

WATER AND SEWER UTILITY RATE STUDY
CONSULTANT AGREEMENT

THIS AGREEMENT entered into by and between the City of Manistee, a Michigan municipal corporation, with principal office located at 70 Maple Street, Manistee, Michigan 49660, acting by its duly authorized officials, hereinafter referred to as the CITY, and being the party of the first part of this Contract, and Burton & Associates, with its Michigan office located at 2019 4th Street, Suite 1, Jackson, MI 49203, acting through its duly authorized officer, hereinafter referred to as CONSULTANT, and being the party of the second part of this Contract;

WITNESSETH:

WHEREAS, the CITY has published a Request for Proposal (RFP) dated December 12, 2013 soliciting proposals to provide to CITY a Water and Sewer Utility (WSU) Rate Study which RFP has resulted in the submission by CONSULTANT of a bid to provide the services contemplated by the RFP; and

WHEREAS, the CONSULTANT is specially trained and experienced in developing rate study models as contemplated by this Agreement; and

WHEREAS, the CITY through its City Council has approved the acceptance of CONSULTANTS bid made pursuant to the RFP and desires to engage the services of CONSULTANT in conformance with the Bid submitted;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section I. Services Provided

The parties contemplate that the CONSULTANT will provide the below listed services with regard to this Agreement. The below list is not intended to be all-inclusive, and those additional services that may be necessary for CONSULTANT to complete the services contemplated by the parties Agreement are also part of the services to be provided pursuant to this Agreement.

Services to be Performed:

1. Assemble and analyze historical information, including prior fiscal year audits and budgets of the WSU. Analysis shall include consideration of unique costs and revenues and the circumstances from which they arose.
2. Analyze water and sewer use patterns, including City billing consumption records and WSU statistics.
3. Document and include current and projected future debt requirements in the analysis.

4. Review demographic data.
5. Review water and/or sewer agreements with customers outside City limits.
6. Review agreements with neighboring municipalities.
7. Identify capital requirements for at least 5 years.
8. Estimate future expenditures and water and sewer consumption levels.
9. Define the rate structures, including ready-to-serve and or meter, consumption, connection, or other service charges.
10. Estimate future revenues based on rate structures proposed.
11. Allocate specialized service costs to user classifications and/or service areas, including the determination of necessity or appropriateness of a meter charge or a ready-to-serve charge.
12. Determine the impact of historical and current contributions from other City funds to the WSU and the appropriate ways to account for them in rates paid by users outside the City.
13. Determine the capital investments in the WSU, especially those outside the City, and ensure they are appropriately recouped.
14. Identify needed or desired changes in applicable City ordinances to be drafted by the City administration or legal counsel.
15. Identify asset management concepts to be employed within the City's utility rates
16. Review preliminary findings with City administration and/or City Council; including interim drafts for review.
17. Prepare and present the final report document, incorporating additional data requested during the preliminary review.
18. Present and explain the final report to City Council in a public meeting.
19. Present and explain the report to representatives of the township and tribal governments.
20. All other obligations as set forth in the Request for Proposal dated December 12, 2013.

Section II. Compensation

The CITY will compensate CONSULTANT for the services to be performed pursuant to this Agreement a total amount of Twenty-one Thousand Nine Hundred Thirty-nine and (\$21,939.00) and no/100th Dollars, as follows:

February 15, 2014 – 25% of contract price (\$5,484.75)
March 15, 2014 - 25% of contract price (\$5,484.75)
April 15, 2014 - 25% of contract price (\$5,484.75)
25% (\$5,484.75) - upon submission and acceptance of Final Report

Section III. Completion

Work by CONSULTANT will be performed in a timely fashion in accordance with all schedules agreed to between the parties and all matters described in Section I shall be completed no later than 12 weeks from the date CITY has provided all required materials. Final Report due on or before May 2, 2014 and presentation to Manistee City Council no later than April 2014, unless an extension of the time for completion is agreed to in writing by CITY.

Section IV. Conflict of Interest

The CONSULTANT recognizes that the CITY is its primary client within the County of Manistee. CONSULTANT agrees that it will obtain the written consent of CITY prior to providing any similar services to a neighboring municipality to CITY. The purpose of this provision is to avoid those situations where the providing of services to a neighboring municipality similar to those contemplated by this Agreement would necessarily involve the utilization of proprietary and/or confidential information gained by CONSULTANT in connection with its work under this Agreement.

Section V. Integration

This instrument contains the entire Agreement of the parties relating to the matters herein; any representation, promise, or condition not incorporated herein shall not be binding upon the parties. Any modification of this Agreement or waiver of any provision herein contained shall not be binding unless in writing and signed. Notwithstanding the above language, the CONSULTANT'S proposal and the CITY'S Request for Proposal are incorporated into and made a part of this Agreement, except where in conflict with this Agreement, in which case the language of this Agreement shall control.

Section VI. Assignment

This Agreement is a personal service agreement and is not assignable by CONSULTANT without the prior written consent of CITY.

Section VII. Ownership of Documents

All information gathered and elements produced in connection with the services performed pursuant to this Agreement shall be the property of the CITY and upon demand shall be provided to the CITY in electronic or hard copy form, at the CITY's discretion. At the conclusion of the services performed pursuant to this Agreement, CONSULTANT will provide the option to CITY to license any of its proprietary FAMS©-XL rate setting modules, with no additional charge for the license. CITY and CONSULTANT will enter into a separate licensing agreement that would include confidentiality and usage provisions as well as any maintenance, enhancement, and support services desired by CITY to ensure the successful and beneficial ongoing use of each respective module to be licensed.

Section VIII. Indemnification

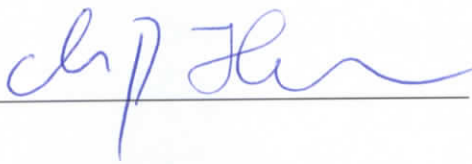
CONSULTANT agrees to indemnify, defend and hold harmless CITY from all claims, damages and actions arising from or caused by the actions or omissions of CONSULTANT, except where attributed to the acts or omissions of the CITY.


Section IX. Dispute Resolution/Law

Any dispute between the parties regarding the language in this Agreement, enforcement of this Agreement or their respective rights and obligations associated with the work or payment relating to this Agreement, shall be resolved in the courts of Manistee County, Michigan. This Agreement shall be interpreted in accordance with the law of the State of Michigan.

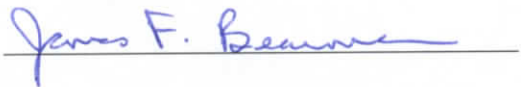
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed this _____ day of _____, 2014, and the signatories warrant their authority to bind their principals.

WITNESS:





By: Andrew J. Burnham
Senior Vice President, Burton & Associates



WITNESS:

CITY OF MANISTEE

By: Colleen Kenny, Mayor

By: Michelle Wright, City Clerk