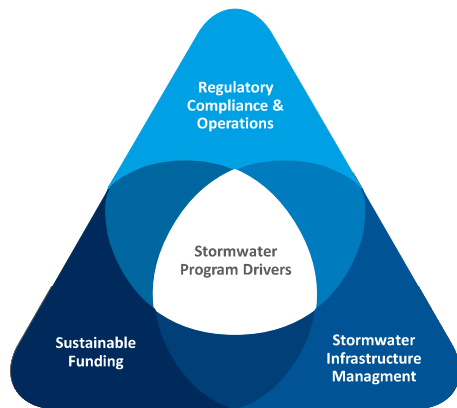


FIGURE 1 KEY PROGRAM DRIVERS

To support sustainable stormwater management, we understand that the City needs to holistically address three key components, as illustrated in Figure 1. The three components are: (i) Regulatory Compliance and Operations; (ii) Stormwater Infrastructure Management; and (iii) Sustainable Funding.

To concurrently address the current and long term needs, a paradigm shift is needed with respect to funding mechanisms. To that end, the City desires a comprehensive stormwater utility implementation and rate study services to establish a dedicated stormwater user fee funding along with cost-effective capital financing mechanisms.

KEY OUTCOMES

The following are the key outcomes envisioned for this Study:

- *Stormwater Program Definition:* A stormwater program definition with two scenarios for Levels of Service (LOS) – Base Scenario and an Enhanced Scenario. The LOS analysis will be based on a collaborative review of the City's stormwater program needs with respect to Operations and Maintenance (O&M), regulatory compliance, infrastructure management, community needs, and resources for sustainable management.
- *Stormwater Financial Plan:* A multiyear financial plan that reflects reliable annual O&M expenses, capital program estimates, effective capital financing mix and industry best financial practices;
- *Stormwater Policy Roadmap:* A holistic set of stormwater policies that provide a defensible path for the development and implementation of cost recovery basis, user fee rate structure, billing, collections, and credits/appeals program;
- *Stormwater Rate Structure and Ordinances:* Impervious Area based rate structure that provides for equitable cost recovery and ordinances and enabling legislation that authorize fee implementation;
- *Stakeholder Engagement:* Active engagement with the designated Public Champion(s), Stormwater Advisory Committee (SWAC), City Administration and the public to enhance stakeholder understanding and facilitate stakeholder input; and
- *Compelling Case:* A study report that documents the analysis, results, and recommendations.

Phase I Scope of Work

To achieve the desired outcomes, we propose a framework that consists of eight (8) Tasks, as illustrated in Figure 2. Some of these tasks will occur concurrently.

A brief overview of each task is as follows:

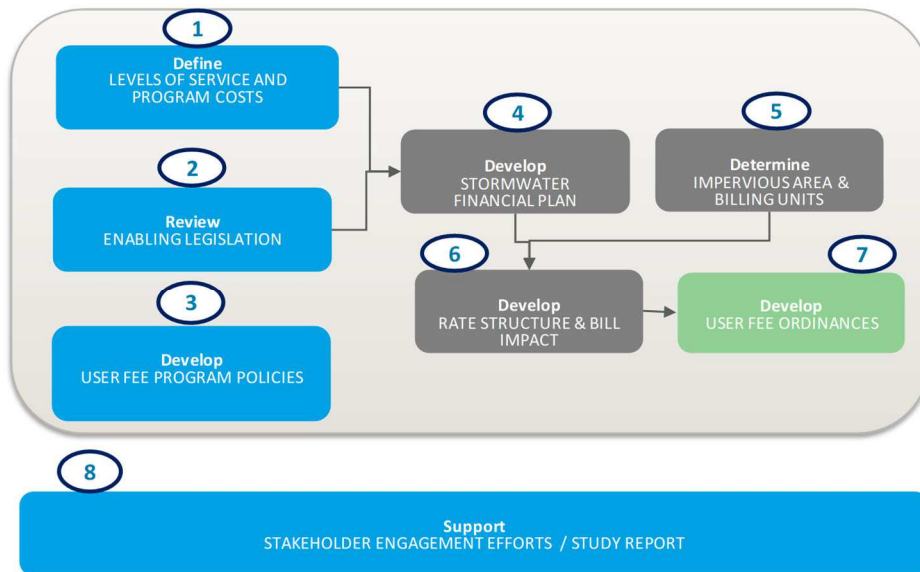


FIGURE 2 STUDY APPROACH

Project Initiation and Management

Black & Veatch team will have a project initiation meeting to confirm the scope, objectives, timeline, and execution protocols. Prior to the project initiation meeting, we will provide a comprehensive data request and review the data request during the meeting. In addition, during the kick-off session, Black & Veatch will meet with relevant staff to gain an understanding of the various types of data that is available, such as the City's stormwater O&M and capital budgets and financial reports, compliance requirements, and any relevant service level study reports. In addition, we will discuss and identify potential sources of reliable data on parcel attributes for all the parcels within the City's jurisdiction.

Our project management activities include general project coordination, staff direction, budget/scope/schedule management, and billing/invoicing activities throughout the course of the project. In addition, the Project Director and the Project Manager will provide quality assurance and control on the work executed by Black & Veatch and for project deliverables throughout the engagement.

Task 1 – Define Levels of Service and Program Costs

One of the fundamental principles in “user fee” development is that the fees and charges assessed must reasonably align with the costs incurred in rendering services to customers. Therefore, the Black & Veatch team will assist the City in defining **two LOS scenarios**, namely “Basic LOS” and an “Enhanced LOS”. In

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addition, this task will involve delineating existing stormwater O&M and capital improvement program costs for the two LOS scenarios, based on the following activities:

- Review the stormwater O&M costs for Fiscal Year (FY) 2019 through FY 2021 to determine if those costs are appropriate to be included in the stormwater program costs; and
- Review the existing annual capital improvement expenditures for FY 2021 through FY 2025, if available and the sources of funding.

The Black & Veatch team will utilize information provided by the City through the data request to develop a Stormwater Program Matrix which will detail current stormwater management activities and resource requirements (staffing, equipment, contract services, etc.). This matrix will serve as the baseline template for developing enhanced level of service activities and conducting the gap analysis.

The Matrix will encompass the current activities conducted under the four program components of – *System Operations; Regulatory Compliance; System Planning and Capital Improvements*.

Using the matrix, the team will then conduct a work session as follows:

Work Session #1: Conduct a [two-hour work session](#) with the City's staff to define the following:

- Additional annual O&M functions that are currently not performed, any additional staffing and other non-personnel needs, and associated estimate of annual costs (*to the extent that is not included in the City's existing stormwater budget*)
- List of prioritized capital projects that the City needs but are currently unfunded and the associated capital program cost estimates for a 5-year Capital Improvement Program (CIP) based on an anticipated project execution schedule.
- Potential sources of capital funding in the form of any available grants, low interest loans, and other contributions, if any.

If cost estimates are not available, Black & Veatch will develop order of magnitude level cost estimates for priority services or projects.

Assumption: *It is assumed that the City will be able to provide historical budget for the existing stormwater program and no separate cost allocation will be necessary to extract the historical stormwater related O&M and capital costs from the other Departments in the City. other*

[Deliverable: Summary Tables of Program Costs and Capital Improvement Program](#)

Task 2 – Review of Enabling Legislation / Protocols

During this user fee funding assessment, it is also critical to evaluate the City's existing charter and the State statutes for establishing new utility related user fees and determine if any changes to the City's charter and/or legislative authority may be necessary to enable the City to establish a new user fee, bill, collect, and enforce on stormwater user fees.

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The Black & Veatch team will review any City charter and other related enabling legislation documents the City provides, pertinent to establishing utility fees and participate in [one meeting](#) to discuss the legislative changes and/or protocols for ballot measures that would be necessary.

Assumption: *With respect to a review of enabling legislation it is assumed that the City's legal team will lead the review and Black & Veatch will provide any relevant business advisory input; however, we will not provide any legal opinion.*

Task 3 – Develop User Fee Program Policies

In the development of a stormwater user fee program, policies relating to aspects including revenue requirements, fee methodology, rate structure, credit program and billing mechanisms need to be defined. Clearly defined user fee program policies help identify and mitigate risk prior to the implementation phase.

Work Session #2: To develop a policy roadmap, as illustrated in Figure 3, the Black & Veatch Team will conduct [three \(3\) two-hour work sessions](#) with the City team to develop policies for key areas including the following:

- **Customer Class and Rate Structure:** Decisions on the customer class delineation and rate structure alternatives (tiered rates; uniform monthly fee; individually calculated fee, etc.).
- **Impervious Area Estimation:** Confirmation on the availability of impervious area and/or reliable approaches to develop an estimate of impervious area for all classes of parcels within the service area.
- **Billing System Options and Enforcement:** Evaluation of the practical options for stormwater user fee billing and for enforcement. Evaluation of potential billing options will include:
 - Billing through the City's existing utility billing system;
 - Cloud based stormwater billing solution; and
 - Potential stormwater billing through any available County Tax Assessment systems.
- **Credits Program:** Policies to be addressed include the types of stormwater management practices that should be recognized under the credit program and the potential level of credits.
- On completion of the workshop, we will develop a policy issues paper to document each policy issue, the factors considered in the evaluation and draft policy decisions, for each key issue that is evaluated.

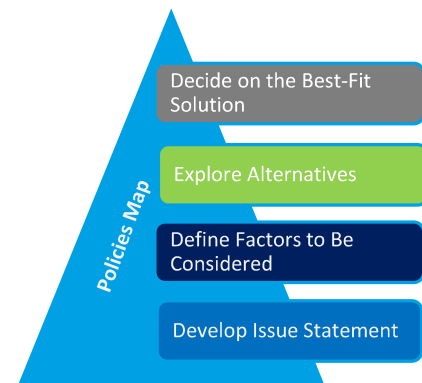


FIGURE 3 POLICY ROADMAP PROCESS

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A draft memo will first be presented to the City Team and a final memo incorporating any suggested changes will be presented.

Assumption: Billing system evaluation will include a review of the pros and cons of the options listed above. However, the development of billing system functional requirements and/or specifications is not part of this evaluation.

Deliverable: User-Fee Program Policies Paper

Task 4– Develop Stormwater Financial Plan

The objective of this task is to develop a [five-year stormwater utility financial plan](#) for the study period FY 2022 through FY 2026. The five-year financial plan will be developed based on the program costs identified in Task 1.

Black & Veatch will evaluate [capital funding](#) options for the capital improvement program that is defined for the two LOS scenarios. The typical capital financing options include low-interest loans (such as State Revolving Fund (SRF) and WIFIA loans), bond financing, grants, pay-as-you go cash financing, and other contributions to support capital investment. Black & Veatch will develop an optimal [capital financing mix](#) for the capital program. Based on the capital financing mix that is defined, we will project future debt service and potential cash financing requirements.

Black & Veatch will project other costs that need to be included in the [projection of annual revenue requirements](#) for the five-year period, such as:

- Annual O&M costs, applying reasonable escalation factors, and operating reserve requirements;
- Any one-time costs, including the costs associated with *recouping* the implementation of stormwater user fee program and billing/collection services; and
- Potential operating and debt service reserves and any other transfers that are appropriate.

We will project the annual stormwater revenue requirements, for the five-year period, for the two LOS scenarios, as an aggregation of the various costs that are projected.

The potential revenues generated from other sources, such as grants, loans, and other miscellaneous fee revenues will also be projected for the planning period. These revenue sources are important for determining the net level of future revenues that need to be generated from stormwater user fees.

Assumptions: Black & Veatch will prepare up to 2 alternative financial plans for each of the two (2) LOS scenarios.

A work session will be conducted with City/Utility staff to review the development of projected revenue and revenue requirements and alternative cash flow scenarios.

Deliverable: Draft and Final Five-Year Stormwater Financial Plan Tables

Task 5— Determine Impervious Area and Stormwater Billing Units (SBUs)

The purpose of this sub-task is to develop two key parameters that are essential for developing an impervious area based stormwater user fee:

- The total billable impervious area square footage for properties that are to be included in the user fee analysis; and
- The estimate of stormwater billing units (SBUs) either in terms of Equivalent Residential Units (ERUs) or in terms of increments of 100 square feet or 500 square feet.

Based on preliminary discussions with the City team, we understand that the City would be able to provide a well-defined parcel polygon layer that consists of all the parcels within the City's jurisdictional limits, based on a 2018 LIDAR. Currently, the City does not have a comprehensive impervious area layer and the available attribute layer is limited to building footprint, which does not include any parking and/or paved surfaces.

At the initiation of this task, Black & Veatch will again confirm with the City's GIS team, the availability of geospatial parcel attributes data. In addition, the Black & Veatch team will have discussions with the relevant County Tax Assessor's offices in Jackson and Cass counties to identify available parcel attributes data for the City's parcels.

Task 5.1— Define Stormwater Customer Classes

On completing a review of the data sources and the available data attributes, imagery and feature classes pertinent to the City's parcels, the Black & Veatch team in collaboration with the City Team will define classes of properties such as Residential, Non-residential (churches, schools, City-owned properties, etc.), Condominiums, Undeveloped Land, Agricultural, and other stormwater classes as may be necessary. The classes of properties will be defined based on *Land Use* codes that are available in the Jackson and Cass County tax assessor systems.

Black & Veatch will then assign a stormwater class to each parcel based on the parcel's primary land use code and compile a summary of parcels by stormwater class.

***Assumptions:** For parcel records, where the Land Use Code value is available, the Black & Veatch team will assume those values are accurate. We will also leverage any reliable customer class designation that is readily available in the GIS or tax assessment systems.*

Task 5.2— Develop Impervious Area for Residential & Non-residential Classes

The objective of this task is to develop an impervious area spatial layer for the City's jurisdiction, and to determine impervious area square footage for each parcel. The key steps involved include the following:

- The Black & Veatch team will leverage the 2020 4-band aerial orthoimagery that is available to the City to perform the digitization of impervious area. Black & Veatch will use the services of a subcontractor, Surdex Corporation (Surdex), to develop the impervious area based on digitization.

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- In collaboration with the City's GIS team and Surdex, we will develop the specifications for the impervious surface capture through digitization.
- Surdex will then use the digitized impervious surface layer along with the parcel polygon layer, the City provides, to determine programmatically, the impervious area square footage of each parcel within the City's jurisdiction. The key deliverable from this task will be an impervious area geodatabase with an impervious surface layer shapefile.

Assumptions: *We assume that the City will provide a parcel polygon layers and the associated data for all the parcels within the City's jurisdiction, based on the 2018 LIDAR run. In addition, we assume Jackson and Cass counties will be able to provide available parcel attribute data including Parcel ID, address, owner name, lot size, and land use codes.*

Task 5.3— Determine Stormwater Billable Impervious Area Units

Black & Veatch will use the impervious area determined in Task 5.2 to determine the billable impervious area units for parcels within the City's jurisdictional limits. Black & Veatch Team will perform the following subtasks:

- **Develop System-wide Impervious Area Units:** Using the impervious area Black & Veatch determines through digitization, the Black & Veatch team will aggregate the impervious area by customer class. In addition, we'll discuss and affirm an approach to determine *effective impervious area* for properties such as undeveloped land that typically does not have actual hardscaped impervious surfaces.
- **Define Base Stormwater Unit of Measure:** Based on discussions with the Staff, Black & Veatch will either define the Base Stormwater Unit as 500 sf of impervious area, the Median impervious area square footage of all Single-Family Residential parcels or similar unit of measure.
- **Develop System-wide Impervious Area Units:** Using the Base Stormwater Unit value that is defined, the impervious area square footage determined for the Residential and Non-residential categories of parcels will be translated into SBUs. Based on the aggregate of the Residential and Non-Residential SBUs the total preliminary system-wide SBUs will be determined.
- **Develop Final Billable Impervious Area Units:**
Based on discussions with the City Team, Black & Veatch will determine the level of adjustments that need to be made to the initial system-wide SWUs to account for data exception contingencies and potential loss in billing units due to credits/appeals and other billing policies that are defined. Based on the adjustments to the billing units, we will develop an estimate of the final billable impervious area and the associated SBUs for the system.



As an added value in evaluating the viability of a user fee, Black & Veatch will provide a comparison of the City's estimated average single-family residential monthly charge with that of a few other peer utility programs. We will leverage our latest 2021 Black & Veatch Stormwater Utility Survey to perform this effective comparison.

Deliverable: Summary Impervious Area Analysis and Results Tables

Task 6— Develop Stormwater Rate Structure and Bill Impact Analysis

This task involves the design of an impervious area based rate structure and the development of a draft rate ordinance.

Task 6.1— Design Stormwater Rate Structure

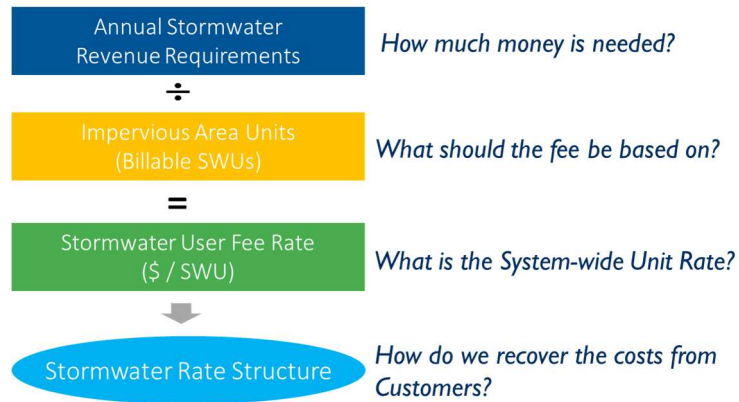


FIGURE 4 RATE STRUCTURE DESIGN

Figure 4 illustrates the steps involved in developing a system-wide unit rate.

On completion of Tasks 4 and 5, we will evaluate two alternative rate structures recognizing factors such as *equity of cost recovery, ease of understanding, legal integrity, and administrative simplicity*.

To design the two alternative rate structures, the Black & Veatch team will perform the following subtasks:

- **System-wide Unit Rate:** We will determine the system-wide **stormwater unit rate** by applying the stormwater revenue requirements determined in Task 4 to the SBUs developed in Task 5. This stormwater unit rate per SBU will then be used to design the rate structure.
- **Rate Structure Alternatives:** Evaluate the residential and non-residential rate structure options, which would include a tiered or uniform residential rate and an individually calculated charge the non-residential classes.

Assumptions: *Black & Veatch will design up to 2 rate structure alternatives for consideration.*

Black & Veatch team will review and finalize the proposed rate structure collaborating with the City/Utility staff.

Task 6.2— Perform Bill Impact Analysis

Once the rate structure is finalized, we will perform a bill impact analysis for a typical average Residential property and for a small sample set of properties within each stormwater class. Black & Veatch will also obtain stormwater rates for up to six (6) peer communities and calculate typical average residential monthly stormwater charge to illustrate how the proposed rates for the City compare with that of other local municipalities.

Deliverable: Summary Stormwater Rate Schedules

Task 7— Develop User Fee Ordinances

In consultation with the City's technical and legal staff, we will support the development of a draft stormwater rate ordinance for establishing the stormwater user fee. Our support will be limited to

providing a few relevant examples of stormwater user fee enabling ordinances and providing review and feedback on the draft user fee ordinance.

Deliverable: Draft Stormwater Rate Ordinance

Task 8—Stakeholder Engagements and Prepare Study Report

Task 8.1— Internal Stakeholder Engagement

For the internal stakeholder engagement, Black & Veatch envisions having work sessions with the following stakeholder groups. The purpose of these work sessions is to share the study approach and findings, at critical milestones, and solicit their input on key policy issues and concerns.

1. Public Works Committee: Up to four (4) 2-hour meetings/presentations.
2. City Council: Up to four (4) 2-hour meetings/presentations.
3. SWAC: Up to four (4) 2-hour work sessions. Black & Veatch will assist the City in defining the composition of the Stormwater Advisory Committee, their role and responsibilities, and the initial outreach to solicit participation.

Task 8.3— External Stakeholder Engagement

Black & Veatch recommends additional support during the feasibility study phase in the form of a broader public outreach campaign and involvement. Key support tasks include the following:

- Develop an engagement strategy to identify the key components of the public outreach plan;
- Participate in up to four (4) public outreach open houses and/or meetings and up to two (2) targeted non-residential customer group meetings with groups such as business coalitions, faith-based organizations, etc., as applicable;
- Develop, print and mail up to 3 postcard announcements for targeted stakeholder groups such as Businesses; non-profits, faith-based organizations, and K-12 schools;
- Provide technical content and suggestions for the development of outreach materials such as presentations and storyboards with effective use of visualization to disseminate information and foster ease of understanding; and
- Assist the City's public information officer to create social media content

Task 8.3— Stormwater Feasibility Study Report

At the conclusion of all the tasks, we'll prepare a succinct and comprehensive study report that clearly describes the study objectives, the utility concept, the study methodology, results, and recommendations. We will present a draft report to the staff for review and then deliver a final study report.

Phase I Project Fee

Based on the scope of work for Tasks 1 through 8 discussed in the proposed scope of work, Black & Veatch estimates that we can accomplish the tasks for a project fee amount of \$300,805 inclusive of expenses and subcontractor costs. The project fee by task is shown in Table 1.

TABLE 1 PHASE I FEE

Phase I	Hours	Task Amount
Stormwater User Fee Development		
Project Management	38	\$ 9,870
Task 1 - Program Cost Delineation	66	\$ 17,175
Task 2 - Jurisdictional Issues / Legal Statutes	10	\$ 2,740
Task 3 - Fee Program Policy Development	90	\$ 22,925
Task 4 - Develop Stormwater Financial Plan	139	\$ 30,645
Task 5 - Determine Stormwater Billing Units	1,011	\$ 94,158
Task 6 - Develop Stormwater Rate Structure, Bill Impact & Benchmarking	64	\$ 13,385
Task 7 - Develop Ordinance	23	\$ 4,800
Task 8 - Stakeholder Engagement / Approval Process	602	\$ 103,107
Direct Expenses		\$ 2,000
TOTAL STUDY HOURS AND FEE	2,043	\$ 300,805

Additional services, over and beyond those identified in Tasks 1 through 8 of the proposal, can be provided for an additional cost based on the hourly billing rates shown in Table 2.

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TABLE 2 PHASE I HOURLY BILLING RATES

Black & Veatch Team Member	Hourly Billing Rates (\$/Hr)
Managing Director	\$ 310
Principal Consultant	\$ 295
Manager	\$ 275
Planning Engineer	\$ 250
Consultant	\$ 235
Senior Analyst	\$ 185
Analyst	\$ 140

ModOp Team Role	Hourly Billing Rates*
Acct Director	\$ 150
Copywriter	\$ 144
Graphic Design	\$ 144
Administrative	\$ 115

*Rates include 15% subcontractor markup

Surdex Team Role	Hourly Billing Rates*
Project Manager	\$ 122
Quality Manager	\$ 128
Supervisor Photogrammetrist	\$ 143
Photogrammetrist Tech	\$ 83
Stereo Tech	\$ 75
GIS/Ortho Photo Tech	\$ 63

*Rates include 15% subcontractor markup

Phase I Project Schedule

Black & Veatch team can perform the scope of services defined in Tasks 1 through 8 over an eight-month period following notice to proceed. Figure 5 illustrates the anticipated timeline for the completion of key milestone tasks.

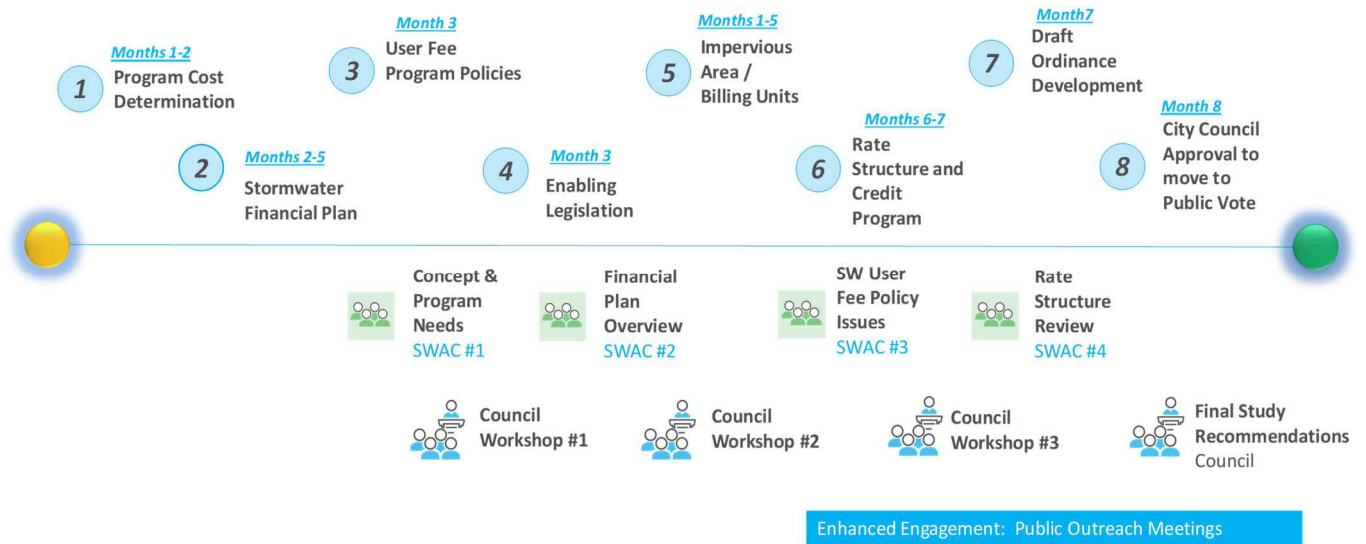


FIGURE 5 ESTIMATED PHASE I TIMELINE

APPENDIX A (Optional)

STORMWATER USER FEE IMPLEMENTATION SERVICES

Phase 2 services involve the development of an implementation plan, and technical support for all the tasks including development of a billing data processing tool, billing integration and testing, business process design and staff training, manuals development, and support for customer outreach and go-live readiness tasks.

KEY OUTCOMES

The following are the key outcomes envisioned during the implementation services:

- Finalize the stormwater rate schedule for early or middle of Fiscal Year (FY) 2024 launch, and supporting rate ordinances;
- Establish a stormwater credits program and appeals program for assuring equitable cost recovery;
- Define change management needs with respect to business processes and policies to support the stormwater user fee and credit program operations;
- Deploy a stormwater database application tool on-premise to support parcel data management and generation of stormwater billing determinants;
- Provide technical assistance for the configuration of the total, testing, and go-live support;
- Provide advisory support to enable successful integration of the stormwater user fee into the City's existing water/sewer utility billing system;
- Assist with customer care aspects including training for applicable City staff, and customer outreach prior to the launch of stormwater user fee billing.

Phase II Scope of Work

The Phase 2 services involve project management and technical assistance for the implementation of the stormwater user fee.

The primary purpose of the project is to plan and execute all of the major components involved in implementing a stormwater user fee program, such that the fee can be issued beginning April 1 or July 1, 2023.

The major tasks of the project that are critical for a successful launch of the stormwater user fee are illustrated in Figure 6.

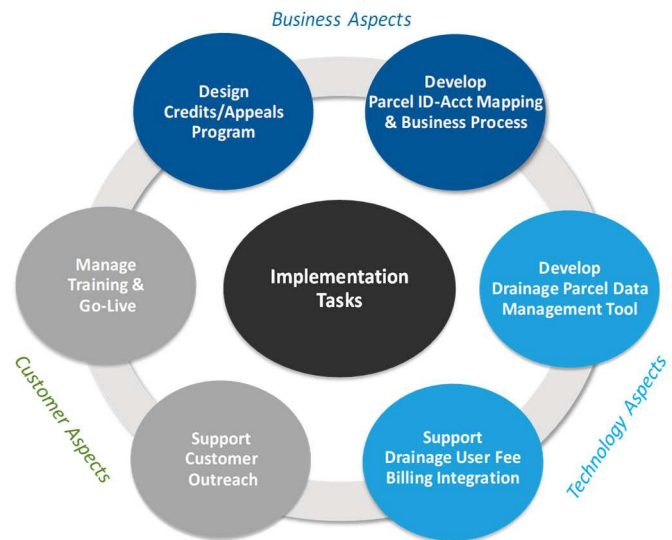


FIGURE 6 STORMWATER USER FEE IMPLEMENTATION SUPPORT TASKS

Note: *The scope of services described herein for these Phase 2 Implementation Services are preliminary and based on the assumptions stated herein. As the assumptions and/or needs may change based on policy decisions that are made in Phase 1 and other practical considerations, Black & Veatch will collaborate with the City's implementation team and finalize the actual scope of services that are needed prior to the initiation of Phase 2 Implementation services that are described in the following tasks.*

Project Planning and Management

This task will include a project planning meeting to provide an opportunity to review project objectives and confirm scope of work, review project schedule and major milestones, confirm the scope of work and deliverables, as well as confirm overall project expectations.

The project team will provide the City with an initial data request listing the basic information needed for the project. The data request may include updated customer utility account data from the billing system, updated parcel data from Jackson and Cass County, existing utility rate ordinances, and any available business process workflows pertaining to utility bill run and customer service.

Our project management activities include general project coordination, staff direction, budget/scope/schedule management, and billing/invoicing activities throughout the course of the project. In addition, the Project Director and the Project Manager will provide quality assurance and control on the work executed by Black & Veatch and for project deliverables throughout the engagement.

Task 1 – Design Credits & Appeals Program

The objective of this task is to design and implement a stormwater user fee credits and fee appeals programs. This task will include finalizing the credit program policies, the development of technical

EXHIBIT 1 TO ORDINANCE

criteria and administrative requirements as they relate to the stormwater user fee credit and fee appeals programs.

Task 1.1— Design the Credits & Fee Appeals Program Requirements

Work Session #1: Conduct a [two-hour work session](#) with the City's staff to:

- **Credits:** Define the program objectives and key policies including eligibility criteria, types and magnitude of credits, technical criteria for the various types of credits, key administrative procedures associated with the credit program, such as duration of credits, application requirements and procedures, and credits renewal process.
- **Appeals:** Define the key administrative procedures associated with the stormwater user fee appeals program, to address any customer issues associated with customer/owner information, parcel classification, impervious area data issues and other fee calculation exceptions. The procedures will cover aspects including eligible reasons for appeal, application requirements, technical handling of appeals, procedures for issuance of decisions, and any escalated rights to appeal the decision. To the extent practical, the stormwater fee appeals procedures will be aligned with the City's existing water/sewer billing appeals process and procedures.

Task 1.2— Develop the Credits & Billing Appeals Manual

To support the implementation of the credits and appeals programs along with the launch of the stormwater user fee, the Black & Veatch team will assist with developing a comprehensive *Stormwater Credits and Appeals Manual* that clearly describes the administrative procedures/policies and technical requirements and will include the development of the requisite Application and Renewal Forms. The draft manual will be submitted for City staff review, and any suggested edits and additions will be incorporated, as applicable, and a final electronic version of the Credits/Appeals Manual will be delivered.

Deliverable: Stormwater Fee Credits and Appeals Manual

Task 2 – Develop Parcel ID – Accounting Mapping

In defining the scope of work for this task, Black & Veatch assumes that the City will choose to bill the new stormwater user fee using the City's existing water and sewer utility billing system. The key objective of this task is to develop the necessary cross-reference between the parcel identification number ("parcel id") of a parcel and the water/sewer accounts in the City's utility billing system that may exist in that parcel.

Note: This cross-referencing is critical to have the ability to include the stormwater user fee in the City's water/sewer utility bill, using its CIS Infinity utility billing system.

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Key subtasks include the following:

Task 2.1 - Data Gathering & Programmatic Mapping

Black & Veatch will obtain the most current parcel data from the Jackson and Cass County Tax Assessor's offices and also obtain the most current water/sewer accounts data from City's CIS Infinity system to perform this programmatic mapping. We'll provide a list of the specific fields of data needed on the City's water/sewer accounts to facilitate data extraction from CIS Infinity billing system.

The Black & Veatch team will then perform a programmatic mapping between the two data sets based on location address strings, and any other applicable parameter to programmatically cross-reference a Parcel ID with one or more of the water and/or sewer accounts that may exist in that parcel. The protocol that is used to establish the programmatic mapping will be documented and reviewed with City staff. To the extent practical, a repeatable protocol that can provide reliable cross-referencing will be defined.

The programmatic mapping effort will provide outputs that include both key parcel attributes and utility account attributes.

- Parcel Attributes: For example, the expected parcel attributes include Parcel ID; Location Address; Stormwater Class; Parcel Area; Estimated Impervious Area; and any other field that is defined as necessary in the final Master Account File ("MAF").
- Account Attributes: For example, the expected utility account attributes include Account Number; Location Address; Billing Address, Owner/Tenant, and any other field that is defined as necessary in the MAF.

The key objective is to develop a MAF that reflects a reliable cross-referencing between the Parcel ID and the utility accounts located in that parcel location.

Based on the programmatic mapping exercise, the Black & Veatch team expects to provide the following two files:

- List #1: Preliminary list of MAF where Parcels are successfully mapped to corresponding water/sewer accounts (Non-Vacant Stormwater Class).
- List #2: Preliminary list of MAF where Parcels are mapped to corresponding water/sewer accounts, but the Parcel has a Vacant ("undeveloped land") Stormwater Classification. (This list will require an investigation of the County's land use code accuracy and any necessary subsequent adjustments to the stormwater classification, as needed).

Note: These two lists will reflect either One Parcel mapped uniquely to One Water/Sewer Account (if only one meter exists in the parcel) OR One Parcel mapped to many accounts (if multiple meters exist in that one parcel).

- List #3: List of Parcels where no water/sewer account # could be found (This will initially be deemed to be "Stormwater Only Service" parcels).
- List #4: List of Accounts where no Parcel ID could be found.

Task 2.2 - Parcel-Accounts Exception Resolution Protocol & Investigation

List #2, List #3, and List #4 generated in Task 2.1 will be deemed as exceptions lists, where manual investigation will be necessary to determine the mapping between Parcel ID and utility accounts. The project team will work with City staff to define a manual investigation protocol which will provide a consistent and repeatable process to perform a desktop analysis of each parcel and account in the three exception lists, to determine the feasibility of either finding associated accounts or appropriately deeming a parcel without an account as a “stormwater only service” parcel.

Assumption:

- 1. For the purposes of this proposal we have assumed, that Black & Veatch team members will provide up to **100 hours** of technical support that includes manual desktop investigations, coordination support for managing the resolution of the exceptions list, and the QAQC of the resolved lists.*
- 2. Any Field investigations and desktop investigations that may be necessary, beyond Black & Veatch team’s assistance of 100 hours are assumed to be the responsibility of the City.*

Task 2.3 - Final QA/QC and Mapped File Delivery

On completion of all the investigations in subtask 2.2, the Black & Veatch team will deliver two files:

- List of Parcels mapped to Water/Sewer accounts.
- List of “Stormwater Only Service” parcels without any utility account. It is expected that the City will then provide this list to its CIS Infinity billing system vendor to create “Stormwater Only Accounts” for these parcels to facilitate stormwater user fee billing.
- Once the vendor creates the “stormwater only accounts” in the utility billing system, and the City provides this to Black & Veatch, we will then develop a comprehensive “Master Account File” consisting of all parcels and associating utility accounts.

Task 3 – Develop and Implement Stormwater Parcel Data Management Tool

It is likely that City will need a separate stand-alone stormwater parcel data management tool to process and manage impervious area updates, process billing determinants as well as credits and appeals requests from customers. To support the monthly billing of stormwater user fee, we anticipate that the stand-alone tool will provide the necessary billing determinants, through a file transfer mechanism, to the City’s CIS Infinity utility billing system.

Task 3.1 – Confirm Stormwater Tool Deployment Requirements

At the initiation of this task, Black & Veatch technology specialists will collaborate with the City’s IT department and relevant staff who will be involved in the deployment and administration of the stormwater tool to determine the on-premise and/or cloud deployment requirements. The review will include the affirmation of application server and other security requirements for the stormwater end-user application and database.

Task 3.2 – Deploy Application / Admin Training

In this subtask, the Black & Veatch specialists will provide the necessary technical support and guidance to deploy the user application in the City's application servers (or the City's Azure cloud environment). Black & Veatch will assist in performing the initial set up and configuration of the web application on an application server (IIS). Or, in the case of a cloud deployment, we will assist the City team to set up enterprise application configuration and configure and deploy the Azure web app service. Once successfully deployed, Black & Veatch will provide a 2-hour training session to the application administrators on the user interface functions, navigation, configuration features, data validation procedures, and other aspects of the tool.

Task 3.3 – Configure Stormwater Tool

Black & Veatch team will then set up the configuration in the tool to address various configuration parameters including Parcel Types; Stormwater Classification; Credit types; Fee Appeals reasons, etc. In addition, in this task, we will help configure the appropriate designation of parcel types, impervious area calculation methods, rate types, to the appropriate stormwater classes or parcel types.

In addition, the rates and charges finalized for the stormwater user fee will be configured in the Stormwater Tool as well along with user access privileges for the various class of users.

Black & Veatch team will have an [onsite review meeting](#) to review all the configuration setup via the stormwater user application and any other configuration that is defined in the database.

***Assumption:** For the purposes of project fee estimate, it is assumed that the City will have up to three types of stormwater credits and therefore, the tool will calculate credits for up to three types of credits.*

Task 3.4 – Complete Bulk Data Migration

On successful deployment and configuration of the tool as described in Task 3.3 and Task 3.4 respectively, Black & Veatch will then assist the City's IT team in performing a bulk import of the City's parcel data attributes and the impervious area data into the stormwater tool. It is important to note that the parcel data attributes along with impervious area attributes (developed by Surdex in Phase I) will need to be formatted to be conducive for bulk import into the stormwater tool.

Black & Veatch will perform the necessary QAQC of the imported data to confirm the tally of parcel records before and after import and validate the accuracy of the bulk import of parcel data and related attributes.

Task 3.5 – Perform End User Testing

On completion of Tasks 3.2 through 3.4, the Black & Veatch testing team will help the City IT team plan for a comprehensive end-user testing session so as to perform a rigorous testing of all the functional aspects including data import, accuracy of the application configuration, calculation of impervious area, billing units and the stormwater charge after the application of applicable credits. To facilitate this end-user testing session, the Black & Veatch team will create a testing plan as applicable and help document the test results and resolutions.

We anticipate a three-hour (3-hour) end user testing session with relevant City staff.

Task 3.6 – Conduct Final Trial Run and Sign-off Review with the City

On successful completion of the City's end-user and administrator testing sessions, Black & Veatch will resolve any remaining exceptions and conduct a final test run of the tool. Black & Veatch will then review the trial run results with the City team to affirm the successful processing of the City's parcel data, generation of the billing determinants, calculation of the charges for all the parcels deemed billable in the City.

On successful deployment, configuration, testing and the trial run Black & Veatch team will obtain a final review and sign-off on the configuration and testing plan to indicate the successful launch of the stormwater tool.

Task 4 – Stormwater User Fee Billing Integration Support

The objective of this task is for Black & Veatch to provide limited advisory support to the City and its billing system vendor for integrating the stormwater charge in to the water/sewer utility bills, and to provide the billing determinants file from the parcel data management tool in the format that the CIS Infinity system would need.

Task 4.1 – Generate Billing Determinants and Provide Advisory Support

Black & Veatch will participate in up to [two conference calls](#) with the City team and its billing vendor to provide responses to any questions the City's IT staff and its billing system vendor may have on the billing determinants file that the stormwater tool can export.

During Task 3.1, the Black & Veatch team will discuss with the City's IT staff and if desired, with its billing vendor, the specific data fields that should be included in the billing determinants file and the format of that file. Based on the requirements that are agreed upon, the Black & Veatch team will design the Billing Determinants File that will be exported.

***Assumption:** The design/programming tasks associated with importing stormwater fee billing determinant data into the utility billing system and any associated modifications to the CIS Infinity billing system to incorporate the stormwater user fee into a customer's water/sewer bill are not part of the Black & Veatch scope. It is assumed that the City will handle all tasks pertaining to modifications to the utility billing system collaborating with its billing system vendor.*

Task 5 – Business Process Definition, Billing Operations Manual and Staff Training

The objective of this task is to determine the business process workflows for key stormwater user fee business processes including stormwater parcel data management, bill runs, and credits and appeals processing.

Task 5.1 - Business Process Workflow Session

Work Session #3: Black & Veatch will facilitate a [two-hour work session](#) with the City's billing/customer service team to define the key activities to be performed, the task owner, the flow of activities, and key inputs and outputs as they relate to bill runs, credits, appeals, and customer service responses.

Task 5.2 – Business Process Workflows

Based on the activities that are defined in subtask 5.1, Black & Veatch will develop workflow maps to assist City staff in executing the following activities:

- Monthly processing of parcel data in the *Stormwater Application Tool*, handling of parcel changes and parcel exceptions, and generation of the billing determinants export file.
- Handling of stormwater user fee credit requests, user fee appeals and associated billing adjustments, and general stormwater user fee billing related customer inquiries.

In addition, if requested, Black & Veatch will develop a “Bill Run Quick Reference Sheet” to provide staff with a high-level overview of the bill run activity description, timelines and needed actions that are specific to stormwater data processing and billing determinants file generation.

Deliverable: Business Process Workflows and Bill Run Reference Sheet

Task 5.3 – Staff Training

The Black & Veatch team will assist City management in conducting [one two hour training session](#) to train the billing, customer service, and any other pertinent staff on the business procedures (workflows), and in using the Stormwater Application tool for billing, credits/appeals, and customer service functions.

Task 6 – Customer Outreach Support

Task 6.1 - Public Outreach Materials

Proactive customer outreach and notification are necessary for a successful launch of a stormwater user fee and credits/appeals program. In addition, sufficient stakeholder notification is necessary to address customer concerns and mitigate potential challenges. Black & Veatch will support the City’s outreach efforts with the following tasks:

The Black & Veatch team will assist in the preparation of public outreach materials. Anticipated outreach materials include PowerPoint presentations for key stakeholder groups, Frequently Asked Questions (FAQs), and customer notification letters for use at stakeholder outreach events.

***Assumption:** With regard to customer notifications, the Black & Veatch team assumes that the City will provide notification to all customers via a mass mailing either as a stand-alone notification or included as a bill stuffer with an existing utility bill.*

Task 6.2 - Public Outreach Participation

Black & Veatch assumes that the the City will conduct up to [three public outreach events](#) in the form of an “Open House” to inform the public of the upcoming changes in stormwater funding policy and allow customers the opportunity to pose questions and learn more information about the City’s stormwater management needs and the stormwater user fee. The Black & Veatch team will provide support at each of the three stakeholder outreach events.

Phase II Project Fee

Based on the scope of work for Tasks 1 through 6 discussed in the proposed scope of work, Black & Veatch estimates that we can accomplish the tasks for a project fee amount of \$156,857 inclusive of expenses and subcontractor costs. The project fee by task is shown in Table 3.

TABLE 3 PHASE II FEE

Phase II	Hours	Task Amount
Stormwater User Fee Development		
Project Management	12	\$ 3,500
Task 1 - Design Credits & Appeals Program	44	\$ 10,560
Task 2 - Parcel ID - Account Mapping	186	\$ 45,020
Task 3 - Develop & Implement Stormwater Parcel Data Management Tool	134	\$ 42,270
Task 4 - Stormwater User Fee Billing Integration Support	52	\$ 14,620
Task 5 - Business Process Definition, Billing Operations Manual and Staff Training	43	\$ 10,940
Task 6 - Public Outreach Support	156	\$ 28,347
Direct Expenses		\$ 1,600
TOTAL STUDY HOURS AND FEE	627	\$ 156,857

Additional services, over and beyond those identified in Tasks 1 through 6 of the proposal, can be provided for an additional cost based on the hourly billing rates shown in Table 4.

TABLE 4 PHASE II HOURLY BILLING RATES

Black & Veatch Team Member	Hourly Billing Rates (\$/Hr)
Managing Director	\$ 320
Principal Consultant	\$ 305
Manager	\$ 285
Planning Engineer	\$ 260
Consultant	\$ 245
Analyst	\$ 145
Senior Analyst	\$ 195

ModOp Team Role	Hourly Billing Rates*
Acct Director	\$ 155
Copywriter	\$ 150
Graphic Design	\$ 150
Administrative	\$ 121

*Rates include 15% subcontractor markup

Phase II Project Schedule

Black & Veatch team can perform the scope of services defined in Tasks 1 through 6 over an eight to 10 month period following notice to proceed. Figure 7 illustrates the anticipated timeline for the completion of key milestone tasks.

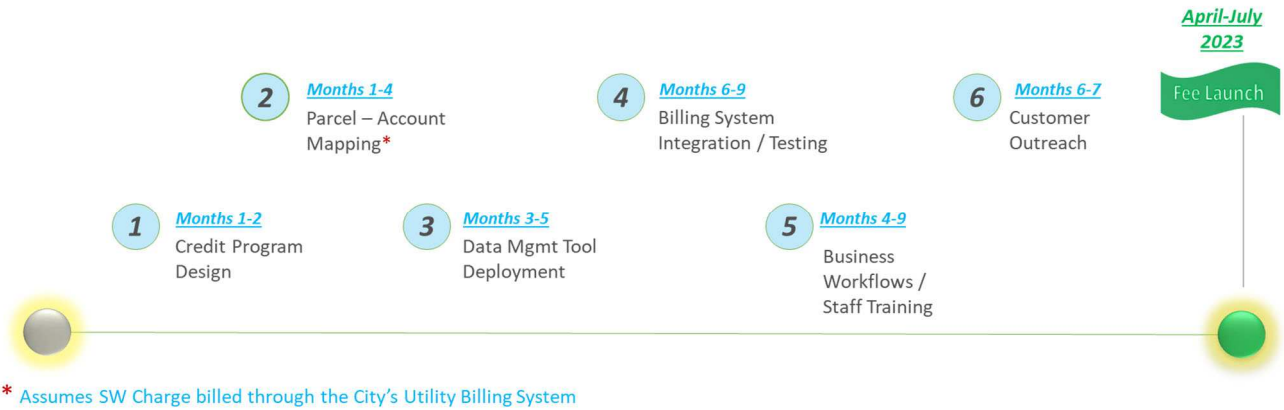


FIGURE 7 ESTIMATED PHASE II TIMELINE