



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Office of the Mayor

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MEMO

Date: July 28, 2011

To: Rapid City Common Council

From: Sam Kooiker, Mayor

RE: Solid Waste Rate Study

At the regular City Council meeting on Monday, July 18, 2011, the Council approved item number 12 – Authorize Mayor and Finance Officer to Sign a Professional Services Agreement with HDR Engineering, Inc. for the Solid Waste Rate Study, Project No. SW11-1940 / CIP No. 50862, in the amount of \$99,366.00.

Since the vote, questions and concerns have been separately raised by at least five (5) council members regarding this agreement. Because no one on the council signaled their intent to reconsider this item, at the time of the vote, the vote is final unless it is vetoed. I am therefore vetoing this action, as this is the only way the questions can be answered. I appreciate the council members for expressing their concerns, and at this point a Veto is the only way for their concerns to be addressed.

I have included the State statute that outlines the veto power of the Mayor:

SDCL § 9-8-3. Powers and duties of mayor--Veto power. The mayor shall preside at all meetings of the council but shall have no vote except in case of a tie. He shall perform such other duties as may be prescribed by the laws and ordinances, and take care those laws and ordinances are faithfully executed. He shall annually and from time to time give the council information relative to the affairs of the first or second class municipality, and shall recommend for their consideration such measures as he may deem expedient. **He shall have the power to sign or veto any ordinance or resolution passed by the common council, and the power to veto any part or item of an ordinance or resolution appropriating money.**

(emphasis added.)



EQUAL OPPORTUNITY EMPLOYER

REQUEST AUTHORIZATION FOR MAYOR AND FINANCE OFFICER TO SIGN PROFESSIONAL SERVICES AGREEMENT OR AMENDMENT

Date: July 12, 2011

Project Name & Number: Solid Waste Rate Study; Project No. SW11-1940

CIP #: 50862

Project Description: Conduct Solid Waste Rate Study for establishment of solid waste rates for a minimum of five years. The study will include establishment of a rate structure for all components of the solid waste stream and development of a solid waste rate model.

Consultant: HDR Engineering, Inc.

Original
Contract Amount: \$99,366.00

Original
Contract Date: July 18, 2011

Original
Completion Date: January 13, 2011

Addendum No:

Amendment Description:

Current Contract Amount: _____
Change Requested: _____
New Contract Amount: _____ \$0.00

Current Completion Date: _____
New Completion Date: _____

Funding Source This Request:

\$25,000.00	7101	4223	612	
\$30,000.00	7102	4223	615	
\$44,366.00	7103	4223	616	
\$99,366.00	Total			

Agreement Review & Approvals

[Signature] 6-27-11
Project Manager Date

[Signature] 6/27/11
Compliance Specialist Date

City Attorney Date

[Signature] 6-27-11
Division Manager Date

[Signature] 6-27-11
Department Director Date

ROUTING INSTRUCTIONS

Route two originals of the Agreement for review and signatures.
Finance Office - Retain one original
Project Manager - Retain second original for delivery to Consultant
cc: Public Works
Engineering
Project Manager

FINANCE OFFICE USE ONLY

(Note to Finance: Please write date of Agreement in appropriate space in the Agreement document)

	Date	Initials	Approved	
Appropriation			Y	N
Cash Flow			Y	N

**Agreement Between City of Rapid City and HDR Engineering, Inc.
for Professional Services for Solid Waste Rate Study, Project No. SW11-1940 / CIP
No. 50862**

AGREEMENT made July 18, 2011, between the City of Rapid City, SD (City) and HDR Engineering, Inc., (Engineer), located at 3820 Jackson Boulevard Suite 1, Rapid City, South Dakota 57702. City intends to obtain services for a Solid Waste Rate Study, Project No. SW11-1940, CIP No. 50862. The scope of services is as described in Exhibits A and B.

The City and the Engineer agree as follows:

The Engineer shall provide professional engineering services for the City in all phases of the Project as defined in Exhibits A and B, serve as the City's professional engineering representative for the Project, and give professional engineering consultation and advice to the City while performing its services.

Section 1—Basic Services of Engineer

1.1 General

- 1.1.1 The Engineer shall perform professional services described in this agreement, which include customary engineering services. Engineer intends to serve as the City's professional representative for those services as defined in this agreement and to provide advice and consultation to the City as a professional. Any opinions of probable project cost, approvals, and other decisions provided by Engineer for the City are rendered on the basis of experience and qualifications and represent Engineer's professional judgment.
- 1.1.2 All work shall be performed by or under the direct supervision of a professional Engineer licensed to practice in South Dakota.
- 1.1.3 All documents including Drawings and Specifications provided or furnished by Engineer pursuant to this Agreement are instruments of service in respect of the Project and Engineer shall retain an ownership therein. Reuse of any documents pertaining to this project by the City on extensions of this project or on any other project shall be at the City's risk. The City agrees to defend, indemnify, and hold harmless Engineer from all claims, damages, and expenses including attorney's fees arising out of such reuse of the documents by the City or by others acting through the City.



1.2 Scope of Work

The Engineer shall:

- 1.2.1 Consult with the City, other agencies, groups, consultants, and/or individuals to clarify and define requirements for the Project and review available data.
- 1.2.2 Perform the tasks described in the Scope of Services. (See Exhibits A and B.)

Section 2—Information Provided by City

The City will provide any information in its possession for the project at no cost to the Engineer.

Section 3—Notice to Proceed

The City will issue a written notification to the Engineer to proceed with the work. The Engineer shall not start work prior to receipt of the written notice. The Engineer shall not be paid for any work performed prior to receiving the Notice to Proceed.

Section 4—Mutual Covenants

4.1 General

- 4.1.1 The Engineer shall not sublet or assign any part of the work under this Agreement without written authority from the City.
- 4.1.2 The City and the Engineer each binds itself and partners, successors, executors, administrators, assigns, and legal representatives to the other party to this agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, regarding all covenants, agreements, and obligations of this agreement.
- 4.1.3 Nothing in this agreement shall give any rights or benefits to anyone other than the City and the Engineer.
- 4.1.4 This agreement constitutes the entire agreement between the City and the Engineer and supersedes all prior written or oral understandings. This agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.



- 4.1.5 The Engineer shall make such revisions in plans which may already have been completed, approved, and accepted by the City, as are necessary to correct Engineer's errors or omissions in the plans, when requested to do so by the City, without extra compensation therefore.
- 4.1.6 If the City requests that previously satisfactorily completed and accepted plans or parts thereof be revised, the Engineer shall make the revisions requested by the City. This work shall be paid for as extra work.
- 4.1.7 If the City changes the location from the one furnished to the Engineer, or changes the basic design requiring a new survey for the portions so changed, the redesign will be paid for as extra work.
- 4.1.8 The City may at any time by written order make changes within the general scope of this Agreement in the work and services to be performed by the Engineer. Any changes which materially increase or reduce the cost of or the time required for the performance of the Agreement shall be deemed a change in the scope of work for which an adjustment shall be made in the Agreement price or of the time for performance, or both, and the Agreement shall be modified in writing accordingly. Additional work necessary due to the extension of project limits shall be paid for as extra work.
- 4.1.9 Extra work, as authorized by the City, will be paid for separately and be in addition to the consideration of this Section.
- 4.1.10 For those projects involving conceptual or process development services, activities often cannot be fully defined during the initial planning. As the project does progress, facts and conditions uncovered may reveal a change in direction that may alter the scope of services. Engineer will promptly inform the City in writing of such situations so that changes in this agreement can be renegotiated.
- 4.1.11 This Agreement may be terminated (a) by the City with or without cause upon seven days' written notice to the Engineer and (b) by the Engineer for cause upon seven days' written notice to the City. If the City terminates the agreement without cause, the Engineer will be paid for all services rendered and all reimbursable expenses incurred prior to the date of termination.

If termination is due to the failure of the Engineer to fulfill its agreement obligations, the City may take over the work and complete it. In such case, the Engineer shall be liable to the City for any additional cost to the extent directly resulting from Engineer's action.



- 4.1.12 The City or its duly authorized representatives may examine any books, documents, papers, and records of the Engineer involving transactions related to this agreement for three years after final payment. All examinations will be performed at reasonable times, with proper notice. Engineer's documentation will be in a format consistent with general accounting procedures.
- 4.1.13 The City shall designate a representative authorized to act on the City's behalf with respect to the Project. The City or such authorized representative shall render decisions in a timely manner pertaining to documents submitted by the Engineer in order to avoid unreasonable delay in the orderly and sequential progress of the Engineer's services.
- 4.1.14 Costs and schedule commitments shall be subject to renegotiation for delays caused by the City's failure to provide specified facilities or information or for delays caused by other parties, excluding sub-contractors and sub-consultants, unpredictable occurrences including without limitation, fires, floods, riots, strikes, unavailability of labor or materials, delays or defaults by suppliers of materials or services, process shutdowns, acts of God, or the public enemy, or acts of regulations of any governmental agency or any other conditions or circumstances beyond the control of the City or Engineer. Temporary delays of services caused by any of the above which results in additional costs beyond those outlined may require renegotiation of this agreement.
- 4.1.15 The City will give prompt written notice to the Engineer if the City becomes aware of any fault or defect in the Project or nonconformance with the Project Documents.
- 4.1.16 Unless otherwise provided in this Agreement, the Engineer and the Engineer's consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to hazardous materials in any form at the project site, including but not limited to asbestos products, polychlorinated biphenyl (PCB), or other toxic substances.
- 4.1.17 In the event asbestos or toxic materials are encountered at the jobsite, or should it become known in any way that such materials may be present at the jobsite or any adjacent areas that may affect the performance of Engineer's services, Engineer may, at their option and without liability for consequential or any other damages, suspend performance of services on the project until the City retains



appropriate specialist CONSULTANT(S) or contractor(s) to identify, abate, and/or remove the asbestos or hazardous or toxic materials.

- 4.1.18 This agreement, unless explicitly indicated in writing, shall not be construed as giving Engineer the responsibility or authority to direct or supervise construction means, methods, techniques, sequences, or procedures of construction selected by any contractors or subcontractors or the safety precautions and programs incident to the work of any contractors or subcontractors.
- 4.1.19 Neither the City nor the Engineer, nor its Consultants, shall hold the other liable for any claim based upon, arising out of, or in any way involving the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials, or other irritants, contaminants, or pollutants.
- 4.1.20 Neither the City nor the Engineer, nor its Consultants, shall hold the other liable for any claim based upon, arising out of, or any way involving the specification or recommendation of asbestos, in any form, or any claims based upon use of a product containing asbestos.
- 4.1.21 Engineer hereby represents and warrants that it does not fail or refuse to collect or remit South Dakota or City sales or use tax for transactions which are taxable under the laws of the State of South Dakota.

4.2 City of Rapid City NonDiscrimination Policy Statement

In compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination act of 1975, the Americans with Disabilities Act of 1990, and other nondiscrimination authorities it is the policy of the City of Rapid City, 300 Sixth Street, Rapid City, SD 57701-5035, to provide benefits, services, and employment to all persons without regard to race, color, national origin, sex, disabilities/handicaps, age, or income status. No distinction is made among any persons in eligibility for the reception of benefits and services provided by or through the auspices of the City of Rapid City.

Engineer will permit access to any and all records pertaining to hiring and employment and to other pertinent data and records for the purpose of enabling the Commission, its agencies or representatives, to ascertain compliance with the above provisions.

This section shall be binding on all subcontractors or suppliers.



Section 5—Payments to the Engineer

5.1 Schedule of Pay Rates

The City will pay the Engineer for services rendered or authorized extra work according to the Engineer's hourly rate schedule. (See Exhibit C.)

5.2 Fee

The maximum amount of the fee for the services as detailed in Section 1.2 shall not exceed \$99,366.00 unless the scope of the project is changed as outlined in Section 4. If expenses exceed the maximum amount, the Engineer shall complete the design as agreed upon here without any additional compensation. Sub task dollar amounts may be reallocated to other tasks as long as the total fee is not exceeded. Prime consultant may not mark up sub-consultant or sub-contractor services.

5.3 Progress Payments

Monthly progress payments shall be processed by the City upon receipt of the claim as computed by the Engineer based on work completed during the month at the rates established in Section 5.1 and approved by the City.

Net payment to the Engineer shall be due within forty-five (45) days of receipt by the City.

Section 6—Completion of Services

The Engineer shall complete services on or before January 13, 2012 based on a Notice to Proceed date of July 19, 2011.

Section 7—Insurance Requirements

7.1 Insurance Required

The Engineer shall secure the insurance specified below. The insurance shall be issued by insurance company(s) acceptable to the City and may be in a policy or policies of insurance, primary or excess. Certificates of all required insurance including any policy endorsements shall be provided to the City prior to or upon the execution of this Agreement.

7.2 Cancellation

The Engineer will provide the City with at least 30 days' written notice of an insurer's intent to cancel or not renew any of the insurance coverage. The Contractor agrees to hold the City harmless from any liability, including



additional premium due because of the Contractor's failure to maintain the coverage limits required.

7.3 City Acceptance of Proof

The City's approval or acceptance of certificates of insurance does not constitute City assumption of responsibility for the validity of any insurance policies nor does the City represent that the coverages and limits described in this agreement are adequate to protect the Engineer, its consultants or subcontractors interests, and assumes no liability therefore. The Engineer will hold the City harmless from any liability, including additional premium due, because of the Engineer's failure to maintain the coverage limits required.

7.4 Specific Requirements

- 7.4.1 Workers' compensation insurance with statutory limits required by South Dakota law. Coverage B-Employer's Liability coverage of not less than \$500,000 each accident, \$500,000 disease-policy limit, and \$500,000 disease-each employee.
- 7.4.2 Commercial general liability insurance providing occurrence form contractual, personal injury, bodily injury and property damage liability coverage with limits of not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, and \$2,000,000 aggregate products and completed operations. If the occurrence form is not available, claims-made coverage shall be maintained for three years after completion of the terms of this agreement. The policy shall name the City and its representatives as an additional insured.
- 7.4.3 Automobile liability insurance covering all owned, nonowned, and hired automobiles, trucks, and trailers. The coverage shall be at least as broad as that found in the standard comprehensive automobile liability policy with limits of not less than \$1,000,000 combined single limit each occurrence. The required limit may include excess liability (umbrella) coverage.
- 7.4.4 Professional liability insurance providing claims-made coverage for claims arising from the negligent acts, errors or omissions of the Engineer or its consultants, in the amount of \$1,000,000 each occurrence and \$1,000,000 annual aggregate. Coverage shall be maintained for at least three years after final completion of the services.



Section 8—Hold Harmless

The Engineer hereby agrees to hold the City harmless from any and all claims or liability including attorneys' fees arising out of the professional services furnished under this Agreement, and for bodily injury or property damage arising out of services furnished under this Agreement, providing that such claims or liability are the result of a negligent act, error or omission of the Engineer and/or its employees/agents arising out of the professional services described in the Agreement.

Section 9—Independent Business

The parties agree that the Engineer operates an independent business and is contracting to do work according to his own methods, without being subject to the control of the City, except as to the product or the result of the work. The relationship between the City and the Engineer shall be that as between an independent contractor and the City and not as an employer-employee relationship. The payment to the Engineer is inclusive of any use, excise, income or any other tax arising out of this agreement.

Section 10-Indemnification

If this project involves construction and Engineer does not provide consulting services during construction including, but not limited to, onsite monitoring, site visits, site observation, shop drawing review and/or design clarifications, City agrees to indemnify and hold harmless Engineer from any liability arising from the construction activities undertaken for this project, except to the extent such liability is caused by Engineer's negligence.

Section 11-Controlling Law and Venue

This Agreement shall be subject to, interpreted and enforced according to the laws of the State of South Dakota, without regard to any conflicts of law provisions. Parties agree to submit to the exclusive venue and jurisdiction of the State of South Dakota, 7th Judicial Circuit, Pennington County.

Section 12-Severability

Any unenforceable provision herein shall be amended to the extent necessary to make it enforceable; if not possible, it shall be deleted and all other provisions shall remain in full force and effect.

Section 13—Funds Appropriation

If funds are not budgeted or appropriated for any fiscal year for services provided by the terms of this agreement, this agreement shall impose no obligation on the City for payment. This agreement is null and void except as to annual payments herein agreed upon for which funds have been budgeted or appropriated, and no right of action or



damage shall accrue to the benefit of the Engineer, its successors or assignees, for any further payments. For future phases of this or any project, project components not identified within this contract shall not constitute an obligation by the City until funding for that component has been appropriated.



IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

City of Rapid City:

Engineer:

MAYOR

William W. Brinker
HDR Engineering, Inc.

DATE: _____

DATE: June 23, 2011

ATTEST:

FINANCE OFFICER

Reviewed By:

Dan Coon
Dan Coon, PROJECT MANAGER

DATE: 6-27-11

City's Designated Project Representative:

Engineering Firm's Designated Project Representative:

NAME Dan Coon
PHONE (605) 394-4154
EMAIL Dan.Coon@rcgov.org

NAME J. Mike Coleman
PHONE (605) 977-7740
EMAIL j.mike.coleman@hdrinc.com



EXHIBIT A

SCOPE OF ENGINEERING SERVICES**SOLID WASTE RATE STUDY
PROJECT NO. SW11-1940 CIP 50862****PROJECT DESCRIPTION**

HDR will provide services related to completing a solid waste rate study including the establishment of a new rate structure. Existing Solid Waste Division information regarding services provided and costs and revenues associated with them will be reviewed and compiled in the study. A comparison of the City's existing rates and services provided with other regional facilities will also be completed.

To establish a new rate structure, HDR will develop a solid waste rate model that will be used to analyze costs and revenues associated with solid waste and recycling collection, landfilling, and the material recover facility (MRF)/compost building. The completed model will include a manual that will assist the City in updating the model with new costs, revenues, and commodity prices as they change in the future.

HDR will develop proposed ordinances necessary for implementation of the new rate structure, fees and policies resulting from the study. Also as part of the study, new types of solid waste and recycling ordinances will be reviewed and discussed with the City (e.g. a pay as you throw requirement that institutes new solid waste rates for residents depending on the size of their garbage cart).

Meetings will be held throughout the project with a Solid Waste Rate Study Committee. This will be done in a series of three meetings that will look at various solid waste rate related issues at key milestones of the project. A final report will be prepared that includes a summary of the rate study work completed, as well as a recommended new rate structure. A presentation to the public and City Council will be performed presenting the results and conclusions of the study.

SCOPE OF SERVICES**Task 0 - Kick-off Conference**

HDR will meet with City staff to detail project concept and scope. HDR will prepare an agenda, take minutes, and distribute minutes.

Task 1 – Compile and Review Existing Information

HDR will work with City staff members to identify, compile, and review existing information that is pertinent to development of a new solid waste rate structure.

The information to be reviewed under this task includes:

- The City's current rate structure, ordinances, and supporting documentation.
- The City's Solid Waste Management Plan and associated Technical Memorandums.
- The City's solid waste services user characteristics.
- Existing and proposed solid waste infrastructure Capital Improvement Plans.
- Historical solid waste operation and maintenance costs and characteristics.

To complete this review, HDR will complete the following activities:

Compile & Review Background Information: HDR will compile the existing information, ordinances, and materials that HDR has obtained as part of previous work with Rapid City including the Solid Waste Management Plan, as well as request and collect additional information for this project. This information gathered will be reviewed and used to establish the foundation of the rate study, as well as to analyze the City of Rapid City's solid waste user characteristics.

As part of the compile and review background information work, HDR will meet with City staff in Rapid City to discuss operations and planned capital improvements for the waste collection system, landfill, and MRF/compost building. HDR will review facility features and major equipment, perform a general review of City operating and maintenance costs, and review current maintenance/replacement schedules of major equipment. HDR will not perform a detailed review of past maintenance records as part of this 1 ½ day meeting. The goal of the meeting is for HDR to develop an understanding of the operational costs and revenues associated with the waste collection system, landfill and the MRF/compost building. The meeting will be attended by two (2) HDR staff members.

Regional Comparison: HDR will complete a comparison of the City of Rapid City's solid waste rates and services with other municipalities in South Dakota and Wyoming.

Task 2 – Development of Rate Structure

HDR will develop a solid waste rate structure which considers the following factors:

- Cost of service analysis for the services provided and waste streams disposed of by the Solid Waste Division.
- Current and future cost of providing solid waste services.
- Funding of anticipated solid waste operation, maintenance, and capital costs.
- Funding requirements of current and anticipated long-term liabilities and debt obligations.

- Age and condition of solid waste infrastructure and equipment and the need to fully fund long-term capital improvement, replacement and expansion related infrastructure and equipment.
- Equity of rates for different types of services provided and types of waste disposed.
- Service fee structure for the Solid Waste Division's services through May 2017.
- Stable and predictable revenue stream for the Solid Waste Division.
- Alternative revenue sources such as state and federal loans and grants.
- Recommended solid waste enterprise fund reserve amounts.
- Compatibility with the City's Utility Billing System.
- Ability of rate structure to be easily understood and administered.

The following is a list of the activities that will be completed as part of this task to develop the rate structure as described above.

Funding Sources: HDR will review and identify potential funding sources through state and federal programs that could assist in financing future capital improvement projects.

Rate Structure Assumptions Conference: HDR will lead a conference call with City staff to discuss several financial assumptions that will be used in the development of the new rate structure. These assumptions include: debt, financing, amortization and cost recovery, facility and equipment life, escalation/inflation, cost reserves, contingencies, and long-term liabilities. Financial assurance planning and how to develop sound financial policies will also be discussed.

Develop Rate Model: In order to establish the new rate structure, HDR will expand the Solid Waste Rate Model that was updated by HDR as part of the Solid Waste Management Plan project. The completed model will be in Microsoft Office Excel 2007 format and will assess rates based on capital improvement plan budgets, operational budgets, and revenues. The model will be used to forecast a revenue stream based on establish rates for the Solid Waste Division. Features of the model will include:

- Budget code line items
- Capital outlay funding plan
- Debt financing
- Summary output by year
- Program modules for projected expenses, revenues, and diverted recyclables
- Future landfill gas-to-energy affect on rates
- Graphical reports that can be used to assist in communicating the rate structure to City staff and the public

As part of the rate model preparation, HDR will develop a User Manual specific to the Rapid City model. The City will identify what type of output reports and graphs they require. A draft Solid Waste Rate Model and User Manual will be submitted to the City for review. City comments will be incorporated into a final version of the Model and User Manual as mutually agreed upon by the City and HDR.

Billing System Review: The rate structure that is generated from the rate model will be reviewed for compatibility with the City's existing Utility Billing System.

Task 3 – Interaction with City Council and Public

As part of this task, HDR will have meetings and conference calls to interact with City staff and members of a City established Solid Waste Rate Committee. Conference calls will be conducted with City staff periodically throughout the study to discuss the details, administration, and refinement of the study. The following is a description of the meetings and workshops to be completed.

Solid Waste Rate Committee Meeting No. 1: HDR will lead a total of three meetings with the Solid Waste Rate Committee at key milestones throughout the study. The primary purpose of the first meeting (Solid Waste Rate Committee Meeting No. 1) will be to outline the study approach and key issues to meeting attendees. Assumptions and background data to be used in the rate study will also be discussed. A question and comment period will be part of the meeting. The meeting will be attended by two (2) HDR staff members. HDR will prepare meeting minutes and distribute to all meeting attendees.

Solid Waste Rate Committee Meeting No. 2: The purpose of Solid Waste Rate Committee Meeting No. 2 will be to outline fee structure options including pay as you throw type pricing, discuss services provided by the City of Rapid City compared to other communities in the region and how current rates compare. A question and comment period will be part of the meeting. The meeting will be attended by two (2) HDR staff members. HDR will prepare meeting minutes and distribute to all meeting attendees.

Solid Waste Rate Committee Meeting No. 3: The purpose of Solid Waste Rate Committee Meeting No. 3 will be to present the results of the study. A question and comment period will be part of the meeting. Comments received as part of this meeting will be incorporated into the final report which will be presented to the public and City Council as described in the *Final Report Presentation* subtask below. The meeting will be attended by two (2) HDR staff members. HDR will prepare meeting minutes and distribute to all meeting attendees.

Final Report Presentation: A presentation to the public and City Council will be performed presenting the results and conclusions of the rate study. The presentation will be made after applicable comments from the Solid Waste Rate Committee Meeting No. 3 are incorporated into the final rate study report. The meeting will be attended by two (2) HDR staff members. HDR will prepare a Microsoft Office PowerPoint presentation for the meeting.

Task 4 – Development of Ordinances

HDR will develop proposed ordinances necessary for implementation of the final rate structure, fees and policies resulting from this project. The development of these ordinances will be done with interaction and coordination with City Attorney's office. Also as part of the task, instituting new types of solid waste and recycling ordinances will be discussed with the City, including pay as you throw requirements, curbside yardwaste disposal, and senior rates.

Task 5 – Documentation of Rate Structure

HDR will document the final approved rate structure, the process used and alternatives presented in development of the solid waste rates. This will be completed through the following activities.

Draft Report Preparation: HDR will prepare a report summarizing the results of the rate study. The report will include an introduction, overview of utility rate setting principals, discussion of pay as you throw pricing, revenue requirements and rate design, recommended rate structure for solid waste rates through May 2017, and supporting tables and proformas.

Final Report Preparation: HDR will incorporate applicable comments from City staff and Solid Waste Rate Committee Meeting No. 3 into the draft report. The updated final report will be submitted to the City in paper and electronic format.

Rate Model User Workshop: HDR will lead a half day workshop to provide hands-on training of the Solid Waste Rate Model. The workshop will be in Rapid City and attended by up to two (2) HDR staff members. The User Manual developed under task 1.5 will be utilized during the training.

PROJECT SUBMITTALS

Project Submittals shall include:

- Kick-off Meeting Agenda and Minutes
- Background Information Review Meeting (described in Task1) Agenda, Handouts and Meeting Materials
- Solid Waste Rate Committee Meeting No. 1 Agenda and Minutes
- Rate Model Assumptions Conference Call Agenda and Minutes
- Rate Model in Microsoft Office Excel 2007 Format
- Rate Model User Workshop Agenda, Handouts and Meeting Materials
- Solid Waste Rate Committee Meeting No. 2 Agenda and Minutes
- Draft Final Report
- Solid Waste Rate Committee Meeting No. 3 Agenda and Minutes
- Final Report
- Final Report Presentation in Microsoft Office PowerPoint 2007 and Handouts

ANTICIPATED SCHEDULE

Based on a notice to proceed date of July 19, 2011, the following schedule is anticipated. Meeting and submittal dates will be discussed at the Kick-off meeting and may be changed if mutually agreeable to both HDR and the City.

- July 25, 2011: Kick-off Meeting
- July through September 12, 2011: Compile and Review Existing Information
- During the week of August 15, 2011: Solid Waste Rate Committee Meeting No. 1
- August through December, 2011: Review and Develop Ordinance Recommendations
- August through December, 2011: Document Rate Structure
- September through November, 2011: Develop Rate Structure
- September 26, 2011: Solid Waste Rate Committee Meeting No. 2
- November 14, 2011: Draft Final Report Submitted to City
- December 5, 2011: Solid Waste Rate Committee Meeting No. 3
- December 16, 2011: Final Report Submitted to City
- January 9, 2012: Final Report Presentation
- January 13, 2012: Project Complete

EXHIBIT B
 CITY OF RAPID CITY - SOLID WASTE RATE STUDY
 PROJECT NO. SW11-1940 CIP 50662

LABOR												EXPENSES						TOTALS		
Labor Category	Project Principal	Project Manager	QA/QC	Sr Technical Engineer	Sr Technical Engineer	Senior Project Engineer	Senior Rates Analyst	Senior Project Engineer	Project Engineer	Accounting / Admin	Hours Total	Labor Total	Postage	Travel	Tech Charge	Printing	Telephone	Expense Total Cost \$		
	Brinker	Coleman	Gouli	Fryklind	Dempsey	Evans	Pierce	Callab	Yerdon	Schwebach	Hours									
Billing Rate	\$200	\$195	\$195	\$195	\$195	\$180	\$180	\$180	\$110	\$80										
TASKS																				
Task 0 - Kick-Off Conference																				
A. Kick-Off Conference		4	1			8				2	19	\$2,065		\$2,000	\$68				\$2,068	\$4,151
Task 1 - Compile and Review Existing Information																				
A. Compile & Review Background Information		1	1	1	24	4	34	6	32	4	109	\$16,180			\$403				\$607	\$18,337
B. Regional Comparison							2			8	10	\$1,200			\$37				\$37	\$1,237
Task 2 - Development of Rate Structure																				
A. Funding Sources			1				2			8	11	\$1,395			\$41				\$41	\$1,436
B. Rate Model Assumptions Conference			1				2	4	2		14	\$2,315			\$52		\$20		\$124	\$2,439
C. Develop Rate Model	1	2	1			2	40	80		2	108	\$17,225			\$400	\$16			\$609	\$18,034
D. Billing System Review			1			4					5	\$935			\$19				\$19	\$954
Task 3 - Interaction with City Council and Public																				
A. Solid Waste Rate Committee Meeting No. 1		4	12			8				1	23	\$4,140		\$2,000	\$85	\$10			\$2,095	\$6,235
B. Solid Waste Rate Committee Meeting No. 2		4				6				1	11	\$1,800		\$2,000	\$41	\$10			\$2,051	\$3,851
C. Solid Waste Rate Committee Meeting No. 3		4				6				1	11	\$1,800		\$2,000	\$41	\$10			\$2,051	\$3,851
D. Final Report Presentation		4				16				1	21	\$3,400		\$2,000	\$78	\$10			\$2,088	\$5,488
Task 4 - Development of Ordinances																				
A. Ordinance Review		8	1			15		4		2	31	\$5,075			\$115				\$229	\$5,304
Task 5 - Documentation of Rate Structure																				
A. Draft Report Preparation		1	1			2	40	40		1	85	\$13,670	\$50		\$315	\$100			\$778	\$14,349
B. Final Report Preparation		1	1			2	16	16		2	40	\$6,245	\$50		\$146	\$100			\$298	\$6,643
C. Rate Model User Workshop		1	1			2	16	16			26	\$4,290		\$2,000	\$98	\$10			\$2,208	\$6,498
Total	3	41	20	24	4	114	108	170	16	18	518	\$83,518	\$100	\$12,000	\$1,917	\$260	\$20		\$16,851	\$99,366

EXHIBIT C

SCHEDULE OF PAY RATES
HDR ENGINEERING, INC.
FEE SCHEDULE

SOLID WASTE RATE STUDY
PROJECT NO. SW11-1940 CIP 50862

City of Rapid City, South Dakota

The following fee schedule is the 2011 Billable Rate Fee Schedule for HDR Engineering, Inc. This fee schedule and the hourly rates shown apply to the above referenced project. In instances where a discipline not listed below is required for the project, the billing rate will be prior submitted to the City.

<u>DISCIPLINE</u>	<u>BILLING RATE/HR</u>
Project Principal	\$200.00
Project Manager	\$195.00
Senior Project Engineer	\$160.00
Senior Rates Analyst	\$160.00
Project Engineer	\$110.00
Architect	\$150.00
Structural Engineer	\$160.00
Mechanical Engineer	\$160.00
Electrical/Instrumentation Engineer	\$160.00
CADD/BIM	\$ 95.00
Senior Technical Engineer - QA/QC	\$195.00
Resident Project Representative (RPR)	\$110.00
Senior Construction Manager	\$150.00
Accounting / Admin	\$ 60.00
<u>DIRECT EXPENSES</u>	
Vehicle Mileage	\$ 0.50/Mile

OTHER REIMBURSABLE EXPENSES

Reimbursable expenses shall mean the actual expenses incurred directly or indirectly in connection with the project for transportation travel, subconsultants, printing, telephone, fax, shipping and express, and other incurred expenses.