

**FOURTEENTH AMENDMENT  
TO AGREEMENT**

**THIS FOURTEENTH AMENDMENT** (the “Fourteenth Amendment”) to the Continuing Contract for Professional Services is made and entered into **this 18th day of June, 2008** by and between the CITY OF NAPLES, a Florida Municipal Corporation (the “City”), and **Tetra Tech, Inc. - Hartman and Associates, Inc.** (the “Consultant”).

**WITNESSETH**

**WHEREAS**, the City and the Consultant entered into that certain Continuing **Contract for Professional Services, dated October 1, 2003 (Resolution 03-10207)** (the “Original Agreement”) for **public works/treatment plant processes design services** (‘Project’); and

**WHEREAS**, the parties desire to amend the Original Agreement by this Fourteenth Amendment **to reevaluate the relationship between the water and irrigation water rates.**

**NOW, THEREFORE**, for good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the mutual covenants, promises and conditions herein set forth, it is hereby acknowledged and agreed as follows:

1. The above recitals are true and correct and are incorporated herein by this Reference.
2. “Article Four, Compensation” shall be amended in accordance with Exhibit “A” attached hereto and incorporated herein for the provision of additional fees by the Contractor **in the amount not-to-exceed \$35,200.00 to reevaluate the relationship between the water and irrigation water rates and to review and evaluate the current impact fee rate structure and make recommendations.**
3. The terms of this Fourteenth Amendment shall control and take precedence over any and all terms, provisions and conditions of Original Agreement which might vary, contradict or otherwise be inconsistent with the terms and conditions hereof. All of the other terms, provisions and conditions of Original Agreement, except as expressly amended and modified by this Fourteenth Amendment, shall remain unchanged and are hereby ratified and confirmed and shall remain in full force and effect.
4. This Fourteenth Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original as against any part whose signature appears thereon and all of which shall together constitute one and the same instrument.

**IN WITNESS WHEREOF**, the City and the Consultant have caused this Fourteenth Amendment to be duly executed by their duly authorized officers, all as of the day and year first above written.

**CITY:**

**ATTEST:**

**CITY OF NAPLES, FLORIDA**

By: \_\_\_\_\_  
Tara Norman, City Clerk

By: \_\_\_\_\_  
A. William Moss, City Manager

Approved as to form and legal sufficiency:

By: \_\_\_\_\_  
Robert D. Pritt, City Attorney

**Tetra Tech, Inc. - Hartman and Associates, Inc.**

\_\_\_\_\_  
Witness

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Scope of Services

It is the Consultant's understanding that the City desires a study to identify the appropriate level of user rates for customers both inside and outside the city limits for water and reclaimed water rates. The rate study, to the extent practical, will utilize a cost of service approach to establish user rates based on the needs of the community and utility. Such a study, pursuant to available data, will: (i) identify the characteristics of customer classes; (ii) delineate the fiscal requirements by rate and functional activities; and (iii) identify appropriate levels of rates and charges based on a test year of fiscal year 2007/08 or other test year as may be selected during the course of the assignment. This scope of services

recognizes that much of the required data has already been gathered and analyzed in previous assignments.

### Task 1 – Customer and Operating Data Analysis and Forecast

Task 1 of the rate study consists of developing the basis for meaningful and defensible current and projected customer classifications, demands, growth, usage patterns and operating performance. It is understood that computerized information regarding the individual customer characteristics is readily available and will be provided.

Much of the analyses performed in this phase also provides the foundation for establishing rates, identifying cost of service differentials, projecting system growth, identifying capital needs and forecasting the utility performances.

### Task 2 – Development of Test Year and Forecasting of Fiscal Requirements

The second task of the study involves development of the test year fiscal requirements and basis to project such into the near future. Development of the test year fiscal requirements commences with the current approved budget. The Consultant will consider each line item and make adjustments as necessary to reflect changes that either are or are anticipated to occur. The test year fiscal requirements will then be allocated to the functional operational services (water, reclaimed water, bulk, etc.) for further use. This process includes a review and reconciliation of the current cost allocation methodology and determination of the appropriateness and adequacy of the budget in both current and projected environments.

Forecasts of future fiscal requirements incorporate all elements of the utility's operations. For example, customer growth, inflation, labor requirements, levels of services, debt, capital structure, and many other items are considered. These items are quantified and provide the basis for referenced escalators, or deflators, to effectively adjust each line item of the fiscal requirements. These forecasts are especially important for several reasons. First, they identify the sufficiency of the modified/adjusted rates for future years and serve as an effective management tool to identify the feasibility and direction of policies affecting the utility. Second, they form the basis to identify the potential debt capacity or availability of self generated funds to conduct future capital improvements. Third, they provide important benchmarks to measure operational activities.

In this task, the Consultant will work closely with the City staff to obtain an accurate portrayal of future operating and maintenance expenses, as well as changes in the debt service due to capital improvements or facilities expansion.

### Task 3 – Rate Design

This task involves the identification and selection of the proper rate structure, rate structure components, and allocation of costs to the rate structure components. Generally it is expected

that the current rate structure will be retained for purposes of this rate study. However, in allocating cost between water and reclaimed water, the sensitivities of alternative rate structures, rate components, and levels of charges are will be reviewed.

Comparisons between existing and proposed customer charges, and varying ranges of usage, are developed to better understand the impact on all customer classes. This is conducted on both an individual and combined system basis, since one increase may be offset or dampened by an increase for other utility services due to the recognition of rate structure changes. Also included will be a comparison of the City's water, and reclaimed water rates (existing and proposed) compared to rates of other utilities. To the extent possible, the goal is to modify and adjust the current rate structure so as to facilitate not only customer understanding and ease of administration but also to avoid rate shock to customers.

#### Task 4 - Financial Projections and Computer Model

All of the previous work establishes the basis for a dynamic computer model, which is designed to accommodate all elements of the utility for financial purposes. The computer model is generally developed in a user friendly spreadsheet format. Individual work pages provide for a step by step approach for customer data, budgets, capital programming, rate design, revenue sufficiency, "what if" scenarios, and documentation schedules to assist with issuing bond debt.

#### Task 5 – Review of Impact Fee Structure

In addition to the above the Study will review and evaluate the City's current impact fee structure and make any recommendations for adjustment. Since the impact fees were established as part of the 2007 Rate Study the particular level of the fees will not be addressed. Rather this review will identify alternative equitable means for recovering impact fees from new connections.

#### Task 6 – Meetings

Two (2) meetings with City staff will be conducted during this engagement. It is anticipated that the first meeting will be during data acquisition to further clarify goals and objectives. The second meeting will be scheduled to review the draft rate study report.

#### Task 7 – Report Preparation and Presentation to City Council

Five (5) copies of a draft report will be provided to the City for comments. After consideration of City staff comments, the draft system development charge report will be finalized, and ten (10) copies of the final report delivered to the City. This Task also includes three (3) presentations at public hearings.

### Items To Be Furnished At No Expense to the Consultant

City will assist Consultant by furnishing, at no cost to the Consultant, all available pertinent information including previous reports; financial statements, budgets, cost estimates, customer data, and any other data relative to performance of the above services for the project. It is agreed and understood that the accuracy and veracity of said information and data may be relied upon by Consultant without independent verification of the same.

### Time of Performance

The Scope of Services will be completed within ninety (90) calendar days after receipt of Notice to Proceed except for delays beyond the reasonable control of the Consultant. Said representation is not, however, a warranty or guarantee that said services will be completed within such time frame.

### Fees to be Paid

For the Scope of Services, the Consultant shall be paid a lump sum fee, including reimbursable expenses, of Thirty Two Thousand Eight Hundred Sixty Dollars (\$32,860) as detailed in Attachments A and B.

Payments, which are not received within sixty (60) calendar days from the date of invoice, will be considered sufficient cause for Consultant to discontinue performing and providing services until payment in full is received. If Consultant is required to take action to collect past due invoices, the City will pay all legal fees and costs.

Invoices for services rendered are prepared monthly and are due and payable upon receipt. Past due statements shall include interest from the date of invoice at a compound interest rate of one and one-half (1½ %) percent per month or the maximum allowed by law.

City agrees to pay such invoice within the time frame specified in Section 218.70 et seq., Florida Statutes, the "Florida Prompt Payment Act".

This contract shall be governed by the laws of the State of Florida and the appropriate venue for any actions arising out of the agreement would be Orlando, Florida.

### Modification to the Terms of this Agreement

In the event Client issues a Purchase Order or Memorandum or other Instrument covering the professional services described herein, it is hereby specifically agreed and understood that such Purchase Order, Memorandum, or Instrument is for Client internal control purposes only and any and all terms and conditions contained therein, whether printed or written, shall be of no force or effect. This contract is the entire contract between the parties and there is no

modification or waiver of any of the terms and conditions herein unless signed by both parties.

#### Termination

This Agreement may be terminated by either party by giving thirty (30) days advance written notice. The Consultant shall be paid for services rendered to the date of termination on the basis of a reasonable estimate of the portion of services completed prior to termination and shall be paid for all reasonable expenses resulting from such termination and for any unpaid reimbursable expenses.

#### Ownership and Use of Documents

Drawings, specifications, and electronic data files as instruments of service are and shall remain the property of the Consultant whether the project for which they are made is executed or not. The Client shall be permitted to retain copies, including reproducible copies, of drawings, specifications, and hard copies of electronic data files for information and reference in connection with the Client's use and occupancy of the project.

**ATTACHMENT A**  
**WATER AND IRRIGATION WATER RATE STUDY**  
**FEE BREAKDOWN BY TASK**

Task	Senior Management Consultant		Senior Rate Analyst		GIS Analyst		Word Processor		Total	
	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$
1. Customer and Operating Data Analysis and Forecast	8	\$ 1,480	16	\$ 1,600	4	\$ 320	-	\$ -	28	\$ 3,400
2. Development of Test Year and Forecasting of Fiscal Requirements	8	1,480	16	1,600	-	-	-	-	24	3,080
3. Rate Design	8	1,480	16	1,600	-	-	-	-	24	3,080
4. Financial Projections and Computer Model	4	740	24	2,400	-	-	-	-	28	3,140
5. Review of Impact Fee Structure	8	1,480	32	3,200	-	-	-	-	40	4,680
6. Meetings	16	2,960	16	1,600	-	-	2	110	34	4,670
7. Report Preparation and Presentation to City Council	40	7,400	40	4,000	-	-	10	550	90	11,950
	92		160		4		12		268	\$ 34,000

Direct Costs      \$ 1,200  
Total                      \$ 35,200

**TETRA TECH  
HOURLY RATE SCHEDULE  
2007 STANDARD RATES**

Management VI.	\$ 235.00
Management VII.	\$ 235.00
Eng.Proj Mgr Sr Engineer PM.	\$ 185.00
Sci.Proj Mgr Sr Scientist S.	\$ 180.00
Eng.Proj Mgr II Engineer PM.	\$ 170.00
Sci.Scientist VI.	\$ 155.00
Construction Director	\$ 145.00
Survey.Survey Manager.	\$ 135.00
Eng.Engineer VI.	\$ 130.00
Eng.Proj Mgr I Engineer PM.	\$ 130.00
Eng.Engineer V.	\$ 120.00
Eng.Engineer IV.	\$ 110.00
Sci.Scientist IV.	\$ 105.00
Finance.Financial Analyst I.	\$ 100.00
Sci.Scientist III.	\$ 100.00
Cadd.Cadd Designer IV.	\$ 95.00
Cadd.Cadd Manager.	\$ 95.00
Eng.Engineer III.	\$ 95.00
Survey.Survey Party Chief.	\$ 95.00
Technician.Technician VI.	\$ 95.00
Technician.Technician IV.	\$ 90.00
Cadd.Cadd Drafter II.	\$ 85.00
Admin.Administrative Assistant III.	\$ 80.00
Eng.Engineer II.	\$ 80.00
GIS.GIS Analyst IV.	\$ 80.00
Sci.Scientist II.	\$ 80.00
Survey.Survey Technician IV.	\$ 80.00
Admin.Project Assistant III.	\$ 75.00
Eng.Engineer I.	\$ 75.00
GIS.GIS Analyst III.	\$ 75.00
Sci.Hydrologist I.	\$ 75.00
Finance.Accounting Clerk IV.	\$ 70.00
Marketing.Marketing Asst III.	\$ 70.00
Finance.Accounting Clerk III.	\$ 65.00
Finance.Accounting Clerk II.	\$ 60.00
Technician.Technician II.	\$ 60.00
Admin.Admin Support II.	\$ 55.00
Admin.Admin Support III.	\$ 55.00
Admin.Project Assistant II.	\$ 55.00
Cadd.Cadd Drafter I.	\$ 50.00
Survey.Survey Technician I.	\$ 50.00

Effective Date: January 1, 2007 (Hourly rates are reviewed periodically and may be adjusted to reflect changes in the various elements that comprise them). Other direct costs, subconsultants and reimbursable expenses will be billed at cost times a factor of 1.15.