



November 1, 2024

Dorothy Abbott  
Finance Director  
201 W Central Avenue  
Lake Wales, FL 33853

**Subject: Task Authorization to Provide Solid Waste Collection In-house Study**

Dear Ms. Abbott:

Raftelis Financial Consultants, Inc. ("Raftelis") is pleased to provide this task authorization to the City of Lake Wales (the "City" or "Client") to provide solid waste collection in-house study and to assist in the preparation of a solid waste collection services analysis to evaluate service options on behalf of the City's Utility Department (the "Utility Department"). Based on our discussions, the services as requested by the City will focus on: i) planning level evaluation to assess the estimated resource requirements and corresponding cost to in-house solid waste collection and disposal services; ii) comparing costs to the City's current or proposed contracted franchise service provider charges; and iii) preparation of collection and disposal service fee benchmarking for comparison purposes (the "Project"). This Task Authorization is pursuant to the terms and conditions of the City of Bartow Master Professional Consulting Services Agreement (RFQ No. CM2023-24-01), dated April 29, 2024 between the City of Bartow and Raftelis (the "Piggyback Agreement") that provides for ongoing utility rate and management consulting services. A copy of the Piggyback Agreement is attached as Attachment D. Based on our understanding of the needs of the City, we propose the following:

### **SCOPE OF SERVICES**

The scope of services to be performed by Raftelis is included in Attachment A. Projects of this type are generally anticipated to be completed within one hundred and eighty (180) days from receipt of the authorization to proceed.

### **PROJECT TEAM AND BILLING RATES**

With respect to the performance of this engagement, Mr. Thierry Boveri will be the Project Director and Shawn A. Ocasio will be the Project Manager and primary contact with the City. Other staff consultants, analysts and administrative personnel will be utilized during the engagement as needed. The services covered by this Task Authorization shall be billed based on the direct labor rates set out in Attachment B.

### **COMPENSATION AND BILLING**

Based on the Scope of Services as summarized herein in Attachment A and the direct hourly labor billing rates as identified on Attachment B, we propose to establish a not-to-exceed contract budget of \$65,470 to provide consulting services associated with the performance of the Solid Waste Collection In-house Study. Attachment C provides a detailed breakdown of the proposed budget by task.

This project budget amount includes the direct cost of personnel anticipated to be assigned to the project as well as any other direct costs such as travel, telephone, and copying, printing and shipping charges. The costs incurred by Raftelis for such other direct costs, if any, will be billed to the City based on the standard unit costs or reimbursement schedule as reflected on Attachment B. It is proposed that Raftelis will bill monthly for services relative to this engagement based on the hourly amount of time spent by the project team members, the other direct costs incurred and the pass-through of any sub-consulting costs that may be required for the engagement. No additional services above the cost estimate will be performed without the prior written authorization of the City.

## TERM OF AGREEMENT

The terms of this proposed agreement and the associated direct hourly labor billing rates for Raftelis personnel shall be in effect and continue for twelve (12) months after the date of execution of this agreement.

## DISCLOSURE

As a registered Municipal Advisor under the Dodd-Frank Act, Raftelis is required to inform our clients of any existing or potential conflicts of interest that may be relevant to any proposed scope of services that may include providing "advice" as that term is defined in the Dodd-Frank Act. As of the date of this engagement letter, no conflicts of interest are known to exist.

Under the Dodd-Frank Act the definition of "advice" includes providing any opinion, information or assumptions related to the size, timing and terms of possible future debt issues or borrowing. This type of information may be integrated into the capital and financial planning components of a rate model update. This definition is applicable regardless of whether this information is developed and used solely for planning and decision-making purposes. For the services addressed in the scope of work identified for this engagement, any information that is developed by Raftelis that falls under this definition of municipal advice is not intended to represent a recommendation that the City should issue debt based on the terms and assumptions used to develop the financial plan or forecast, or that the City will, in fact, be able to issue debt under the exact terms and conditions assumed and used to develop the financial plan or forecast. The information developed as part of this rate model update, including any related municipal advice, is intended only to provide information useful in evaluating the potential impact on the utility and future rate adjustments of one potential course of action for the City. The scope of services assumes that if the City plans to issue debt in the near future then the City will engage an independent, registered Financial Advisor to assist in evaluating the availability of different types of debt, and the specific terms and conditions for issuing debt, which will be affected by market conditions and the City's credit rating at the time of issuance.

By accepting this proposal (through the issuance of a Purchase Order), the City is indicating its approval and acceptance of the of the proposed scope of work and fees and is also explicitly acknowledging that Raftelis has provided the necessary disclosures addressing conflicts of interest and any limitations on the scope of Municipal Advisory services to be provided by Raftelis as part of this engagement.

The Municipal Securities Rulemaking Board ("MSRB") provides significant protections for municipal entities and obligated persons that are clients of a municipal advisor. To understand the protections provided and how to file a complaint with an appropriate regulatory authority, visit the MSRB web site at [www.msrb.org](http://www.msrb.org).

## TERMS AND CONDITIONS

Standard terms and conditions, that are made part of this Task Authorization, are set forth in Attachment D.

We appreciate the opportunity to submit this Task Authorization to the City to provide utility consulting services on behalf of the City's Utility Department. Upon execution of this Authorization, please return a signed copy to Raftelis along with an executed purchase order which we will then take as our notice to proceed.

## ADDITIONAL SERVICES

During the course of the study, the City may request additional services relative to this scope of services from Raftelis. Such services will not be conducted until authorized by both the City and Raftelis. All invoices for additional services will be billed to the City based on the hourly rate schedule of the Raftelis

members as identified in this proposal or some other basis as mutually agreed between the City and Raftelis. Although no additional services are anticipated for this engagement, examples of additional services may include the following:

1. Attendance of on-site and virtual meetings in addition to what is anticipated in this scope of services and the corresponding cost estimate for the project.
2. Attendance of any one-on-one meetings with the City Commission related to the project.
3. Development of any cost of service based monthly user rates or miscellaneous rates or charges not specifically identified in the scope of services, including the development of impact fees or connection charges.
4. Providing development of software or provision of data services.
5. Preparation of any Bond Feasibility Studies or Capital Finance Plans to assist the City in issuing long-term debt.
6. Assistance with the development or providing a public information communication plan.
7. Assisting in the development of any interlocal agreements for utility service with other governmental agencies or any negotiation services related thereto.
8. Delays in the Project schedule, which: i) are not the fault of Raftelis (such as being provided with incorrect data by the City); ii) may have an impact on analyses performed; and iii) would affect the budget for the scope of services reflected herein.
9. Development of several financial, capital funding, or rate sufficiency scenarios in addition to what is generally described and contemplated in this scope of services.
10. The performance of additional financial analyses after substantial completion of the work effort that has been presented before staff and has been generally accepted by staff.

To the extent additional services are performed by Raftelis for this project but the total cost of the study, including the additional services, does not exceed the City's budgeted cost of the project, no additional services will be billed by Raftelis in excess of the project budget.

We appreciate the opportunity to submit this Proposal to the City to provide utility consulting services to the City's Utility Department. Upon execution of this agreement, please return a signed copy to Raftelis along with an executed purchase order which we will then take as our notice to proceed.

**(Remainder of Page Intentionally Left Blank)**

We appreciate the opportunity to be of service to the City.

Sincerely,

**Thierry Boveri**  
*Vice President*  
407-628-2600  
[tboveri@raftelis.com](mailto:tboveri@raftelis.com)

Accepted By:  
**City of Lake Wales, Florida**

\_\_\_\_\_

Name

\_\_\_\_\_

Title

Date

**ATTACHMENT A  
CITY OF LAKE WALES, FLORIDA  
SOLID WASTE COLLECTION IN-HOUSE STUDY**

**SCOPE OF SERVICES**

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The scope of service to be performed by Raftelis is related to the preparation of a solid waste collection in-house study. Based on discussions with representatives of the City, the City is responsible for, among other things, trash, recycling, yard waste, and bulky waste collection services to residents and businesses within the City limits. We understand that the City has entered into an exclusive franchise agreement with a contractor to collect solid waste. The City is currently considering other solid waste collection options and strategies, namely in-house service, and would like assistance in the evaluation of such strategies. Within this approach, we maintain the assumption that the current routing structure utilized by the current contractor will serve as the baseline for this in-house study. Based on our discussions with the City, we have identified an approach to assist the City with its strategic initiatives including the following:

- Prepare a financial forecast model and financial forecast analysis to evaluate in-house solid waste collection service alternatives for both residential and commercial customers and compare the cost of service to existing service conditions.
- Identify the cost of providing collection service and developing rates for the full recovery of costs. Raftelis' review will focus on labor, fuel, truck/vehicle purchase and maintenance, container purchases, facility needs, maintenance and replacement, customer service, and other attendant costs such as insurance, software purchases and integration into the City's fleet management activities.
- Identify issues, advantages, and disadvantages for consideration by the City. The objective is to determine the reasonableness of an in-house alternative solid waste collection option by the City.

Based on our understanding of the City's needs, the scope of work is detailed below.

**EVALUATION OF IN-HOUSE COLLECTION SERVICES**

**Task 1 – Project Initiation, Data Request, & Project Management** – We believe that the execution of a productive kick-off meeting is the most effective way to initiate a project of this nature. We have assumed the kick-off meeting will be performed virtually but can be held on-site at the City staff's preference. The goals for this meeting include:

- Confirm the study goals and objectives with City staff;
- Discuss and review the data needs for the project;
- Discuss and confirm the current collection routing structure utilized by the current vendor. The scope assumes we will utilize the same level of service requirements as the vendor for comparison purposes. (e.g., type of collection, frequency of collection, staffing, operational days / hours, etc.); and
- Discuss any specific areas of concern or issues that may impact the project.

Prior to the kick-off meeting, a detailed data request will be submitted to the City to obtain statistical data such as the number of residential and commercial accounts served and tons of waste collected, financial data such as trial balances and invoices to the City by FCC Environmental for collection service, as well as other relevant data such as contractual agreements or other relevant information.

Throughout the project, we believe the execution of bi-weekly status meetings and project coordination will be performed to ensure the timely completion of the study.

**Task 2 – Forecast of the Customer Collection Requirements** – This task will include identifying current collection customer billing statistics, service levels, and waste generation requirements for both residential and commercial customers. The current collection of customer requirements will then be forecasted based on population and residential and commercial growth assumptions developed with input by City staff.

**Task 3 – Financial Forecast Model and Cost Estimating** – This task develops a financial forecast model for residential and commercial customers encompassing a seven (7) to ten (10) year period to capture life-cycle costs of vehicles and maintenance expenses and mirror the duration of a typical franchise collection agreement for comparison. This task will include several key steps to determine the projected cost of in-housing operations as follows:

1. Identify the realistic timeline for service transition and transition costs;
2. Based on the required number of vehicles develop cost assumptions for the acquisition of collection vehicles, containers, and other necessary capital or equipment to provide service (e.g., staffing uniforms, communication equipment, etc.);
3. Based on personnel identified, develop salary and benefits costs;
4. Forecast estimated life-cycle maintenance and replacement costs for vehicles and equipment (e.g., Confirm In-house or Contracted);
5. Identify any incremental customer service and public information related costs;
6. Gather insights/feedback pertaining to new facility requirements (if needed);
  - a. For new facility requirements, determine source of funding scenarios, payback terms, and projected completion date(s);
7. Develop operating and capital cash flow projections;
8. Develop comparison of cashflow requirements among current and alternative solid waste collection operations.

**Task 4 – Interactive Work Session and Presentation of Preliminary Findings** – This task contemplates an on-site meeting to present findings to City staff through an interactive working session to analyze potential changes to key assumptions as requested by City staff. This working session will serve to help finalize key assumptions for the engagement and to assist in the strategic planning efforts of the City.

**Task 5 – Executive Summary Report Documenting Key Findings and Presentations** – This task will prepare a technical report documenting the methodology, data relied upon, assumptions, and findings of the study. This task includes a presentation of and attendance of a public council meeting or workshop to present findings of the study, including preparation of a brief power point document. This task also includes an allowance for an optional meeting(s) with City Council, and a presentation to the City Advisory Committee.

**Task 6 – Rate Comparison** – This task contemplates developing a fee comparison with other comparable municipalities providing in-house collection service relative to current and calculated collection rates for the City. The survey will include up to, but not limited to, six (6) entities.

## LIST OF DELIVERABLES

The deliverables to be provided in this engagement include the following items:

- Data Request
- Seven to Ten Year Financial Forecast
- Rate Comparison with Other Jurisdictions
- Briefing Document (PowerPoint) to Summarize the Study
- Executive Summary Report Summarizing Study

## ADDITIONAL SERVICES

Raftelis is a full-service professional consultancy focusing on serving local governments. Raftelis has expertise and capabilities in the following areas:



**Finance**



**Executive services**



**Strategic planning/  
facilitation**



**Communication**



**Organization**



**Technology**

Optional services relevant to this engagement that may be of interest to the City may involve performance of a collection routing study. A collection routing study represents a geospatial analysis of the optimal collection routes to service all residential households served by the City and will consider specific service area requirements of the City to accurately estimate the necessary time and vehicles to perform the collection routes and dispose of waste at the designated facilities. A service level assessment would ensure that the proposed routes meet service level goals, such as frequency of collection and response times. This study would also identify optimal locations for necessary facilities such as a transfer station.

**ATTACHMENT B**

**CITY OF LAKE WALES, FL**

**WATER AND WASTEWATER UTILITY REVENUE SUFFICIENCY STUDY**

**SCHEDULE OF DIRECT LABOR HOURLY RATES AND STANDARD COST RATES**

**DIRECT LABOR HOURLY RATES**

Project Team Title	Direct Labor Hourly Rates [*]
Executive Vice President	\$400.00
Vice President	\$360.00
Senior Manager	\$320.00
Manager	\$285.00
Senior Consultant	\$250.00
Consultant	\$220.00
Associate	\$185.00
Administrative	\$100.00

[\*] These rates will be in effect for calendar year 2024 and will then increase annually by 3 % unless specified otherwise by contract.

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

**STANDARD COST RATES**

Expense Description	Standard Rates [*]
Mileage Allowance – Personal Car Use Only	IRS Standard Mileage Rate
Reproduction (Black and White) (In-House)	\$0.05 per Page
Reproduction (Color) (In-House)	\$0.25 per Page
Reproduction (Contracted)	Actual Cost
Computer Time	\$0.00 per Hour
Telephone Charges	Actual Cost
Delivery Charges	Actual Cost
Lodging / Other Travel Costs	Actual Cost
Meals	Not-to-Exceed per Employee: \$8.00 – Breakfast \$12.00 – Lunch \$25.00 – Dinner
Subconsultant Services	Actual Cost plus 5.0%
Other Costs for Services Rendered	Actual Cost

[\*] Standard cost rates effective twelve months after the date of execution of the Agreement; where applicable, rates will be adjusted by not more than the net percentage change (but not less than 0%) in the Consumer Price Index – Urban Consumers per annum (rounded to the nearest dollar) or as mutually agreed between parties for invoices rendered after each anniversary date of each year thereafter until project completion or termination of the Agreement between the parties. Any Standard Rate adopted by policy by Client will be substituted for the rates shown above.