

**AGREEMENT FOR PROFESSIONAL SERVICES  
RELATED TO UTILITY RATES AND TRANSFER POLICY**

**THIS AGREEMENT** is made as of the 26th day of August in the year 2013, between **THE CITY OF LEESBURG**, a Florida Municipal Corporation, whose address is 501 West Meadow Street, Post Office Box 490630, Leesburg, Florida 34749-0630 (hereinafter referred to as the "CITY"), and **PUBLIC RESOURCES MANAGEMENT GROUP, INC.** whose address is 341 North Maitland Avenue, Maitland, Florida 32751 (hereinafter referred to as the "PROFESSIONAL").

**WHEREAS**, the CITY wishes to engage the professional to perform utility rate study's for both the City of Leesburg Water, Wastewater and Natural Gas Utility.

**NOW, THEREFORE**, in consideration of the mutual benefits accruing to the parties to this Agreement, and for other good and valuable considerations, the receipt of which is hereby acknowledged, the parties agree as follows:

- 1. Services.** The PROFESSIONAL shall perform the Services described in **ATTACHMENT "B"** which is attached and incorporated by reference herein. Nothing herein shall limit the CITY'S right to obtain proposals or services from other contractors for similar projects.
- 2. Compensation.** The Services shall be performed for a not to exceed amount of **\$39,250.00**. A detail Schedule of Costs is included in **ATTACHMENT "C"**. The cost of the services shall not exceed this amount unless the CITY has executed a written change order approving any increase in price.
- 3. Payment.** PROFESSIONAL shall be paid not more than once monthly for work performed. All invoices submitted by the PROFESSIONAL shall clearly reference the purchase order issued for the work, the project name and the services performed.
- 4. Term.** The term of this Agreement will begin when signed by both parties and continue until all work is completed and deliverables have been provided.
- 5. Termination.** All or part of this Agreement may be terminated under the following conditions;
  - a. For Convenience.** All or part of this Agreement may be terminated by the CITY for its convenience on thirty (30) days written notice to the PROFESSIONAL. In such event, the PROFESSIONAL will be entitled to compensation for services competently performed up to the date of termination.
  - b. For Cause.** CITY may terminate the Agreement for cause with ten (10) days written notice if PROFESSIONAL;
    - i. becomes Insolvent/Bankrupt, or
    - ii. commits a material breach of the Agreement which does not otherwise have a specified contractual remedy, provided that:
      1. CITY shall first provide PROFESSIONAL with detailed written notice of the breach and of CITY's intention to terminate the Agreement, and
      2. PROFESSIONAL shall have failed, within the number of days indicated in the written notice, to commence and diligently pursue cure of the breach.

- c. **Non-Appropriation of Funds.** The PROFESSIONAL understands and agrees any and every Agreement is subject to the availability of funds to the CITY to purchase the specified services. As used herein, a “non-appropriation” shall be defined as an occurrence wherein the CITY, in any fiscal period, does not allocate funds in its budget for the purchase of the specified services or other amounts owed pursuant to any Agreement, from the Source of funding which the CITY anticipates using to pay its obligations hereunder, and the CITY has no other funds, from sources other than ad valorem taxes, which it deems to be available to pay its obligations under Contract. The CITY may terminate an Agreement, with no further liability to the vendor other than compensation for services competently performed up to the date of termination, effective the first day of a fiscal period provided that:
- i. a non-appropriation has occurred, and
  - ii. The CITY has provided the vendor with written notice of termination not less than fifteen (15) days before the proposed termination date.
  - iii. Upon the occurrence of such non-appropriation the City shall not be obligated for payment for any fiscal period for which funds have not been appropriated.

6. **Insurance.** The PROFESSIONAL will maintain throughout this Agreement the following insurance: SEE EXHIBIT “A.”

- A. The original of each such policy of insurance, or a complete duplicate, shall be delivered to CITY by PROFESSIONAL prior to starting work, together with evidence that the premiums have been paid.
- B. All required insurance shall be provided by insurers acceptable to the CITY with an A.M. Best rating of at least “A.”
- C. The PROFESSIONAL shall require, and shall be responsible for assuring that any and all of its subcontractors secure and maintain such insurance that are required by law to be provided on behalf of their employees and others until the completion of that subcontractors work.
- D. The required insurance shall be secured and maintained for not less than the limits required by the CITY, or as required by law, whichever is greater.
- E. The required insurance shall not limit the liability of the PROFESSIONAL. The CITY does not represent these coverages or amounts to be adequate or sufficient to protect the PROFESSIONAL’S interests or liabilities, but are merely required minimums.
- F. All liability insurance, except professional liability, shall be written on an occurrence basis.
- G. The PROFESSIONAL waives its right of recovery against the CITY to the extent permitted by its insurance policies.
- H. Insurance required of the PROFESSIONAL, or any other insurance of the PROFESSIONAL shall be considered primary, and insurance of the CITY, if any, shall be considered excess as applicable to any claims, which arise out of the agreement, contract or lease.
- I. Except for workers’ compensation and professional liability, the PROFESSIONAL’S insurance policies shall be endorsed to name the CITY OF LEESBURG as additional insured to the extent of the agreement, contract or lease.
- J. The Certificate(s) of Insurance shall designate the CITY as certificate holder as follows:

**City of Leesburg**  
**Attention: Mike Thornton, Purchasing Manager**  
**P.O. Box 490630**  
**Leesburg, Florida 34749-0630**

- K.** The Certificate(s) of Insurance shall include a reference to the project and/or purchase  
**N.** The PROFESSIONAL, at the discretion of the Risk Manager for the CITY, shall provide information regarding the amount of claims payments or reserves chargeable to the aggregate amount of the PROFESSIONAL'S liability coverage(s).

**7. Indemnification.** The PROFESSIONAL shall indemnify the CITY and hold it, its officers, and its employees harmless from liabilities, losses, and costs, including, but not limited to, reasonable attorney's fees to the extent caused by the negligence, recklessness, or intentional wrongful conduct of the PROFESSIONAL and persons employed or utilized by the PROFESSIONAL in the performance of this Agreement. The liability of the PROFESSIONAL shall, however, be limited to one million and 00/100 dollars (\$1,000,000.00) per occurrence, and the obligation of the PROFESSIONAL to indemnify the CITY shall be limited to intentional or negligent acts, omissions, or defaults of the PROFESSIONAL; any contractors, subcontractors, sub-subcontractors, materialmen, or agents or employees of any of them, providing labor, services or materials in connection with the project; and the CITY, its officers, agents and employees, provided however that the PROFESSIONAL shall not be obligated to indemnify the CITY against losses arising from the negligence, or willful, wanton, or intentional misconduct of the CITY, its officers, agents and employees, or against statutory violations or punitive damages except to the extent caused by or resulting from the intentional or negligent acts or omissions of the PROFESSIONAL, or any contractors, subcontractors, sub-subcontractors, materialmen, or agents or employees of any of them, providing labor, services, or materials in connection with this Agreement.

**8. Codes, Laws, and Regulations.** PROFESSIONAL will comply with all applicable codes, laws, regulations, standards, and ordinances in force during the term of this Agreement.

**9. Permits, Licenses, and Fees.** PROFESSIONAL will obtain and pay for all permits and licenses required by law that are associated with the PROFESSIONAL'S performance of the Scope of Services.

**10. Access to Records.** PROFESSIONAL will maintain accounting records, in accordance with generally accepted accounting principles and practices, to substantiate all invoiced amounts. Said records will be available for examination by the CITY during PROFESSIONAL'S normal business hours. Said records will be maintained for a period of five (5) years after the date of the invoice.

**11. Contingent Fees Prohibited.** The PROFESSIONAL warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the PROFESSIONAL, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the PROFESSIONAL any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. In the event of a breach of this provision, the CITY shall have the right to terminate this Agreement without further liability, and at its discretion, deduct from the contract price, or otherwise recover, the full amount of any such fee, commission, percentage, gift or consideration paid in breach of this Agreement.

**12. Ownership of Documents.** All data, specifications, calculations, estimates, plans, drawings, construction documents, photographs, summaries, reports, memoranda, and other documents,

instruments, information and material prepared or accumulated by the PROFESSIONAL (or by such subconsultants and specialty consultants) in rendering services hereunder shall be the sole property of the CITY who may have access to the reproducible copies at no additional cost other than printing. Provided, that the PROFESSIONAL shall in no way be liable or legally responsible to anyone for the CITY's use of any such materials for another PROJECT, or following termination. All original documents shall be permanently kept on file at the office of the PROFESSIONAL.

**13. Independent Contractor.** The PROFESSIONAL agrees that it is an independent contractor and not an agent, joint venturer, or employee of the CITY, and nothing in this Agreement shall be construed to be inconsistent with this relationship or status. None of the benefits provided by the CITY to its employees, including but not limited to, workers' compensation insurance, unemployment insurance, or retirement benefits, are available from the CITY to the PROFESSIONAL. PROFESSIONAL will be responsible for paying its own Federal income tax and self-employment tax, or any other taxes applicable to the compensation paid under this Agreement. The PROFESSIONAL shall be solely and entirely responsible for his or her acts during the performance of this Agreement.

**14. Assignment.** Neither party shall have the power to assign any of the duties or rights or any claim arising out of or related to the Agreement, whether arising in tort, contract, or otherwise, without the written consent of the other party. These conditions and the entire Agreement are binding on the heirs, successors, and assigns of the parties hereto.

**15. No Third Party Beneficiaries.** This Agreement gives no rights or benefits to anyone other than the PROFESSIONAL and the CITY.

**16. Jurisdiction.** The laws of the State of Florida shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it. In the event of any litigation arising under or construing this Agreement, venue shall lie only in Lake County, Florida.

**17. Contact Person.** The primary contact person under this Agreement for the PROFESSIONAL shall be **Henry L. Thomas, Vice-President**. The primary contact person under this Agreement for the CITY shall be **Mr. Bill Spinelli, Finance Director**.

**18. Approval of Personnel.** Key Personnel: The City reserves the right to discontinue (terminate) when key personnel identified by the SF 330 - Section E of RFQ 130053, are not available. The CITY reserves the right to approve the contact person and the persons actually performing the services on behalf of PROFESSIONAL pursuant to this Agreement. If CITY, in its sole discretion, is dissatisfied with the contact person or the person or persons actually performing the services on behalf of PROFESSIONAL pursuant to this Agreement, CITY may require PROFESSIONAL assign a different person or persons be designated to be the contact person or to perform the PROFESSIONAL services hereunder.

**19. Subcontractors.** The CITY reserves the right to approve all subcontractors for tasks performed under this Agreement. Responsibility for the performance of the contract remains with the PROFESSIONAL exclusively. Subcontractors may be added to this contract during the contract period only with prior written permission from the CITY

**20. Disclosure of Conflict.** The PROFESSIONAL has an obligation to disclose to the CITY any situation that, while acting pursuant to this Agreement, would create a potential conflict of interest between the PROFESSIONAL and his duties under this Agreement

**21. Authority to Obligate.** Each person signing this agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and bind and obligate such party with respect to all provisions contained in this agreement.

**22. Counterparts.** Original signatures transmitted and received via facsimile or other electronic transmission of a scanned document, (e.g., PDF or similar format) are true and valid signatures for all purposes hereunder and shall bind the parties to the same extent as that of an original signature. Any such facsimile or electronic mail transmission shall constitute the final agreement of the parties and conclusive proof of such agreement. Any such electronic counterpart shall be of sufficient quality to be legible either electronically or when printed as hardcopy. The CITY shall determine legibility and acceptability for public record purposes. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the date indicated in the preamble to the Agreement.

**THE CITY OF LEESBURG, FLORIDA**

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

\_\_\_\_\_  
City Attorney

**"PUBLIC RESOURCES MANAGEMENT  
GROUP, INC."**

By: Henry L. Thomas

Printed: Henry L. Thomas

Its: Senior Vice President  
Title

## EXHIBIT "A"

- I. **Submitted Proposal.** The proposal submitted by PROFESSIONAL and attached here as Attachment A and Attachment B is incorporated by reference and made a part hereof.
  
- II. **Insurance Requirements.** The PROFESSIONAL will maintain throughout this Agreement the following insurance:
  1. **Comprehensive General Liability**
    - a. The PROFESSIONAL shall purchase and maintain Commercial General Liability coverage on forms no more restrictive than the latest editions of the Commercial General Liability policies of the Insurance Services Office (ISO). The Commercial General Liability policy shall provide minimum limits of \$1,000,000 per occurrence combined single limit that includes coverage for bodily and personal injury and property damage liability for premises, operations, products and completed operations\*, independent contractors, contractual liability covering the agreement, contract or lease, broad form property damage coverage, and property damage resulting from explosion, collapse or underground exposures (x,c,u).
    - b. For remodeling and construction projects, the PROFESSIONAL shall purchase and maintain products and completed operations coverage for a minimum of three (3) years beyond the CITY'S acceptance of the project.
  
  2. **Professional Liability/Malpractice/Errors or Omissions Insurance**
    - a. The PROFESSIONAL shall purchase and maintain Professional Liability or Malpractice or Errors or Omissions insurance with minimum limits of \$1,000,000 per occurrence combined single limit.
    - b. If a claims-made form of coverage is provided, the retroactive date of coverage shall be no later than the inception date of claims-made coverage, unless the prior policy was extended indefinitely to cover prior acts.
    - c. Coverage shall remain in effect for a period of not less than three (3) years after completion of the project or professional services.
  
  3. **Workers' Compensation**
    - a. The PROFESSIONAL shall purchase and maintain Workers' Compensation insurance for all workers' compensation obligations imposed by state law and with employers liability limits of at least \$100,000 each accident and \$100,000 each employee with \$500,000 policy limit for disease.
    - b. PROFESSIONALS exempt from maintaining Workers' Compensation insurance must provide a valid certificate of exemption issued by the State of Florida.
  
- VI. **Subcontractors.** The CITY reserves the right to approve all subcontractors for tasks performed und this master Agreement. Responsibility for the performance of the contract remains with the PROFESSIONAL exclusively. Subcontractors may be added to this contract during the contract period only with prior written permission from the CITY.
  
- VII. **Miscellaneous Requirements.**
  1. The PROFESSIONAL shall possess all the appropriate licenses, permits and tariffs required by various governmental agencies having jurisdiction over such services. A copy of all the required licenses shall be submitted to the CITY upon request, including certification of a Florida Certified Professional Engineer.

**ATTACHMENT A**

**CITY OF LEESBURG, FLORIDA  
PREPARATION OF WATER, WASTEWATER AND NATURAL GAS RATE STUDY  
AND REVIEW OF THE POLICIES FOR UTILITY TRANSFERS TO GENERAL FUND**

**SCHEDULE OF DIRECT LABOR HOURLY RATES AND STANDARD COST RATES**

**DIRECT HOURLY RATES**

| Project Team Title     | Direct Labor<br>Hourly Rates [*] |
|------------------------|----------------------------------|
| Principal              | \$170.00                         |
| Associate              | \$125.00                         |
| Managing Consultant    | \$115.00                         |
| Supervising Consultant | \$110.00                         |
| Senior Consultant      | \$105.00                         |
| Rate Consultant        | \$ 95.00                         |
| Consultant             | \$ 85.00                         |
| Senior Rate Analyst    | \$ 75.00                         |
| Rate Analyst           | \$ 65.00                         |
| Analyst                | \$ 55.00                         |
| Assistant Analyst      | \$ 45.00                         |
| Administrative         | \$ 48.00                         |

[\*] Direct labor hourly rates effective twelve months after the date of execution of the Agreement; rates will be adjusted by not more than the net percentage change in the Consumer Price Index – Urban Consumers per annum (rounded to the nearest dollar) or as mutually agreed between parties for invoices rendered after each anniversary date of each year thereafter until project completion or termination of the Agreement between the parties.

**STANDARD COST RATES**

| Expense Description                       | Standard Rates [*]  |
|---|---|
| Mileage Allowance – Personal Car Use Only | \$0.485 per mile  |
| Reproduction (black and white) (in house) | \$0.05 per page   |
| Reproduction (color) (in house)           | \$0.25 per page   |
| Reproduction (contracted)                 | Actual Cost   |
| Computer Time                             | \$0.00 per hour   |
| Telephone Charges                         | Actual Cost   |
| Delivery Charges                          | Actual Cost   |
| Lodging/Other Travel Costs                | Actual Cost   |
| Meals                                     | Not to exceed per PRMG Employee:<br>\$8.00 – Breakfast<br>\$12.00 – Lunch<br>\$25.00 – Dinner |
| Subconsultant Services                    | Actual Cost plus 5.0%   |
| Other Costs for Services Rendered         | Actual Cost   |

[\*] Standard cost rates effective twelve months after the date of execution of the Agreement; where applicable, rates will be adjusted by not more than the net percentage change in the Consumer Price Index – Urban Consumers per annum (rounded to the nearest dollar) or as mutually agreed between parties for invoices rendered after each anniversary date of each year thereafter until project completion or termination of the Agreement between the parties. Any Standard Rate adopted by policy by Client will supersede rates shown above.

## **ATTACHMENT B**

### **CITY OF LEESBURG, FLORIDA PREPARATION OF WATER, WASTEWATER AND NATURAL GAS RATE STUDY AND REVIEW OF THE POLICIES FOR UTILITY TRANSFERS TO GENERAL FUND**

#### **SCOPE OF SERVICES**

The services to be performed by Public Resources Management Group, Inc. (PRMG) as presented below are related to the preparation and presentation of a: i) review and redesign of the City's water and wastewater user rate structures; ii) review and redesign of the City's natural gas user rate structure and miscellaneous charges; and iii) review of the City's policies for utility transfers to the City's General Fund (collectively, the "Project"). With respect to the performance of the project, PRMG will use information and financial projections developed during the recent preparation of PRMG's Financial Feasibility Report for the Utility System Refunding Revenue Bonds, Series 2013.

The scope of services to be performed by PRMG with respect to this engagement will include the following tasks:

#### **PROJECT DATA REQUEST**

Task 1: Data Request and Data Compilation/Review – PRMG will prepare a written data request for the collection of detailed customer billing data and other information required to perform the Project. This task will also include attendance of an initial Project kick-off meeting with the City to discuss the data requirements and to review the compiled information provided by City staff, as well as to identify specific project objectives. Once the City has responded to the initial data request, the data provided will be reviewed, and a progress report will be prepared to document the status of data collection efforts as required. If necessary, additional data requests and status reports will be issued over the course of the Project.

#### **REVIEW AND REDESIGN OF CITY'S WATER AND WASTEWATER USER RATE STRUCTURES**

Task 2: Development of Water and Wastewater System Comprehensive Revenue Model – This task involves the development of utility rate revenues from existing rates for the forecast period recognizing: i) the customer and sales forecast; ii) a detailed bill frequency analysis provided by the City; and iii) the City's existing rates for service. Additionally, this task will involve a rate revenue "reasonableness" test (reconcile model results to reported amounts on City financial statements) to ensure that the revenue model and billing determinants are reliable for rate design purposes. The bill frequency analysis and customer billing determinants will be utilized to develop various rate design alternatives

Task 3: Water and Wastewater User Rate Design (Up to 3 Options) – Based on the customer usage forecast, projected revenues and revenue requirements of the water and wastewater systems, PRMG will design up to three (3) water and wastewater rate alternatives for the City. PRMG will

classify the net revenue requirements to properly allocate costs for ratemaking considerations. PRMG will then develop the equivalent billing units by rate component to design rates for service. The design of the rate alternatives will be based on discussions with the City and data availability. PRMG will prepare a customer impact analysis comparing the water and wastewater bills produced by the proposed rates to bills produced from the existing rates to present to the City the estimated impact to the typical residential and commercial customers at various usage levels.

Task 4: Rate Comparisons – Water and Wastewater System – PRMG will prepare comparisons of the existing and proposed water and wastewater rates with those of other neighboring or similar utilities. This will provide an indication to the City of the rate levels charged by others in relation to the existing and proposed rates of the City.

### **REVIEW AND REDESIGN OF CITY'S NATURAL GAS USER RATE STRUCTURE AND MISCELLANEOUS CHARGES**

Task 5: Development of Gas System Comprehensive Revenue Model – This task involves the development of utility rate revenues from existing rates for the forecast period recognizing: i) the customer and sales forecast; ii) a detailed bill frequency analysis provided by the City; and iii) the City's existing rates for service. Additionally, this task will involve a rate revenue "reasonableness" test (reconcile model results to reported amounts on City financial statements) to ensure that the revenue model and billing determinants are reliable for rate design purposes. The bill frequency analysis and customer billing determinants will be utilized to develop various rate design alternatives

Task 6: Natural Gas Rate Design (Up to 3 Options) – Based on the customer usage forecast, projected revenues and revenue requirements of the natural gas system, PRMG will design up to three (3) natural gas rate alternatives for the City. PRMG will classify the net revenue requirements to properly allocate costs for ratemaking considerations. PRMG will then develop the equivalent billing units by rate component to design rates for service. The design of the rate alternatives will be based on discussions with the City and data availability. PRMG will prepare a customer impact analysis comparing the natural gas bills produced by the proposed rates to bills produced from the existing rates to present to the City the estimated impact to the typical residential and commercial customers at various usage levels.

Task 7: Development of Miscellaneous Service Charges for Gas System – PRMG will review the Gas System service charges with utility management and operations staff to: i) identify which fees should be thoroughly reviewed; and ii) ascertain if additional fees and charges should be established. The cost analysis will include labor, materials, equipment charges, allowance for direct and indirect overheads, and allowances for asset replacements where appropriate. This review will include the attendance of one on-site meeting to identify costs, review cost allocation parameters, and evaluate overall rate adjustment necessity (e.g., how important is the rate relative to overall revenue recovery).

Task 8: Rate Comparisons – Gas System – PRMG will prepare comparisons of the existing and proposed natural gas user rates with those of other neighboring or similar utilities. PRMG will also prepare a limited comparison of the existing and proposed miscellaneous charges for the Gas

System with those of comparable utilities. The comparison will provide an indication to the City of the rate levels charged by others in relation to the existing and proposed rates of the City.

## **REVIEW OF CITY'S POLICIES FOR UTILITY TRANSFERS TO CITY'S GENERAL FUND**

Task 9: Review of Current General Fund Transfer Policies for Utility – PRMG will assist the City staff in reviewing the City's current General Fund transfer policies and methodology for the respective water, wastewater and natural gas utility systems. Based on the review, PRMG will provide recommendations (if applicable) to the City of potential changes to the methodology.

Task 10: Survey of General Fund Transfer Policies of Other Utilities – PRMG will perform a limited survey of the General Fund transfer policies of other utilities in Florida and prepare a summary of the survey findings.

## **PROJECT REPORTS, MEETINGS AND PRESENTATIONS**

Task 11: Prepare Study Report and Briefing Document – The results of the various Project tasks will be summarized in a final study report for presentation to the City Commission. The report will document PRMG's assumptions and considerations, a summary of the methodologies relied upon in developing the proposed utility rates, and our findings and conclusions. PRMG will also prepare a briefing document to communicate the study recommendations at a public hearing.

Task 12: Meetings with City Staff – During the course of the preparation of the rate study, PRMG will attend several meetings and conference calls with the City staff. The meetings shall include three (3) on-site working group meetings including the initial kickoff meeting. Attendance of any additional meetings will be considered as an additional service to this scope of services.

Task 13: Public Meeting to Present Rate Study Results – In order to present the rates to the City Commission and the public with respect to the rate study, PRMG will attend a public meeting (e.g., workshop, public hearing) with the City Commission to discuss the conclusions and recommendations of the study. Attendance at the meeting will include not more than two representatives of PRMG. PRMG will submit materials related to the presentation at least one week in advance of the City Commission meeting.

Task 14: Rate Ordinance – PRMG will assist the City Attorney, as required, in reviewing drafts of the utility rate ordinance(s), which sets forth the proposed water, wastewater and natural gas retail rates for presentation to the City Commission. PRMG will review the rate ordinance to ensure that the recommended changes are included.

## **ADDITIONAL SERVICES**

During the course of the study, the City may request additional services relative to the performance of the Project from PRMG. Such services will not be conducted until authorized by the City as mutually agreed between the City and PRMG. All invoices for additional services will be billed to the City based on the hourly rate schedule of PRMG members as identified in this proposal or some other basis as mutually agreed between the City and PRMG. Although no

additional services are anticipated for this engagement, examples of additional services may include the following:

1. Attendance of meetings with City staff, City committees, or interested parties, or public hearings with the City Commission in addition to what is contemplated in the scope of services.
2. Updating the revenue requirements analysis.
3. The derivation of additional rate design alternatives beyond what is contemplated in the scope of services.
4. Delays in the Project schedule, which may have impacts on analyses performed, and which would affect the budget for the scope of services reflected herein.

To the extent additional services are performed by PRMG for this Project but the total cost of the study, including the additional services, does not exceed the City's budgeted cost of the study, no additional services will be billed to the City.

**Attachment C**

**City of Leesburg, Florida**

**Project Cost Estimate for Preparation of Water, Wastewater and Natural Gas Rate Study and Review of the Policies for Utility Transfers to General Fund**

| Line No. | Activity  | Task Reference Number | Principal | Supervising Consultant | Consultant | Clerical & Admin. | Totals        |
|----------|---|-----------------------|-----------|------------------------|------------|-------------------|---------------|
| 1        | <b>Project Billing Rates (\$/Hour)</b>  |                       | \$ 170.00 | \$ 110.00              | \$ 85.00   | \$ 48.00          |               |
|          | <b><u>Project Data Request</u></b>  |                       |           |                        |            |                   |               |
| 2        | Data Request and Data Compilation/Review  | 1                     | 1         | 2                      | 4          | 1                 | 8             |
|          | <b><u>Review and Redesign of City's Water and Wastewater User Rate Structures</u></b>                 |                       |           |                        |            |                   |               |
| 3        | Development of Water and Wastewater System Comprehensive Revenue Model                                | 2                     | 3         | 8                      | 24         | 0                 | 35            |
| 4        | Water and Wastewater User Rate Design (Up to 3 Options)   | 3                     | 4         | 16                     | 8          | 0                 | 28            |
| 5        | Rate Comparisons - Water and Wastewater System  | 4                     | 0         | 2                      | 4          | 0                 | 6             |
|          | <b><u>Review and Redesign of City's Natural Gas User Rate Structure and Miscellaneous Charges</u></b> |                       |           |                        |            |                   |               |
| 6        | Development of Gas System Comprehensive Revenue Model   | 5                     | 3         | 8                      | 24         | 0                 | 35            |
| 7        | Natural Gas User Rate Design (Up to 3 Options)  | 6                     | 4         | 16                     | 8          | 0                 | 28            |
| 8        | Development of Miscellaneous Service Charges for Gas System   | 7                     | 4         | 16                     | 16         | 0                 | 36            |
| 9        | Rate Comparisons - Gas System   | 8                     | 0         | 2                      | 8          | 0                 | 10            |
|          | <b><u>Review of City's Policies for Utility Transfers to General Fund</u></b>                         |                       |           |                        |            |                   |               |
| 10       | Review of Current General Fund Transfer Policies for Utility  | 9                     | 4         | 8                      | 0          | 0                 | 12            |
| 11       | Survey of General Fund Transfer Policies of Other Utilities   | 10                    | 0         | 8                      | 12         | 0                 | 20            |
|          | <b><u>Project Reports, Meetings and Presentations</u></b>   |                       |           |                        |            |                   |               |
| 12       | Prepare Study Report and Briefing Document Meetings (4 meetings total)                                | 11                    | 8         | 32                     | 16         | 12                | 68            |
| 13       | Meetings with City Staff (3 Meetings Including Kickoff Meeting)                                       | 12                    | 24        | 24                     | 0          | 0                 | 48            |
| 14       | Public Meeting to Present Rate Study Results (1 Meeting)  | 13                    | 8         | 0                      | 0          | 0                 | 8             |
| 15       | Rate Ordinance  | 14                    | 2         | 4                      | 0          | 0                 | 6             |
| 16       | Project Management  |                       | 4         | 0                      | 0          | 2                 | 6             |
| 17       | Total Project Hours   |                       | 69        | 146                    | 124        | 15                | 354           |
| 18       | Total Direct Labor Cost - All Tasks (Technical Services)  |                       | \$ 11,730 | \$ 16,060              | \$ 10,540  | \$ 720            | \$ 39,050     |
| 19       | Average Hourly Billing Rate   |                       |           |                        |            | \$ 110.31         |               |
|          | <b><u>Allowance for Other Direct Costs</u></b>  |                       |           |                        |            |                   |               |
| 20       | Mileage Allowance (4 Meetings at 84 miles round trip at \$0.485/mile)                                 |                       |           |                        |            | \$                | 163           |
| 21       | Miscellaneous Expense Allowance / Project Cost Rounding   |                       |           |                        |            |                   | 37            |
| 22       | Total Allowance for Other Direct Costs  |                       |           |                        |            | \$                | 200           |
| 23       | Total Proposed Project Cost   |                       |           |                        |            | \$                | <u>39,250</u> |