

**HAZEN AND SAWYER**  
Environmental Engineers & Scientists

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December 2, 2014

Gregory Balicki, PE  
Water and Wastewater Engineering Division  
Broward County Water and Wastewater Services  
2555 West Copans Road  
Pompano Beach, Florida 33069

Response to Request for Multiplier  
Reduction - Engineering Services for Fine  
Bubble Aeration Basin Conversion  
Expansion | RFP R1061305P1

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Dear Mr. Balicki:

We respectfully submit that we will not be able to further reduce our multiplier. In fact, under this last round of negotiations we actually decreased our margin from 9.50% to 7.24% in order to avoid an increase in multiplier from the 3.2 multiplier that was previously approved.

As the County is aware, the identified margin includes the firm's profit as well as the firm's necessary business costs that were not allowable in the most recent (in this case, year 2013) financial review, which was performed using financial reporting provisions prescribed by Part 31 of the Federal Acquisition Regulation ("FAR"). Therefore, our actual potential maximum profit is less than the agreed upon 7.24% margin for this above named contract. For this reason, we are not able to further reduce our multiplier.

Our January 27, 2014 response to the request for lowering our multiplier is still applicable and is attached for your reference. If you have any questions or need any additional information, please do not hesitate to contact us.

Very truly yours,  
**HAZEN AND SAWYER, P.C.**



Janeen M. Wietgreffe, PE  
Senior Associate

c: T. Karda/BCWWS  
P. Davis/H&S

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January 27, 2014

Gregory Balicki, PE  
Water and Wastewater Engineering Division  
Broward County Water and wastewater Services  
2555 West Copans Road  
Pompano Beach, Florida 33069

Response to Request for Multiplier  
Reduction – Engineering Services for  
Facilities Improvements | RLI R1007402R

Dear Mr. Balicki:

We respectfully submit that we will not be able to further reduce our multiplier. We are very aware and sensitive to the County's need to perform engineering at the lowest cost to the public and believe Broward has accomplished this. The engineering community, as with other sectors of our economy, has been severely impacted by the economic downturn of recent years. Engineering consulting firms, as a whole, have lowered profit and controlled our overhead costs in spite of rising health care costs, etc. It is our belief that engineering firms have saturated our employees' ability to absorb more of the costs, and hence, cannot reduce our multiplier further.

We will continue to perform our engineering services as efficiently as possible. Through our series of negotiations meetings, we minimized the total cost of our proposed services with BCWWS staff, deleting services that can be provided by County personnel, and utilizing our lower overhead firms (both CBE and non-CBE) when appropriate. As a result, our effective blended multiplier for this particular project is anticipated to be less than 3.0.

We would also like to note that Broward County does an excellent job of directing engineering work to the type of engineer best able to accomplish such at the lowest overhead. For example, linear engineering, such as transportation, is performed by transportation companies which typically have a lower overhead (due to the relative homogeneity of the engineering service provided). Land development work is similarly directed to general civil firms; again which typically have a lower multiplier.

Maintaining a water and wastewater specialty service firm, with a mix of specialty engineers, scientists, and economists, inherently results in higher overhead costs compared to a general civil or mechanical or electrical firm. However, the benefits to the County of having such a specialized firm complete work of the technical nature needed for these critical projects at your water and wastewater facilities justifies the need for these types of firms to continue working as prime consultants on certain projects for BCWWS.

Please let us know if you need any additional information at this time.

Respectfully,

**HAZEN AND SAWYER, P.C.**



Jodeen M. Wietgreffe, PE  
Senior Associate

c. P. Davis  
D. Smith