

To: The Honorable Mayor and Council Members

From: Alberto Destrade, Purchasing Director 

Date: April 12, 2016

RE: **A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE A THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF NORTH MIAMI AND BLACK & VEATCH CORPORATION, TO PROVIDE THE CITY WITH AN OPERATIONS MANAGEMENT REVIEW OF THE CITY'S WATER AND WASTEWATER UTILITY SYSTEM WITH ALTERNATIVE MODELS OF OPERATIONS, BY ISSUANCE OF A PURCHASE ORDER IN THE AMOUNT NOT TO EXCEED EIGHTY FOUR THOUSAND DOLLARS (\$84,000.00) FOR A TERM OF NINETY (90) DAYS, PURSUANT TO THE ATTACHED PROPOSAL; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.**

RECOMMENDATION

Staff is requesting that Mayor and City Council authorize the approval of a third amendment to the Professional Services Agreement (Agreement) with Black & Veatch Corporation to perform an Operations Management Review of the City's Water and Wastewater Utility System, by issuance of a purchase order, for a not-to-exceed amount of \$84,000 to be completed and submitted to staff by no later than ninety (90) days from notice to proceed.

BACKGROUND

On July 22, 2011, the City entered into an Agreement with Black & Veatch to review existing rates and fees in order to analyze and identify recovery requirements for the wholesale and retail of water services specifically tailored to the City's utility infrastructure, in accordance with the terms and conditions contained in the Request For Proposals for Water and Sewer Rates and Fees Analysis EPP-RFP No. 530 issued by Miami-Dade County.

Since then, the Agreement has been amended twice by the City. The first amendment was approved by City Council on March 13, 2012, for Black & Veatch to provide additional services in support of pre-construction activities required by the Florida Department of Environmental Protection (FDEP) and State Revolving Fund (SRF) program. Thereafter, a subsequent amendment was also entered into on August 11, 2015, to perform an update of the water and sewer rate study.

Staff has now requested a proposal from Black & Veatch to perform an Operations Management Review of the City's Water and Wastewater Utility System and is seeking the City Council's approval to proceed with this work.

SCOPE OF SERVICES

The City's Water and Wastewater Utility System is an essential component of the overall services provided to the residents of North Miami, as well as a substantial source of revenue to the City's finances. Likewise, the operational costs sustained by the City in providing these services to our community are similarly significant in terms of the City's operational budget. Therefore, in order to be able to better evaluate the current status of the City's Utility System and to ensure that its long-term operation provides our residents with the highest quality service in the most cost-effective manner possible, staff has requested this proposal from Black & Veatch to perform an Operations Management Review of our Utility System.

The scope of services to be performed by Black & Veatch under this proposal will focus on performing a comprehensive analysis of the City's current Utility System operations, as well as developing comparisons of the current operating structure with alternate models of operation. Specifically, Black & Veatch's study will be based on a comparison of the following operational frameworks:

- Continue to manage and operate the Utility System by the City.
- Management of the entire Utility System by a third party.
- Management of only the Water Treatment Plant by a third party.

The complete review by Black & Veatch shall be carried out in four phases and will culminate in the submittal of a report of their findings, assumptions and comparison of the alternate models of operation for the City's Utility System. The four phases are as follows:

- Comprehensive review of the existing Utility System operations.
- Develop projected costs for each model of operation over the next 30 years.
- Develop financial forecast over the next 30 years for each model of operation.
- Prepare a summary of advantages and disadvantages associated with the long-term operation of each model.

The report shall be finalized and submitted to staff by no later than ninety (90) days from notice to proceed.

FUNDING SOURCE

Funding for this work will be allocated from the City's Water & Sewer Utility Fund.

ATTACHMENTS

Resolution

Black & Veatch – Operations Management Review Proposal

Black & Veatch – Professional Services Agreement – Dated July 22, 2011

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE A THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF NORTH MIAMI AND BLACK & VEATCH CORPORATION, TO PROVIDE THE CITY WITH AN OPERATIONS MANAGEMENT REVIEW OF THE CITY’S WATER AND WASTEWATER UTILITY SYSTEM WITH ALTERNATIVE MODELS OF OPERATIONS, BY ISSUANCE OF A PURCHASE ORDER IN THE AMOUNT NOT TO EXCEED EIGHTY-FOUR THOUSAND DOLLARS (\$84,000.00) FOR A TERM OF NINETY (90) DAYS, PURSUANT TO THE ATTACHED PROPOSAL; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, on July 22, 2011, the City of North Miami (“City”) entered into a Professional Services Agreement (“Agreement”) with Black & Veatch Corporation (“Contractor”), to review existing rates and fees in order to identify recovery requirements for the wholesale and retail of water services, in accordance with the terms, conditions, and specifications contained in the *Request for Proposals for Water and Sewer Rates and Fees Analysis EPP-RFP No. 530* (“Services”); and

WHEREAS, on March 13, 2012, the Mayor and City Council passed and adopted Resolution No. R-2012-29, authorizing the City Manager to execute an Amendment to Agreement to include additional Task Orders in support of pre-construction activities for the Winson Water Treatment Plant; and

WHEREAS, on August 11, 2015, the City and Contractor entered into a Second Amendment to obtain, among other things, additional Services designed to update the City’s water and sewer rate study; and

WHEREAS, the City is in need of additional Services for the development of an Operations Management Review for the Water and Wastewater Utility System, to include long-term projections and cost comparisons of the City’s current utility system operations with alternative models of operations, such as the outsourcing of the utility system to a third party (“Additional Services”); and

WHEREAS, Additional Services is comprised of the following four (4) phases: (1) perform a review of the existing Utility System Operations; (2) determine the annual cost of operations under each form of Operations Management for the next thirty (30) years; (3) develop a financial forecast over the next (30) years associated with each form of Operations Management; and (4) provide a summary of the advantages and disadvantages associated with each form of Operations Management; and

WHEREAS, Contractor shall provide Additional Services in the manner specified in the attached Contractor's proposal, at a cost not to exceed Eighty-Four Thousand Dollars (\$84,000.00), and be delivered to the administration within a term of ninety (90) days from the City's issuance of the Notice to Proceed; and

WHEREAS, the City administration respectfully requests that the Mayor and City Council authorize the execution of a Third Amendment to Professional Services Agreement with the issuance of a purchase order, to allow the City Manager to accomplish the requested Additional Services.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. **Authority of City Manager.** The Mayor and City Council of the City of North Miami, Florida, hereby authorize the City Manager to execute a Third Amendment to Professional Services Agreement between the City of North Miami and Black & Veatch Corporation, to provide the City with an Operations Management Review of the City's Water and Wastewater Utility System with alternative models of operations, by issuance of a purchase order in the amount not to exceed Eighty-Four Thousand Dollars (\$84,000.00) for a term of ninety (90) days, pursuant to the attached proposal.

Section 2. **Effective Date.** This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this ____ day of _____, 2016.

DR. SMITH JOSEPH
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

ROLAND C. GALDOS, ESQ.
INTERIM CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Smith Joseph, D.O., Pharm. D.
Vice Mayor Alix Desulme
Councilman Scott Galvin
Councilwoman Carol Keys, Esq.
Councilman Philippe Bien-Aime

_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)

22 January, 2016

Mr. Arthur Sorey
City Manager
City of North Miami, Florida
776 NE 125 Street – 4th Floor
North Miami, Florida 33161

Subject: Proposal to Perform an Operations Management Review for the Water and Wastewater Utility System

Dear Mr. Sorey:

Black & Veatch Corporation (Black & Veatch) is pleased to present this proposal to perform an Operations Management Review for the Water and Wastewater Utility System (Utility System). The City of North Miami, Florida (City) has requested the services of Black & Veatch Corporation (Black & Veatch) to perform a Operations Management Review that list the general considerations and cost associated with the City adjusting its current Operations Management Structure for the Utility System to a management structure that consists of the complete or partial takeover by a third party of the Utility System.

The Black & Veatch team will complete the analysis based on the three forms of operating management structures, as specific to the City, which are listed below:

- Base Case (Maintain Existing Operations by the City)
- Complete Management Agreement (Management of the entire Utility System by a third party operator)
- Partial Management Agreement (Management of the Water Treatment Plant by a third party)

For the purposes of the analysis detailed herein, the analysis period is anticipated to be 30 years beginning in FY 2016 and ending in FY 2045. The following sections will provide a summary of the intended scope of work and the cost estimate and schedule associated with the project.

SCOPE OF WORK

To complete objectives of the project defined herein, the Black & Veatch team will employ the following Work Plan .

TASK	TASK DESCRIPTION	BENEFITS TO THE CITY
OPERATIONS MANAGEMENT REVIEW		
SCOPE OF WORK BY PHASE:		
1	Perform a review of the existing Utility System Operations	Provide an understanding of the general considerations and cost related to the City moving to changing its current operations management structure.
2	Determine the annual cost of operations under each form of Operations Management for the next 30 years	A summary of the annual cost to operate the Utility System under each Operations Management Structure over the next 30 years.
3	Develop a financial forecast over the next 30 years associated with each form of Operations Management	A financial forecast that outline the estimated annual revenues and cost related to operating the Utility System and determining the feasibility of each Operations Management Structure.
4	Provide a summary of the advantages and disadvantages associated with each form of Operations Management	A summary of the advantages and disadvantages associated with each form of Operations Management.

GENERAL APPROACH

The general approach to be utilized in completing the Operations Management Review will entail a high level of coordination and support from the City staff. As a part of the scope of work presented herein, Black & Veatch will initiate and participate in an initial kick-off meeting, facilitate separate meetings related to performing due diligence required as a part of the analysis required herein, and rely upon previous studies and analysis completed by the City as a part of its annual planning process.

The order of the presentation as detailed on the following pages parallels the sequence in which the study will be performed.

Phase 1: Perform a Review of Existing Utility System Operations

Task 100 – Project Kick-off and Data Review

This task will involve a project kick-off meeting to define and align the goals and objectives of the study, agree upon the project schedule, establish the project protocol related to the lines of communication, and agree upon project deliverables and milestones.

Prior to attending the kick-off meeting, Black & Veatch will forward an initial data request to the City. The collection and review of the data request information will be discussed. The data request may include reports provided by others, historical and current planning, technical, and financial information, operating and capital budgets, and other applicable reports. All information transferred to Black & Veatch is preferred in an electronic form, where available.

Task 200 – Perform a Review of the Existing Organizational Structure and Services Provided by the City

This task includes a high level review of the existing organization structure of the Utility System to determine the key management and operating roles within the organization along with the appropriateness of the organizational structure for the City. In addition, Black & Veatch will review the existing services provided by the Utility System to determine all the potential sources of revenues for the Utility System.

Task 300 – Perform a Review of the Existing and Future Anticipated Utility System Capacities

Black & Veatch will perform a review of the City's existing Utility System expansion plans to understand the current Utility System operating characteristics and the future anticipated Utility System operating requirements over the next 30 years.

Activities associated with this task will be undertaken to determine the following:

- What are the current water and wastewater system operating characteristics?
 - Total historical annual potable water produced, purchased, and billed
 - Total annual wastewater billed
- What are the total number of water and wastewater customers served and the forecast of growth over the next 30 years?
- What are the anticipated Utility Systems' build out and expansion plans for the next 30 years?

Upon completing the review detailed herein, the Black & Veatch team will have a sound understanding of the existing and future anticipated operating requirements of the Utility System.

Task 400 – Perform a Review of the Existing and Future Anticipated Utility System Staffing Levels

Black & Veatch will perform a high level review of the existing staffing levels of the entire Utility System to determine the existing staffing vacancies and understand the City's existing plan to fill these vacancies. In addition, Black & Veatch will review the City's staffing plans associated with meeting the Utility System's expansion requirements over the next 30 years along with the necessary staffing augmentations required as a part of changing the existing operations management structure.

Task 500 – Perform a Review of the Annual Utility System Cost of Operations

Black & Veatch will perform a review of the annual cost to operate the Utility System. All existing and future anticipated operating cost will be reviewed and documented. Specific attention will be placed on understanding the existing operations and maintenance cost, existing and future anticipated debt service, and other expenditures such as city transfers, renewal and replacement requirements, other interfund transfers, and any other cash expenditure. Black & Veatch will review the existing and future anticipated capital project over the next 30 years and the City's plan to adequately fund all future operating and capital requirements. As a part of the work detailed herein, Black & Veatch will work with the City to determine the cost inflation factors and the City's existing cost of borrowing. Finally, Black & Veatch will work with the City to understand the nature and cost associated with any future anticipated Utility System service agreements.

Task 600 – Perform a High Level Comparison of the Listed Forms of Operations Management

Based on the three forms of Operations Management listed herein, Base Case, Complete Management Agreement, and Partial Management Agreement, Black & Veatch will develop a matrix of considerations that outlines the differences between the three forms of Operations Management. This matrix will provide the baseline of considerations required to determine the City's transitional activities associated with changing the existing form of Operations Management.

Task 700 – Estimate the Transitional and Future Anticipated Operating Cost Related to Changing the Form of Operations Management

Based on the activities determined in Task 600, Black & Veatch will work with the City to determine the transitional cost related to changing the City's existing form of Operations Management along with any future anticipated cost as a result in the change in Operations Management.

Phase 2, Task 800: Project the Annual Cost of Operations Under Each Operations Management Structure over the next 30 years

Black & Veatch will forecast the City's annual cost of operations over the analysis period under the three Operations Management structures listed herein. The forecast will include known cost pre and post the change in Operations Management along with synergies that may be determined as a result of changing the form of Operations Management. At the completion of this task, the City will have a baseline forecast of the cost for the City to operate under the listed forms of Operations Management.

Phase 3, Task 900: Develop a Financial Forecast over the Next 30 years Under Each Form of Operations Management

Black & Veatch will develop a financial forecast under each form of Operations Management to determine the ability of existing Utility System revenues to meet the forecasted Utility System cost in Task 800. The objective of this task is to determine the adequacy of existing revenues in meeting forecasted cost over the analysis period. In addition, Black & Veatch will determine the required revenue increases under each form of Operations Management in order to operate a financially sound Utility System. Upon the completion of the financial forecast for each form of Operations Management, Black & Veatch will complete a Net Present Value (NPV) analysis in support of each financial forecast.

Phase 4, Task 1,000: Provide a Summary of the Advantages and Disadvantages Associated With Each Form of Operations Management

Black & Veatch will develop a list of the advantages and disadvantages of the three Operations Management structures for consideration by the City. The list will build on the general considerations outlined in Task 600, all the due diligence performed as a part of this analysis, and the results of the financial forecast assessment completed in Task 900.

Deliverables

Project Report

Draft Project Report Preparation: A preliminary draft report will be prepared that summarizes the assumptions, findings, and considerations of the entire study. The report will include and outline all the assumptions utilized and relied upon, the methodology utilized to perform the analysis, and the general results of the study. Upon completing the draft report, Black & Veatch will deliver the report to the appropriate City representative for review. The City staff will review the Report, direct Black & Veatch as necessary to make edits to the Report.

Final Project Report Preparation: After receiving comments and feedback from the City staff, the comments and feedback will be incorporated and the draft report finalized.

Project Meetings and Presentations

The following 2 meetings and presentations will be attended by a Black & Veatch representative during the course of the engagement detailed herein:

NO.	MEETING DESCRIPTION
1	Project Kick-Off Meeting & System Evaluation Meeting (Meetings will be held on the same day)
2	Project Results Meeting

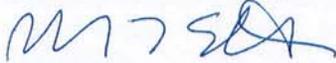
PROJECT SCHEDULE AND COST

Black & Veatch will provide the services set forth in the above scope of work for a not-to-exceed amount of **\$84,000** which includes expenses. The proposed scope of work is intended to be a continuation and amendment of the 2012 Water and Sewer Rate Study and it is understood the, upon award, the scope of work will be contracted and continued under the initial Master Piggyback Agreement between the City and Miami-Dade County. In addition, we will complete the analysis set forth in the scope of work in **90 days (3) months** from the time of receiving the official and fully endorsed notice to proceed from the City. As a part of the not-to-exceed project cost, the Black & Veatch team will attend a total of 2 meetings, as detailed below, and any additional meetings will be at an additional cost to the City that will be over and above the not-to-exceed amount. Any additional meetings attended by the Black & Veatch team will at the request and approval of the City.

This schedule is contingent upon the City providing the necessary data and information to Black & Veatch within 14 work days upon receiving the information request.

Black & Veatch submits this proposal not simply as an expression of interest, but as a statement of commitment to provide the resources and value necessary to successfully complete your project. If you have any questions regarding our submittal, please do not hesitate to contact Alejandro Toro at (305) 562-2865 or Robert Chambers at (407) 419-3574. We appreciate your consideration of our submittal and welcome the opportunity to serve the City.

Very truly yours,
BLACK & VEATCH CORPORATION

A handwritten signature in blue ink, appearing to read 'M T S E', is written over the printed name of Ralph Eberts.

Ralph Eberts
Executive Vice President

51-10-11 PB

**CITY OF NORTH MIAMI
PROFESSIONAL SERVICES AGREEMENT
(Program Development Services – Piggyback MDC Contract #530)**

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 22nd day of July, 2011 by and between the **City of North Miami**, a Florida municipal corporation, having its principal office at 776 NE 125th Street, North Miami, FL 33161 (“City”) and **Black & Veatch Corporation**, a foreign for-profit corporation registered and authorized to do business in the State of Florida, having its principal office at 8400 Ward Parkway, Kansas City, MO 64114 (“Contractor”). The City and Contractor shall collectively be referred to as the “Parties”.

RECITALS

WHEREAS, on or about August 16, 2006, Miami-Dade County, Florida (“County”), issued *Request For Proposals For Water and Sewer Rates and Fees Analysis EPP-RFP No. 530* (“RFP”), requesting solicitations from qualified contractors to review existing rates and fees to identify recovery requirements for the wholesale and retail water, in accordance with the terms, conditions, requirements and specifications contained in the RFP (“Services”); and

WHEREAS, on the Contractor submitted a written proposal in response to the RFP and was competitively selected as having established the criteria, qualifications, and references most advantageous to the County; and

WHEREAS, on March 29, 2007, the County entered into an agreement with Contractor for the provision of Services (“County Contract”); and

WHEREAS, on March 25, 2011, the County exercised its option to extend the County Contract with Contractor from March 28, 2011 through September 28, 2011, to continue to provide Services to the County; and

WHEREAS, on October 23, 2007, the Mayor and City Council of the City of North Miami, adopted Ordinance 1244, which authorizes the City Manager to approve the purchase of supplies, goods and/or services from current contracts of other governmental entities (“piggyback”), such as Miami-Dade County; and

WHEREAS, Contractor is willing to provide Services to the City with the same favorable rate, skill, knowledge and diligence the Contractor is providing to the County; and

WHEREAS, the City Manager has determined that it is in the best interests of the City to piggyback the County Agreement between the County and Contractor for the provision of Services to the City.

NOW THEREFORE, in consideration of the mutual terms and conditions set forth herein and other good and valuable consideration, the Parties hereto agree as follows:

ARTICLE 1 - RECITALS

1.1 The recitals are true and correct and are hereby incorporated into and made a part of this Agreement.

ARTICLE 2 - CONTRACT DOCUMENTS

2.1 The following documents, collectively referred to as the "Contract Documents", are incorporated into and made part of this Agreement:

2.1.1 Miami-Dade County *Request For Proposals For Water and Sewer Rates and Fees Analysis EPP-RFP No. 530*, attached hereto by reference;

2.1.2 Miami-Dade County agreement with Black & Veatch Corporation, dated March 29, 2007, for the provision of Services, attached hereto as Exhibit A;

2.1.3 Miami-Dade County option to extend agreement with Black & Veatch Corporation, dated March 25, 2011, attached hereto as Exhibit B;

2.1.4 Contractor's Task Orders with Scope of Work to the City, dated May 25, 2011 ("Proposals"), attached hereto as Composite Exhibit C;

2.1.5 Any additional documents which are required to be submitted in the provision of Services.

ARTICLE 3 - TERM OF AGREEMENT

3.1 Subject to authorized adjustments, the Term of Agreement shall be Two Hundred Seventy (270) days from the date the Notice to Proceed is issued by the City.

3.2 Contractor agrees that the performance of Services shall be pursued on schedule, diligently and uninterrupted at a rate of progress which will ensure full completion within the agreed term. Failure to render Services timely shall be regarded as a material breach of this Agreement, subject to the appropriate remedies available at law.

3.3 When, in the opinion of the City, reasonable grounds for uncertainty exist with respect to the Contractor's ability to perform Services or any portion thereof, the City may request that the Contractor, within a reasonable time frame set forth in the City's request, provide adequate assurances to the City in writing, of Contractor's ability to perform in accordance with terms of this Agreement. In the event that the Contractor fails to provide the City the requested assurances within the prescribed time frame, the City may treat such failure as a repudiation or breach of this Agreement, and resort to any remedy for breach provided for in this Agreement or at law.

ARTICLE 4 - COMPENSATION

4.1 Contractor shall be paid an amount not to exceed Sixty One Thousand Eight Hundred Fifty and no/100 Dollars (\$61,850.00), as compensation for the provision of Services. Payment will be made in accordance with the terms of the RFP.

4.2 Funding for this Agreement is contingent upon the City's availability of funds and the Agreement is subject to amendment or termination due to lack of funds or a reduction of funds, upon ten (10) days written notice to Contractor.

ARTICLE 5 - SCOPE OF SERVICES

5.1 Contractor shall provide all labor, supervision, materials, equipment, tools, services and expertise necessary for the completion of Services, in accordance to the special terms and conditions specified in the Contract Documents.

5.2 Contractor shall perform the Services in accordance with that degree of care and skill ordinarily exercised by reputable members of its profession.

5.3 Contractor represents and warrants to the City that: (i) Contractor possesses all qualifications, licenses and expertise required for the provision of Services, with personnel fully licensed by the State of Florida; (ii) Contractor is not delinquent in the payment of any sums due the City, including payment of permit fees, local business taxes, or in the performance of any obligations to the City; (iii) all personnel assigned to perform work shall be, at all times during the term hereof, fully qualified and trained to perform the tasks assigned to each; (iv) the Services will be performed in the manner and at such times and locations as described by the City for the budgeted amount; and (v) the person executing this Agreement on behalf of Contractor is duly authorized to execute same and fully bind Contractor as a party to this Agreement.

ARTICLE 6 - INDEPENDENT CONTRACTOR

6.1 Contractor has been procured and is being engaged by the City as an independent contractor, and not as an agent or employee of the City. Accordingly, Contractor shall not attain, nor be entitled to, any rights or benefits under the Civil Service or Pension Ordinances of the City, nor any rights generally afforded classified or unclassified employees of the City. Contractor further understands that Florida workers' compensation benefits available to employees of the City, are not available to Contractor. Therefore, Contractor agrees to provide workers' compensation insurance for any employee or agent of Contractor rendering services to the City under this Agreement.

6.2 Contractor agrees and understands that: (i) any and all Subcontractors used by Contractor shall be paid by Contractor and not paid directly by the City; and (ii) any and all liabilities regarding payment to or use of Subcontractors for any of the work related to this Agreement shall be borne solely by Contractor.

ARTICLE 7 - CONFLICTS OF INTEREST

7.1 The Contractor represents and warrants to the City that it has not employed or retained any person or company employed by the City to solicit or secure this Agreement and that it has not offered to pay, paid, or agreed to pay any person any fee, commission, percentage, brokerage fee, or gift of any kind contingent upon or in connection with, the award of this Agreement.

7.2 Contractor covenants that no person under its employ who presently exercises any functions or responsibilities on behalf of the City in connection with this Agreement has any

personal financial interest, directly or indirectly, with contractors or vendors providing professional services on projects assigned to the Contractor, except as fully disclosed and approved by the City. Contractor further covenants that, in the performance of this Agreement, no person having such conflicting interest shall be employed.

ARTICLE 8 - DEFAULT

8.1 If Contractor fails to comply with any term or condition of this Agreement, or fails to perform any of its obligations hereunder, then Contractor shall be in default. The City shall have the right to terminate this Agreement, in the event Contractor fails to cure a default within ten (10) business days after receiving Notice of Default. Contractor understands and agrees that termination of this Agreement under this section shall not release Contractor from any obligations accruing prior to the effective date of termination.

ARTICLE 9 - CITY'S TERMINATION RIGHTS

9.1 The City shall have the right to terminate this Agreement, in its sole discretion at any time, with or without cause, upon ten (10) days written notice to Contractor. In such event, the City shall pay Contractor compensation for Services rendered prior to the effective date of termination. The City shall not be liable to Contractor for any additional compensation, or for any consequential or incidental damages.

ARTICLE 10- NOTICES

10.1 All notices, demands, correspondence and communications between the City and Contractor shall be deemed sufficiently given under the terms of this Agreement when delivered by personal service, faxed, or dispatched by mail or certified mail, addressed as follows:

To Contractor: Black & Veatch Corporation
 Attn: Robert Chambers, Senior Consultant
 205 South Orange Avenue, Suite 500
 Orlando, FL 32801
 Phone: (407) 419-3574
 Fax: (407) 419-3501

To City: City of North Miami
 Attn: City Manager
 776 N.E. 125th Street
 North Miami, Florida 33161

With a copy to: City Attorney
 City of North Miami
 776 N.E. 125th Street
 North Miami, Florida 33161

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

10.3 In the event there is a change of address and the moving Party fails to provide notice to the other Party, then notice sent as provided in this Article shall constitute adequate notice.

ARTICLE 11 - PUBLIC RECORDS

11.1 Contractor understands that the public shall have access, at all reasonable times, to all documents and information pertaining to City contracts, subject to the provisions of Chapter 119, Florida Statutes, and agrees to allow access by the City and the public to all documents subject to disclosure under applicable law.

ARTICLE 12 - INDEMNIFICATION

12.1 Contractor shall defend, indemnify and hold harmless the City, its officers and employees from and against any and all claims, costs, losses and damages including, but not limited to reasonable attorney's fees, caused by the negligent acts or omissions of the Contractor, its officers, directors, agents, partners, subcontractors, employees and managers in the performance of the Services under this Agreement.

12.2 Contractor shall be fully responsible to City for all acts and omissions of the Contractor, its employees, subcontractors, suppliers, or other persons directly or indirectly employed by its subcontractors or suppliers, and any other persons or organizations performing or furnishing supplies under a direct or indirect agreement with Contractor. Nothing in the Contract Documents shall create any contractual relationship between City and any such subcontractor, supplier or other person or organization, nor shall it create any obligation on the part of City to pay or to cause the payment of any money due any subcontractor, supplier, employee or agent except as may otherwise be required by law.

12.3 Nothing contained in this Agreement is any way intended to be a waiver of the limitation placed upon the City's liability as set forth in Chapter 768, Florida Statutes. Additionally, the City does not waive sovereign immunity, and no claim or award against the City shall include attorney's fees, investigative costs or pre-judgment interest.

ARTICLE 13 - INSURANCE

13.1 Prior to commencing Services, the Contractor shall submit certificates of insurance evidencing the required coverage under the Contract Documents and specifically providing that the City is an additional named insured with respect to the required coverage and the operations of the Contractor under this Agreement. Contractor shall not commence Services under this Agreement until after Contractor has obtained all of the minimum insurance described and the policies of such insurance detailing the provisions of coverage have been received and approved by the City.

ARTICLE 14 - FORCE MAJEURE

14.1 A "Force Majeure Event" shall mean an act of God, act of governmental body or military authority, fire, explosion, power failure, flood, storm, hurricane, sink hole, other natural disasters, epidemic, riot or civil disturbance, war or terrorism, sabotage, insurrection, blockade, or embargo. In the event that either Party is delayed in the performance of any act or obligation pursuant to or required by the Agreement by reason of a Force Majeure Event, the time for required completion of such act or obligation shall be extended by the number of days equal to the total number of days, if any, that such Party is actually delayed by such Force Majeure Event.

The Party seeking delay in performance shall give notice to the other Party specifying the anticipated duration of the delay, and if such delay shall extend beyond the duration specified in such notice, additional notice shall be repeated no less than monthly so long as such delay due to a Force Majeure Event continues. Any Party seeking delay in performance due to a Force Majeure Event shall use its best efforts to rectify any condition causing such delay and shall cooperate with the other Party to overcome any delay that has resulted.

ARTICLE 15 - MISCELLANEOUS PROVISIONS

15.1 No waiver or breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing.

15.2 All representations, indemnifications, warranties and guarantees made in, required by, or given in accordance with this Agreement, as well as all continuing obligations indicated in the Contract Documents, shall survive final payment, completion and acceptance of the Services and termination or completion of the Agreement.

15.3 Should any provision, paragraph, sentence, word or phrase contained in this Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable under the laws of the State of Florida, such provision, paragraph, sentence, word or phrase shall be deemed modified to the extent necessary in order to conform with such laws, or if not modifiable, then same shall be deemed severable, and in either event, the remaining terms and provisions of this Agreement shall remain unmodified and in full force and effect or limitation of its use.

15.4 Services shall not be subcontracted, transferred, conveyed, or assigned under this Agreement in whole or in part to any other person, firm or corporation without the prior written consent of the City.

15.5 The City of North Miami is exempt from Federal Excise and State taxes. The applicable tax exemption number or certificate shall be made available upon request.

15.6 This Agreement constitutes the sole and entire agreement between the Parties. No modification or amendments hereto shall be binding on either Party unless in writing and signed by both Parties.

15.7 This Agreement shall be construed and enforced according to the laws of the State of Florida. Venue in any proceedings between the Parties shall be in Miami-Dade County, Florida.

15.8 The City reserves the right to audit the records of the Contractor covered by this Agreement at any time during the provision of Services and for a period of three years after final payment is made under this Agreement.

15.9 The Contractor agrees that it shall not discriminate as to race, sex, color, creed, national origin, or disability, in connection with its performance under this Agreement.

15.10 The professional Services to be provided by Contractor pursuant to this Agreement shall be non-exclusive, and nothing herein shall preclude the City from engaging other firms to perform Services.

15.11 This Agreement shall be binding upon the Parties herein, their heirs, executors, legal representatives, successors and assigns.

15.12 The Contractor agrees to comply with and observe all applicable federal, state, and local laws, rules, regulations, codes and ordinances, as they may be amended from time to time.

15.13 All other terms and conditions set forth in the Contract Documents which have not been modified by this Agreement, shall remain in full force and effect.

15.14 This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute one and the same Agreement.

(The remainder of this page is intentionally left blank)

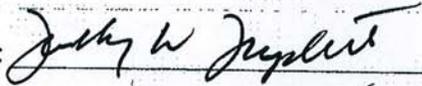
IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective proper officers duly authorized the day and year first written above.

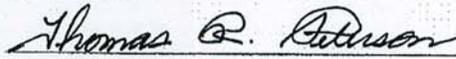
ATTEST:

Black & Veatch Corporation, a foreign for-profit corporation:

Corporate Secretary or Witness:

"Contractor"

By: 

By: 

Print Name: Timothy W. Triplett

Print Name: Thomas R. Peterson

Title: Exec VP & Secretary

Title: Vice President

Date: 7-27-11

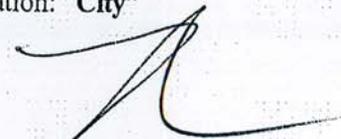
Date: 07/22/2011

Approved by Legal(Boltz/Grimaldi) 07/22/2011.
Approved by PM(Bryant) e-mail 07/22/2011.

ATTEST:

City of North Miami, a Florida municipal corporation: **"City"**

By: 
Michael A. Etienne
City Clerk

By: 
Russell Benford
City Manager

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: 
Lynn Whitfield
City Attorney