

## **PROFESSIONAL SERVICES CONTRACT**

**THIS AGREEMENT**, made this 10th day of February, 2020 between the City of Marquette, hereinafter called "City" and Raftelis Financial Consultants, Inc., a North Carolina corporation, hereinafter called "Consultant".

**WITNESSETH:** That for and in consideration of the payments and agreements hereinafter mentioned the parties hereby agree as follows:

### **Article 1**

#### **Project Name**

The name of the Project shall be Professional Services to Prepare a Utility Financial Plan Update.

### **Article 2**

#### **Scope of the Work**

Consultant shall furnish all the material, services, supplies, tools, equipment, labor and other engineering services necessary to perform work as described in the Consultant's proposal to City (attached as Exhibit A).

### **Article 3**

#### **Time of Completion**

The completion date of this project is October 1, 2020.

### **Article 4**

#### **Terms and Conditions**

Consultant shall perform the services outlined in this Agreement for the stated fee arrangement.

#### **ACCESS TO SITE:**

City will arrange and provide access to each site upon which it will be necessary for Consultant to perform its work unless otherwise stated in the proposal. In the event work is required on any site not owned by City, City represents and warrants to Consultant that City has obtained all necessary permission and authority, in writing, for Consultant to enter upon the site and conduct its work. City shall, upon request, provide Consultant with evidence of such permission as well as acceptance of the other terms and conditions set forth herein by the owner(s) and tenant(s), if applicable, of such site(s) in a form acceptable to Consultant, which Consultant also agrees to abide by. Any work performed by Consultant with respect to obtaining permission to enter upon and do work on the lands of others, as

well as any work performed by Consultant pursuant to this Agreement, shall be deemed as being done on behalf of City. Consultant shall take reasonable measures and precautions to minimize damage to each site and any improvements located thereon as the result of its work and the use of its equipment and shall reasonably restore the site to its prior condition.

**FEE:**

Services and reimbursable costs will be billed on a monthly basis as per the proposal requirements, but the total amount to be paid by City for such services and costs shall not exceed \$24,901.

**BILLINGS/PAYMENTS:**

Consultant shall invoice for services rendered and reimbursable costs incurred on a monthly basis. Each invoice shall be due and payable within sixty (60) days of the date of the invoice. Invoices over sixty (60) days past due may be charged interest on the unpaid balance at the highest lawful rate as allowed under Michigan Law. Consultant may, after ten (10) days' written notice to City, suspend performance of services until all past due amounts are paid.

**TERMINATION:**

City, at its sole discretion, may terminate this Contract for convenience or abandon any portion of the Project for which services have not been performed by Consultant, upon fourteen (14) days written notice delivered to Consultant personally, by email or by certified mail at Consultant's address below.

Immediately after receiving such notice, Consultant shall discontinue advancing the services under this Contract and proceed to close the operations under this Contract. Consultant shall appraise the services it has completed and submit an appraisal to City for evaluation. City shall have the right to inspect Consultant's work to appraise the services completed.

Consultant shall deliver to City all drawings, specials provisions, field survey notes, reports, estimates and all other documents or work product generated by Consultant under the Contract, entirely or partially completed, together with all unused materials supplied by City.

In the event of such termination or abandonment, Consultant shall be paid for services performed prior to receipt of said notice of termination, including reimbursable expenses then incurred.

If the remuneration scheduled hereunder is based on a fixed fee or definitely ascertainable sum, the portion of such sum payable shall be proportionate to the percentage of services completed by Consultant based upon the scope of work set forth in Exhibit A, and shall be agreed upon mutually by Consultant and City. However, in no event shall the fee exceed that set forth above.

City shall make final payment within sixty (60) days after Consultant has delivered the last of the partially completed items and the final fee has been agreed upon.

In the event this contract is terminated, City shall have the option of completing the work or entering into a contract with another party for the completion of the work according to the provisions and agreements herein.

**INDEMNITY:**



Consultant agrees, to the fullest extent permitted by law, to indemnify and hold City harmless from any damage, liability or cost (including reasonable attorney fees and costs of defense) to the extent caused, in whole or in part, by Consultant's negligent acts, errors or omissions in the performance of professional services under this Agreement and those of consultants, sub-consultants, contractors, sub-contractors, agents, employees or others that contract with Consultant regarding this contract or anyone for whom Consultant is legally liable.

#### **INSURANCE:**

Without limiting any of its obligations and liabilities, Consultant, at its own expense, shall purchase and maintain the minimum insurance specified below with companies duly licensed or otherwise approved by the State of Michigan, and with forms reasonably satisfactory to City. Each insurer shall have a current A.M. Best Company, Inc. rating of not less than A-VII. Use of alternative insurers requires prior approval from City.

#### **A. General Clauses**

1. **Additional Insured.** The insurance coverage, except Workers' Compensation and Professional Liability, required by this Contract, shall name City, its agents, representatives, directors, officials, and employees, as additional insured, and shall specify that insurance afforded Consultant shall be primary insurance, and that any self insured retention and/or insurance coverage carried by City or its employees shall be excess coverage, and not contributory coverage to that provided by Consultant.

2. **Coverage Term.** All insurance required herein shall be maintained in full force and effect until Services required to be performed under the terms of this Contract are satisfactorily completed and formally accepted; failure to do so may constitute a material breach of this Contract, at the sole discretion of City.

3. **Primary Coverage.** Consultant's insurance shall be primary insurance as respects City and any insurance or self insurance maintained by City shall be excess of Consultant's insurance and shall not contribute to it.

4. **Claim Reporting.** Consultant shall not fail to comply with the claim reporting provisions of the policies or cause any breach of a policy warranty that would affect coverage afforded under the policy to protect City.

5. **Waiver.** The policies for Workers' Compensation and General Liability, shall contain a waiver of transfer rights of recovery (subrogation) against City, its agents, representatives, directors, officers, and employees for any claims arising out of the work of Consultant.

6. **Deductible/Retention.** The policies may provide coverage which contains deductibles or self-insured retentions. Such deductible or self-insured retentions shall not be applicable with respect to the coverage provided to City under such policies. Consultant shall be solely responsible for deductible or self-insured retentions and City may require Consultant to secure the payment of such deductible or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

7. **Policies and Endorsements.** City reserves the right to request and to receive, within ten (10) working days, information on any or all of the above policies or endorsements.

8. **Certificates of Insurance.** Prior to commencing services under this Contract, Consultant shall furnish City with Certificates of Insurance, or formal endorsements as required by the Contract, issued by Consultant's insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this Contract are in full force and effect. Such certificate shall identify this Contract by referencing the project name and/or project number and shall provide for not less than thirty (30) days advance written notice by Certified Mail of Cancellation or Termination.

9. **Sub-Consultants/Contractors.** Consultant shall include all sub-consultants and sub-contractors as insured under its policies or shall furnish separate certificates and endorsements for each sub-consultant and sub-contractor.

#### **B. Workers' Compensation**

Consultant shall carry Workers' Compensation and Employer's Liability insurance coverage as required by law and deemed necessary for its own protection.

In case services are subcontracted, Consultant will require the sub-consultant to provide Workers' Compensation and Employer's Liability to at least the same extent as provided by Consultant.

#### **C. Automobile Liability**

Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damages of not less than \$1,000,000 each occurrence regarding any owned, hired, and non-owned vehicles assigned to or used in performance of Consultant services.

#### **D. Commercial General Liability**

Commercial General Liability insurance with a combined single limit of not less than \$1,000,000. The policy shall be primary and include coverage for bodily injury, property damage, personal injury, products, completed operations, and blanket contractual covering, but not limited to, the liability assumed under the indemnification provisions of this Contract.

In the event the general liability insurance policy is written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of the Services as evidenced by annual Certificates of Insurance.

#### **E. Professional Liability**

Consultant retained by City, to provide the engineering services required by the Contract will maintain Professional Liability insurance covering errors and omissions arising out of the services performed by Consultant or any person employed by him, with an unimpaired limit of not less than \$1,000,000 each claim. In the event the insurance policy is written on a "Claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Services as evidence by annual Certificates of Insurance.

#### **F. Property Coverage - Valuable Papers**



Property coverage on all-risk, replacement cost, agreed amount form with Valuable Papers insurance sufficient to assure the restoration of any documents, memoranda, reports, or other similar data relating to the services of Consultant used in the completion of this Contract.

**INDEPENDENT CONSULTANT:**

The relationship between City and Consultant created under this Agreement is that of principal and independent contractor. Neither the terms of this Agreement nor the performance thereof is intended to directly or indirectly benefit any person or entity not a party hereto and/or such person or entity is not intended to be or shall be construed as being a third-party beneficiary of this Agreement unless specified by name herein or in an Amendment hereto, executed by a Consultant authorized representative.

**SEVERABILITY/SECTION HEADINGS/SURVIVAL/WAIVER:**

In the event that any provision herein shall be deemed invalid or unenforceable, the other provisions shall remain in full force and effect, and binding upon the parties hereto. The heading or title of a section is provided for convenience and information and shall not serve to alter or affect the provisions included herein. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between City and Consultant shall survive the completion of services and the termination of this Agreement. No waiver, discharge, or renunciation of any claim or right of Consultant arising out of breach of this Agreement by City shall be effective unless in writing signed by Consultant and supported by separate consideration.

**OWNERSHIP OF DOCUMENTS:**

All documents produced by Consultant under this Agreement shall remain the property of City and may be used by City for any other endeavor without the written consent of Consultant.

**APPLICABLE LAWS:**

Unless otherwise specified, the Agreement shall be governed by the laws of the State of Michigan.

**PURCHASING AGENT DESIGNATION AND AUTHORITY:**

Curt Goodman is designated as Purchasing Agent of City and is authorized to order minor changes in the work not involving adjustment in the Contract Sum or Time of Completion and not inconsistent with the intent of the Contract Documents. Such changes will be affected by written order signed by the Purchasing Agent and shall be binding on City and Consultant.

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

CITY OF MARQUETTE

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Jennifer Hill, Mayor Pro Tem

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Kris M. Hazeres, Clerk

RAFTELIS FINANCIAL CONSULTANTS INC

Jeremy Hall  
Jon Hall  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_

By: Collin Drat

Its: Manager

Address: 3013 Main St. Kansas City, MO 64108

Telephone #: 816-285-9023

APPROVED AS TO SUBSTANCE:

\_\_\_\_\_  
L. Michael Angeli  
City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Ronald D. Keefe  
City Attorney



ACORD

Client#: 1722483

RAFTEN

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/20/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER  
Cameron M Harris & Co, LLC  
Div USI Ins  
6100 Fairview Road Ste 1400  
Charlotte, NC 28210

CONTACT  
NAME: Linda Rolfe  
PHONE (A/C, No, Ext): 980-285-5804  
FAX (A/C, No):  
EMAIL: linda.rolfe@usl.com  
ADDRESS:

INSURED  
Rettelle Financial Consultants, Inc.  
227 West Trade Street, Ste. 1400  
Charlotte, NC 28202

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	National Fire Insurance Co. of Hartford	20478
INSURER B:	Continental Insurance Company	35289
INSURER C:	American Casualty Company of Reading PA	20427
INSURER D:	Continental Casualty Company	20443
INSURER E:		
INSURER F:		

## COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	ADD. INSR. INFO	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YYYY)	POLICY EXP. DATE (MM/DD/YYYY)	LIMITS
<b>A</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		6078000011	01/21/2020	01/21/2021	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (E.E. Occurrence) \$500,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
<b>D</b> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY		6078000025	01/21/2020	01/21/2021	COMBINED SINGLE LIMIT (E.E. Occurrence) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
<b>B</b> <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE Ded <input checked="" type="checkbox"/> RETENTION \$10000		6078000039	01/21/2020	01/21/2021	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000
<b>C</b> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER MEMBER EXCLUDED? (If yes, describe under DESCRIPTION OF OPERATIONS below) Y/N <input checked="" type="checkbox"/> N/A		6078305537 6078000042	01/21/2020 01/21/2020	01/21/2021 01/21/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
<b>D</b> Prof. Liability		652071235	01/21/2020	01/21/2021	\$5,000,000 Occurrence \$5,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
City of Marquette named as additional Insured atima.

## CERTIFICATE HOLDER

## CANCELLATION

City of Marquette Marquette Area  
Wastewater  
Treatment Facility  
300 W. Baraga Ave  
Marquette, MI 49855-0000

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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HKYZP



January 29, 2020

Curt Goodman  
Director of Municipal Utilities  
City of Marquette  
850 W. Baraga Ave.  
Marquette, MI 49855

**Subject: City of Marquette Water, Sewer and Stormwater Utility Financial Plan Update**

Dear Mr. Goodman:

We appreciate the opportunity to continue to be of service to the City of Marquette (City). In 2018, Raftelis completed a five-year financial planning and rate design study for the City's water, sewer and stormwater utilities. It is our understanding that the City would like to update the financial plan to determine the level of revenue necessary to support ongoing operations and maintenance, capital reinvestment and financial sustainability over the next ten (10) years. Of particular concern is the ongoing trend in declining per capita water and sewer usage, and its impact on the financial sustainability of those utilities. We will leverage our previous experience with the City's utilities to efficiently provide an updated financial plan which reflects the latest operational and financial information for each utility. We are proposing to perform the scope of services outlined below for a total not to exceed price of \$24,901.

#### **Task 1 – Project Initiation and Kick-Off**

Raftelis will facilitate a Project Kickoff Meeting to start the study. This meeting will provide a solid foundation for the project and serve as a forum in which City staff can provide input on study expectations, study issues, project approach, scope, schedule, and priorities.

Raftelis will provide the City with a preliminary data request list prior to the kick-off meeting, the type of information necessary for this project includes historic financial and billing data, operating budgets, planned capital improvement expenditures, and debt service. Based on the City's desire to minimize cost and Raftelis' familiarity with the City we will conduct this meeting using teleconference and online collaboration tools.

#### **Task 2 – Demand Projection**

The demand projection will be a critical aspect of the financial plan update. It is our understanding that the City's billed water and sewer usage continues to decline on a per capita basis. We will examine the trend since our last study and modify our forward-looking projections of demand to account for this worsening trend. For stormwater we will evaluate the trend in accounts by tier (for residential) and equivalent hydraulic units (for non-residential). Based on these demand projections we will forecast revenue under the City's existing rates over the forecast period, this will provide a baseline for proposed revenue adjustments for each utility.

#### **Task 3 – Revenue Requirements**

Raftelis will project the revenue requirements for each utility over the ten-year forecast period. These revenue requirements will include operating and maintenance expense, capital expenditures, debt service, contributions to other funds, contributions to reserves, and any other funding obligation of each utility over the forecast period. In addition to the more general aspects of the City's budget, we will evaluate the impact



of specific cost drivers for each utility such as the ongoing impact of the City's performance management contract for water and sewer, as well as the potential for a large capital project at the Marquette Area Wastewater Treatment Plant, which will impact sewer costs.

#### **Task 4 – Utility Financial Plans**

Based on the projections of demand developed in Task 2 and the revenue requirements for each utility developed in Task 3 we will develop a financial plan for each utility over the forecast period. The financial plan will examine various factors, including reserve balances, debt service coverage, and capital financing, to determine the revenue adjustments necessary to provide adequate funding for each utility over the forecast period.

#### **Task 5 – Reports and Presentations**

Raftelis will provide the City with a draft report detailing the process, methodology and findings of the rate study. We will provide a draft in electronic format to the City for their review and comment. Based on the comments of the City we will prepare a final report for the City. Senior members of Raftelis staff will present the Study results onsite at a City Commission work session.

#### **PROJECT EXECUTION**

We are ready to begin this work for the City at any time, we proposed to complete Tasks 1 through 5 for a not-to-exceed price of \$24,901 as shown in the table below. We will bill the City monthly for time and expenses expended in the previous month.

Thank you for your time and consideration, we appreciate this opportunity to be of service to the City. If you have any questions about this proposal or any other issue, please feel free to contact me at (816) 285-9023 or [cdrat@raftelis.com](mailto:cdrat@raftelis.com).

Sincerely,  
RAFTELIS FINANCIAL CONSULTANTS, INC.

  
Collin Drat  
Manager

**Attachment B -- Raftells' 2020 Standard Hourly Billing Rates**

<b><u>Position</u></b>	<b><u>Hourly Billing Rate **</u></b>
Chair	\$450
Chief Executive Officer/President	\$400
Executive Vice President	\$340
Vice President/Principal Consultant	\$310
Director of Governmental Services	\$310
Senior Manager	\$275
Director of Florida Operations	\$225
Manager	\$245
Director of Data Services	\$245
Senior Consultant	\$215
Consultant	\$185
Creative Director	\$175
Associate	\$155
Graphic Designer	\$125
Analyst	\$110
Administration	\$80
Technology/Communications Charge*	\$10

\* Technology/Communications Charge – this is an hourly fee charged monthly for each hour worked on the project to recover telephone, facsimile, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.

\*\* For services related to the preparation for and participation in deposition and trial/hearing, the standard billing rates listed above will be increased by 50%.