




Public Works Department • Water and Wastewater Services  
**WATER AND WASTEWATER ENGINEERING DIVISION**  
2555 West Copans Road • Pompano Beach Florida 33069  
PHONE: 954-831-0745 • FAX: 954 831-0798/0925

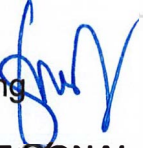


**MEMORANDUM**

**DATE:** April 10, 2019

**TO:** Robert Melton, County Auditor

**THRU:** Alan Garcia, P.E., Director   
Water and Wastewater Services

**FROM:** Gregory M. Balicki, P.E., Director   
Water and Wastewater Engineering

**SUBJECT:** **RFP No. PNC2116651P1 – REGIONAL TRANSMISSION SYSTEM  
MASTER PLAN - ACCEPTANCE OF MULTIPLIER RATE  
AND OPERATING MARGIN**

Staff's experience with national firms that provide consultant services related to water and wastewater treatment includes higher overhead and fringe than local firms due to the specialty and expertise of these firms and the fact that these firms provide national research in these areas which, local, smaller firms do not. The overhead and fringe percentages provided was based on 2017 audited overhead and fringes percentages. A review of similar firm's contracts with the County, indicate that the multiplier ranged from 3.07 to 3.20. Attached is a spreadsheet that demonstrates the difference in multipliers of local vs. national firms for water and wastewater projects including treatment plant vs. distribution system projects.

If you have any questions regarding this project, you may contact Rolando Nigaglioni at (954) 831- 0882.

c: Rolando Nigaglioni/WWED  
Nancy Olesen/Purchasing

Project Nbr	Project Name	Vendor	Year Approved	Services	Multiplier	COMMENTS
9059	UAZ 303 / UAZ 316 / UAZ 318 & UAZ 314	CHEN & ASSOCIATES CONSULTING ENGINEERS	2008	Distr. & Coll. Design/CMS	3.070	LOCAL
1156	BROADVIEW PARK NIP	CHEN & ASSOCIATES CONSULTING ENGINEERS	2003	Distr. & Coll. Design/CMS	3.080	LOCAL
1149	CENTRAL COUNTY NIP BP 2.5, 8, & 11	CHEN & ASSOCIATES CONSULTING ENGINEERS	1997	Distr. & Coll. Design/CMS	3.135	LOCAL
1152	NORTH COUNTY NIP NE QUAD BP 9-11	CRAYEN THOMPSON & ASSOCIATES INC	2006	Distr. & Coll. Design/CMS	2.620	LOCAL FIRM, OWNS BUILDING
1153	NORTH CENTRAL COUNTY NIP	CRAYEN THOMPSON & ASSOCIATES INC	1999	Distr. & Coll. Design/CMS	2.668	LOCAL FIRM, OWNS BUILDING
9051	UAZ 124, 308 & 310 PIPE REPLACEMENT	CRAYEN THOMPSON & ASSOCIATES INC	2005	Distr. & Coll. Design/CMS	2.440	LOCAL FIRM, OWNS BUILDING
1149	CENTRAL COUNTY NIP BP 1, 4, & 7	CRAYEN THOMPSON & ASSOCIATES INC	1996	Distr. & Coll. Design/CMS	2.968	LOCAL FIRM, OWNS BUILDING
1152	General Services Agreement	CRAYEN THOMPSON & ASSOCIATES INC	2013	Distr. & Coll. Design/CMS	2.740	LOCAL FIRM, OWNS BUILDING
1149	NORTH COUNTY NIP SW QUAD BP 13-15 & BP 12	MILLER LEGG & ASSOCIATES INC	2006	Distr. & Coll. Design/CMS	2.992	LOCAL
1149	CENTRAL COUNTY NIP BP 3, 6, 9, 10 & 12	SHAH, DROTOS & ASSOCIATES PA	1998	Distr. & Coll. Design/CMS	2.968	LOCAL
9181	Professional Services for Subsurface Utility Locating	CRAYEN THOMPSON & ASSOCIATES INC	2016	Distr. & Coll. Design/CMS	2.890	LOCAL FIRM, OWNS BUILDING
9197	Retail Potable Water and Wastewater Master Plan	CDM SMITH INC	2014	Distr. & Coll. Master Plan	3.070	NATIONAL FIRM
9197	NRWW/WTP STRUCTURAL STEEL	LADKAS-VOHALEM	2012	TREATMENT PLANT	2.890	LOCAL
9195	General Services Agreement	KEITH & ASSOCIATES INC	2013	TREATMENT PLANT	2.980	LOCAL
9195	NRWW/WTP CAPACITY IMPROVEMENTS	HILLERS ELECTRICAL ENGINEERING	2014	TREATMENT PLANT	2.880	LOCAL
9195	NRWW/WTP CAPACITY IMPROVEMENTS	CRAYEN THOMPSON & ASSOCIATES INC	2014	TREATMENT PLANT	2.656	LOCAL
9195	General Services Agreement	CES CONSULTANTS	2014	TREATMENT PLANT	2.990	LOCAL
9195	NRWW/WTP CAPACITY IMPROVEMENTS	CHEN & ASSOCIATES CONSULTING ENGINEERS	2014	TREATMENT PLANT	2.997	LOCAL
9195	NRWW/WTP CAPACITY IMPROVEMENTS	LAKDAS	2013	TREATMENT PLANT	2.814	LOCAL
9070	NRWW/WTP Structural Steel Replacement	KEITH & ASSOCIATES INC	2009	TREATMENT PLANT	2.530	LOCAL
9070	LOCATE SURFACE VISIBLE UTILITY FACILITIES - PHASE II	BROWN & CALDWELL	2013	TREATMENT PLANT	3.070	NATIONAL FIRM
	General Services Agreement	BROWN & CALDWELL	2019	TREATMENT PLANT	3.070	NATIONAL FIRM
	General Services Agreement - Studies and Reports	HAZEN & SAWYER, PC	2008	TREATMENT PLANT	3.200	NATIONAL FIRM
	General Services Agreement	HAZEN & SAWYER, PC	2008	TREATMENT PLANT	3.200	NATIONAL FIRM
	General Services Agreement	MALCOLM-PIRIE	2013	TREATMENT PLANT	3.070	NATIONAL FIRM
	General Services Agreement	BLACK & VEATCH, INC.	2013	TREATMENT PLANT	3.070	NATIONAL FIRM
9073	WTP 1A ANION EXCHANGE TREATMENT UNIT	CDM SMITH INC	2010	TREATMENT PLANT	3.100	NATIONAL FIRM
	General Services Agreement	CDM SMITH INC	2013	TREATMENT PLANT	3.070	NATIONAL FIRM
8624	NORTH REGIONAL WASTEWATER TREATMENT PLANT	HAZEN & SAWYER, PC	2007	TREATMENT PLANT	3.105	NATIONAL FIRM
9130	WTP 1A TREATMENT PLANT EXPANSION	MWH AMERICAS INC	2010	TREATMENT PLANT	3.200	NATIONAL FIRM
9195	NRWW/WTP FACILITIES IMPROVEMENTS	HAZEN & SAWYER, PC	2014	TREATMENT PLANT	3.070	NATIONAL FIRM
9186	NRWW/WTP CAPACITY IMPROVEMENTS	HAZEN & SAWYER, PC	2013	TREATMENT PLANT	3.070	NATIONAL FIRM
	NRWW/WTP Fine Bubble Aeration Basin Conversion	HAZEN & SAWYER, PC	2015	TREATMENT PLANT	3.070	NATIONAL FIRM
	NRWW/WTP Electrical Load and Motor Control Center	CDM SMITH INC	2015	TREATMENT PLANT	3.070	NATIONAL FIRM
	Engineering Services for potable Water Storage Tanks	CAROLLO	2016	TREATMENT PLANT	3.070	NATIONAL FIRM

2.91

2.84

3.10



**BLACK & VEATCH CORPORATION**  
2855 NORTH UNIVERSITY DRIVE, SUITE 210  
CORAL SPRINGS, FL 33065 USA  
+1 754-229-3049 | FriasRE@bv.com

March 4, 2019

Robert Wilson  
2555 W. Copans Road  
Pompano Beach, FL 33069

Regional Transmission System  
Master Plan – PNC2116651P1  
B&V File 14.21

Attention: Mr. Robert Wilson

Subject: Black & Veatch Explanation for Proposed Multiplier

Thank you for the opportunity to meet on Tuesday, February 19, 2019 to negotiate on RLI PNC2116651P1, Regional Transmission System Master Plan. Based on the feedback provided during our discussion, Black & Veatch is submitting a revised Maximum Billing Rate sheet that reduces most maximum billing rates to \$250/hour or less. The updated rate sheet also lowers our multiplier to 3.07. I would like to take this opportunity to provide further explanation on the reason for the proposed multiplier.

Execution of the Regional Transmission System Master Plan will involve the completion of numerous specialized tasks, including multi-disciplinary condition assessment, GIS updates, hydraulic and transient modeling, risk prioritization and development of a risk-based prioritization tool for CIP development. Successful completion of these tasks will require a team of specialized resources with comprehensive capabilities, including asset management, capital planning, electrical, instrumentation and control, mechanical, structural, civil and architectural.

For the past five years, Black & Veatch has been supporting Broward County as its Wastewater Treatment and Disposal System engineer, which is a contract with similar technical requirements to this contract and the agreed upon multiplier for that contract is 3.07. At the time, we reduced our profit margin below 10 percent to achieve the reduced multiplier and we accomplished that by lowering our overhead despite increasing business operation costs.

For this contract, we are proposing the same multiplier of 3.07, with a profit margin of 13.5 percent. This is the multiplier we require to provide the County with the specialized resources and multi-disciplinary technical expertise needed to successfully deliver this contract. We commit to deliver all tasks cost-effectively and will engage local CBE firms with lower overheads that should result in a reduced composite multiplier of less than 3.07.

We appreciate the opportunity to partner with the County and look forward to continuing to serve as an extension of WWS staff. Thank you for this opportunity and for your consideration.

Very truly yours,

BLACK & VEATCH CORPORATION

Rafael E. Frias III, PE  
Associate Vice President