

Dan Van Schalkwyk, P.E., Director
Kimberly Abraham, Water and Sewer Superintendent
Matt Herson, P.E., Town Engineer
Pam Martin, Business Manager

25 BROOK STREET
AYER, MASSACHUSETTS 01432
T: (978) 772-8240
F: (978) 772-8244

Memorandum

Date: December 8, 2023

To: Rate Review Committee

From: Dan Van Schalkwyk, P.E.

Re: Third Party Professional Evaluation

Dear Rate Review Committee,

I have attached a proposal from Tighe and Bond to this memo, and for convenience the previous proposals received. The Committee now has proposals from the following firms:

1. Weston & Sampson
2. Arcadis
3. Tighe and Bond

I look forward to discussing the proposals with the Committee at its next meeting.

September 19, 2023

55 Walkers Brook Drive, Suite 100, Reading, MA 01867
Tel: 978.532.1900

Dan Van Schalkwyk, P.E.
Director
Town of Ayer - Public Works Department
25 Brook Street
Ayer, Massachusetts 01432

Re: Town of Ayer Solid Waste - Proposal for Programming Evaluation

Dear Mr. Van Schalkwyk:

Thank you for the opportunity to assist the Town of Ayer Department of Public Works with evaluating the Town's current solid waste program - specifically operations at the Town Transfer Station (TS) - and providing an advisory role to the DPW Solid Waste Division and the Rate Review Committee. Weston & Sampson has recently performed several similar high-level assessments for area municipalities and has developed a strong relationship with the Massachusetts Department of Environmental Protection (MassDEP) for transfer station operational improvements/upgrades and related permitting for solid waste projects.

Based on initial email correspondence and subsequent discussion with you, we understand that the Town is primarily focused on options for adjusting operations and improving finances for the TS. We understand that the TS is primarily funded via sticker permit fees and pay-as-you-throw (PAYT) bag sales with subsidy funding via the Town's General Fund; however, it is not self-sustaining. We understand that some of the current issues under consideration include:

- Relatively high bag and sticker prices compared to nearby similar towns
- Flat sticker sales
- Complaints of non-PAYT bags in waste-stream
- Complaints of vehicles without stickers
- There are two full-time employees from DPW Union who operate the station and salary cost is high
- Day and hours of operation and days closed to public for O&M purposes.
- Decreasing usership
- General fund subsidy
- Non-resident use of TS and associated permit fee
- Permit sales – calendar vs. fiscal year; sell at the TS; discontinue permits, etc.

We understand that this evaluation will require an assessment of TS operation costs and revenues, and development of options/recommendations to make the TS operations more efficient via cost reduction measures along with efforts to increase revenues. We understand that the Town does not want to consider options for curbside waste/recyclables collection at this time. Based on our experience, we recommend an initial high-level assessment phase to inform both potential future changes to the overall transfer station operations and associated solid waste programming at the facility. We look forward to discussing the proposed scope of services further after your review and consideration.

SCOPE OF SERVICES

Task 1 – Recycling and Solid Waste Operations Assessment

Task 1A – Data Collection – Solid Waste and Recycling Program

Weston & Sampson will meet with the Town to kick off the project, set expectations, and collect all information on the TS and solid waste program that the Town has available and can provide for review. We expect this will include current facility permit(s) from MassDEP, operation and maintenance records, staffing and equipment levels, spreadsheet models for revenue projections, monthly/annual collection and disposal tonnages and trends, and

current agreements with hauling vendors. We also expect this will include a synopsis discussion of Town-generated findings and ideas / suggestions for operational improvement currently being discussed by Town officials.

Task 1B – Information Review – Transfer Station Facility

Concurrently with Task 1A above, we will review Transfer Station-specific information to evaluate operations, potential for savings or additional revenue generation, and layout / logistical challenges for the current facility. We will review relevant available documents including plans of the facility, Waste Ban Compliance Plans, recent Third-Party Inspection Reports, Site Assignment documents, and equipment inventory records. We will also perform a site visit to observe traffic flow, set-down / parking, residential user practices, and other operational procedures at the facility.

Task 2 – Technical Review Memorandum and Meetings

Task 2A – Summary Memorandum - Operations Evaluation

Based on the review of information in Task 1, we will evaluate current operations and develop a technical memorandum summarizing our findings and recommending / suggesting areas for improvement including operational changes that could increase revenues to the Town and divert additional materials from the solid waste stream for recycling. This task will also include reviewing any applicable upcoming changes to MassDEP solid waste regulations that may impact or provide opportunities for future operational improvements. We will summarize our evaluation of the TS operations including staffing and hours of operation, layout and logistics, efficiency, and maintenance requirements, amongst other considerations and observations noted under Task 1B. We will also consider the findings and ideas/suggestions for improvement as expressed by interested parties in the Town.

Task 2B - Meetings

Following completion of the evaluations above, we will meet with the Town to present our findings and recommendations, discuss potential benefits and costs of the options developed, and develop an approach for future implantation of preferred options for operation improvements. For this task we have budgeted for up to two (2) meetings with the Town to discuss our findings and potential next steps. We assume that meetings will be in-person and will be attended by our solid waste project manager, Lee Koska, PE. In addition, our senior solid waste contracts specialist Mike Scipione will attend up to one (1) meeting. This task includes a final round of edits to the Summary Memo to address Town comments and include a summary of next-steps / future implementation.

PRELIMINARY PHASE 2 SCOPE OF WORK

Based on our findings and following concurrence from the Town on the results of the high-level assessment and evaluation described in the Scope of Services above, we anticipate a potential second phase to our advisory role that will further evaluate and develop the appropriate options. The evaluation is likely to include defining the process to modify current agreements with vendors, permitting for operations and developing a detailed estimate of the savings/costs for the Town for preferred programmatic and operational changes. The cost estimates will be based on a review of current and projected future municipal solid waste (MSW) and recycling market conditions and projected tonnages including an estimate of the current and future disposal fees and revenues the town could expect. Note that a detailed Phase 2 Scope of Work and associated fee can be developed in coordination with you throughout the Phase 1 Assessment.

PROPOSED FEE

Weston & Sampson proposes to complete the above Phase I Scope of Work for a lump sum cost of **\$21,100**. Costs will be billed on a monthly basis as they accrue. The cost is broken out by task as follows:

• Task 1.0: Recycling and Solid Waste Operations Assessment	\$10,500
• Task 2.0: Technical Review Memorandum and Meetings	<u>\$10,600</u>
Total Cost:	\$21,100

NOTICE TO PROCEED

Weston & Sampson is prepared to initiate the above scope of work immediately upon receipt of your written Notice to Proceed. We look forward to the opportunity to work on this project. If you have any questions regarding this scope of work, or need any additional information, please contact the undersigned at (978) 532 – 1900. If this proposal is acceptable to you, please sign the Notice to Proceed below and attached Terms and Conditions and email to mccormab@wseinc.com.



Brian McCormack, PE
Senior Team Leader

Attachment: Terms and Conditions

NOTICE TO PROCEED

Name _____

Title _____

Organization _____

Signature _____

Date _____

WESTON & SAMPSON GENERAL TERMS AND CONDITIONS

1. It is understood that the Proposal attached hereto and dated September 19, 2023 is valid for a period of ninety (90) days. Upon the expiration of that period of time or the delay or suspension of the services, WESTON & SAMPSON reserves the right to review the proposed basis of payment and fees, to allow for changing costs as well as to adjust the period of performance to conform to work loads. References herein to WESTON & SAMPSON are understood to refer to WESTON & SAMPSON ENGINEERS, INC.
2. Invoices will be submitted periodically (customarily on a monthly basis), and terms are net cash, due and payable upon receipt of invoice. Credit card payments by the OWNER shall not be allowed by WESTON & SAMPSON. If the OWNER fails to make any payment due to WESTON & SAMPSON for services and expenses within thirty (30) days after receipt of WESTON & SAMPSON'S statement therefor WESTON & SAMPSON may, after giving seven (7) days' written notice to the OWNER, suspend services under this Agreement. Unless payment is received by WESTON & SAMPSON within seven (7) days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services, WESTON & SAMPSON shall have no responsibility to the OWNER for delay or damage caused the OWNER because of such suspension of services.
3. WESTON & SAMPSON will serve as the professional representative of the OWNER as defined by the Proposal or under any Agreement and will provide advice, consultation and services to the OWNER in accordance with generally accepted professional practice consistent with that degree of skill and care ordinarily exercised by practicing design professionals performing similar services in the same locality, at the same site and under the same or similar circumstances and conditions. Therefore, estimates of cost, approvals, recommendations, opinions, and decisions by WESTON & SAMPSON are made on the basis of WESTON & SAMPSON'S experience, qualifications and professional judgment. Accordingly, WESTON & SAMPSON does not warrant or represent that bids or negotiated prices will not vary from the OWNER'S budget for the project, or from any estimate of the Cost of the Work evaluation prepared or agreed to by WESTON & SAMPSON. WESTON & SAMPSON makes no warranty or guarantee, express or implied, regarding the services or work to be provided under this Proposal or any related Agreement. Notwithstanding any other provision of these General Terms and Conditions, unless otherwise subject to a greater limitation, and to the fullest extent permitted by law, the total liability in the aggregate, of WESTON & SAMPSON and their officers, directors, employees, agents, and independent professional associates, and any of them, to OWNER and any one claiming by, through or under OWNER, for any and all injuries, claims, losses, expenses, or damages whatsoever arising out of in any way related to WESTON & SAMPSON's services, the project, or this Agreement, from any cause or causes whatsoever, including but not limited to, the negligence, errors, omissions, strict liability, breach of contract, misrepresentation, or breach of warranty of WESTON & SAMPSON or WESTON & SAMPSON's officers, directors, employees, agents or independent professional associates, or any of them, and any causes arising from or related to the COVID-19 pandemic, shall not exceed the greater of \$50,000 or the total compensation received by WESTON & SAMPSON hereunder and OWNER hereby releases WESTON & SAMPSON from any liability above such amount. WESTON & SAMPSON shall have no upfront duty to defend the OWNER but shall reimburse defense costs of the OWNER to the same extent of its indemnity obligation herein.
4. Where the Services include subsurface exploration, the OWNER acknowledges that the use of exploration equipment may alter or damage the terrain, vegetation, structures, improvements, or the other property at the Site and accepts the risk. Provided WESTON & SAMPSON uses reasonable care, WESTON & SAMPSON shall not be liable for such alteration or damage or for damage to or interference with any subterranean structure, pipe, tank, cable, or other element or condition whose nature and location are not called to WESTON & SAMPSON'S attention in writing before exploration begins.
5. WESTON & SAMPSON and its consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous waste or viruses, including COVID-19, in any form at the project site. Accordingly, the OWNER agrees to assert no claims against WESTON & SAMPSON, its principals, agents, employees and consultants, if such claim is based, in whole or in part, upon the negligence, breach of contract, breach of warranty, indemnity or

- other alleged obligation of WESTON & SAMPSON or its consultants, and arises out of or in connection with the detection, assessment, abatement, identification or remediation of hazardous materials, pollutants or asbestos at, in, under or in the vicinity of the project site identified in the Proposal. OWNER shall defend, indemnify and hold harmless WESTON & SAMPSON, its principals, agents, employees, and consultants and each of them, harmless from and against any and all costs, liability, claims, demands, damages or expenses, including reasonable attorneys' fees, with respect to any such claim or claims described in the preceding sentence, whether asserted by OWNER or any other person or entity. WESTON & SAMPSON shall not be liable for any damages or injuries of any nature whatsoever, due to any delay or suspension in the performance of its services caused by or arising out of the discovery of hazardous substances or pollutants at the project site or exposure of any parties to the COVID-19 virus.
6. WESTON & SAMPSON agrees to purchase at its own expense, Worker's Compensation insurance, Comprehensive General Liability insurance, and Engineer's Professional Liability insurance and will, upon request, furnish insurance certificates to OWNER reflecting WESTON & SAMPSON's standard coverage. WESTON & SAMPSON agrees to purchase whatever additional insurance is requested by OWNER (presuming such insurance is available, from carriers acceptable to WESTON & SAMPSON) provided OWNER reimburses the premiums for additional insurance.
7. As a part of this Agreement, OWNER without cost to WESTON & SAMPSON agrees to do the following in a timely manner so as not to delay the services of WESTON & SAMPSON:
- a. Designate in writing a person to act as OWNER'S representative with respect to work to be performed under this Agreement, such person to have complete authority to transmit instructions, receive information, interpret and define OWNER'S policies and decisions with respect to materials, equipment elements and systems pertinent to the work covered by the Agreement.
 - b. Through its officials and other employees who have knowledge of pertinent conditions, confer with WESTON & SAMPSON regarding both general and special considerations relating to the Project.
- c. Assist WESTON & SAMPSON by placing at the disposal of WESTON & SAMPSON, all available information pertinent to the Project including previous reports and other data relative to design or construction of Project.
 - d. Furnish or cause to be furnished to WESTON & SAMPSON all documents and information known to OWNER that relate to the identity, location, quantity, nature or characteristics of any hazardous waste at, on or under the site. In addition, OWNER will furnish or cause to be furnished such other reports, data, studies, plans, specifications, documents and other information on surface and subsurface site conditions required by WESTON & SAMPSON for proper performance of its services.
 - e. WESTON & SAMPSON shall be entitled to rely, without liability, on the accuracy and completeness of information and documents provided by the OWNER, OWNER'S CONSULTANTS and CONTRACTORS and information from public records, without the need for independent verification.
 - f. Pay for all application and permit fees associated with approvals and permits for all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.
 - g. Arrange for and make all provisions for WESTON & SAMPSON and its agents to enter upon public and private lands as required for WESTON & SAMPSON to perform its work under this Agreement.
 - h. Furnish WESTON & SAMPSON with all necessary topographic, property, boundary and right-of-way maps.
 - i. Cooperate with and assist WESTON & SAMPSON in all additional work that is mutually agreed upon.
 - j. Pay WESTON & SAMPSON for work performed in accordance with terms specified herein.
8. The obligation to provide further services under this Agreement may be terminated by either party upon thirty days' written notice in the event of substantial failure by the other party to perform in accordance

with the terms hereof through no fault of the terminating party. If the Project is suspended or abandoned in whole or in part for more than three (3) months, WESTON & SAMPSON shall be compensated for all services performed prior to receipt of written notice from OWNER of such suspension or abandonment, together with the other direct costs then due. If the Project is resumed after being suspended for more than three (3) months, WESTON & SAMPSON'S compensation shall be equitably adjusted. In the event of termination by either party, WESTON & SAMPSON shall be compensated for all services performed prior to receipt of written termination, together with other direct costs then due, including WESTON & SAMPSON's independent consultants, and for the services necessary to affect termination.

9. The OWNER and WESTON & SAMPSON waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, but only to the extent covered by any property or other insurance in effect whether during or after the project. The OWNER and WESTON & SAMPSON shall each require similar waivers from their contractors, consultants and agents.

10. All Drawings, diagrams, plans, specifications, calculations, reports, processes, computer processes and software, operational and design data, and all other documents and information produced in connection with the project as instruments of service, regardless of form, shall be confidential and the property of WESTON & SAMPSON, and shall remain the sole and exclusive property of WESTON & SAMPSON whether the project for which they are made is executed or not. The OWNER shall not have or acquire any title to or ownership rights in any of the documents or information prepared by WESTON & SAMPSON. OWNER may make and retain copies for information and reference in connection with the use and occupancy of the Project by the OWNER and others; however, such documents are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other Projects. Any reuse without written verification or adaptation by WESTON & SAMPSON for the specific purpose intended will be at OWNER'S sole risk and without liability or legal exposure to WESTON & SAMPSON or to WESTON & SAMPSON's independent consultants, and OWNER shall indemnify and hold harmless WESTON & SAMPSON and WESTON & SAMPSON'S

independent consultants from all claims, damages, losses, and expenses, including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle WESTON & SAMPSON to further compensation at rates to be agreed upon by OWNER and WESTON & SAMPSON.

11. The substantive laws of the Commonwealth of Massachusetts shall govern any disputes between WESTON & SAMPSON and the OWNER arising out of the interpretation and performance of this Agreement.
12. WESTON & SAMPSON and the OWNER agree that any disputes arising under this Agreement and the performance thereof shall be subject to nonbinding mediation as a prerequisite to further legal proceedings. The parties may engage in remote mediation if in-person mediation is not possible or practicable due to the COVID-19 pandemic, or if mutually agreed upon between the parties.
13. WESTON & SAMPSON shall not be required to sign any documents, no matter by who requested, that would result in WESTON & SAMPSON having to certify, guaranty, or warrant the existence of conditions that would require knowledge, services or responsibilities beyond the scope of this Agreement.
14. Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the OWNER or WESTON & SAMPSON. WESTON & SAMPSON'S services hereunder are being performed solely for the benefit of the OWNER, and no other entity shall have any claim against WESTON & SAMPSON because of this Agreement or WESTON & SAMPSON'S performance of services hereunder.
15. Notwithstanding anything to the contrary contained herein, OWNER and ENGINEER agree that their sole and exclusive claim, demand, suit, judgment or remedy against each other shall be asserted against each other's corporate entity and not against each other's shareholders, A/E's, directors, officers or employees.
16. To the extent they are inconsistent or contradictory, express terms of this Proposal take precedence over these General Terms and Condition. It is understood and agreed that the services or work performed under this Proposal or any Agreement are not subject to any provision of any Uniform Commercial Code. Any terms and conditions set forth in

OWNER'S purchase order, requisition, or other notice or authorization to proceed are inapplicable to the services under this Proposal or any related Agreement, except when specifically provided for in full on the face of such purchase order, requisition, or notice or authorization and specifically accepted in writing by WESTON & SAMPSON. WESTON & SAMPSON'S acknowledgement of receipt of any purchase order, requisition, notice or authorization, or WESTON & SAMPSON'S performance of work subsequent to receipt thereof, does not constitute acceptance of any terms or conditions other than those set forth herein.

Approved by:

OWNER Name

Signature

Date

Printed Name and Title

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Solid Waste\GT&C.docx

17. If any provision of this Agreement shall be finally determined to be invalid or unenforceable in whole or in part, the remaining provisions hereof shall remain in full force and effect, and be binding upon the parties hereto. The parties agree to reform this Agreement to replace any such invalid or unenforceable provision with a valid and enforceable provision that comes as close as possible to the intention of the stricken provision.
18. If delays or failures of performance of WESTON & SAMPSON are caused by occurrences beyond the reasonable control of WESTON & SAMPSON, WESTON & SAMPSON shall not be in default of this AGREEMENT. Said occurrences shall include Acts of God or the public enemy; expropriation or confiscation; compliance with any quarantine or other order of any governmental authority; pandemic; epidemic; public health crisis; labor or materials shortage; changes in law; act of war, rebellion, terrorism or sabotage or damage resulting therefrom; fires, floods, explosions, accidents, riots, strikes or other concerted acts of workmen, whether direct or indirect; delays in permitting; OWNER's failure to provide data in OWNER's possession or provide necessary comments in connection with any required reports prepared by WESTON & SAMPSON, or any other causes which are beyond the reasonable control of WESTON & SAMPSON. WESTON & SAMPSON's scheduled completion date shall be adjusted to account for any force majeure delay and WESTON & SAMPSON shall be compensated for all costs incurred in connection with or arising from a force majeure event or in the exercise of reasonable diligence to avoid or mitigate a force majeure event.

Mr. Daniel Van Schalkwyk, P.E.
Director of Public Works
Town of Ayer
25 Brook Street
Ayer, Massachusetts 01432

Arcadis U.S., Inc.
500 Edgewater Drive
Suite 511
Wakefield
Massachusetts 01880
Phone: 781 224 4488
www.arcadis.com

Date: October 6th, 2023
Subject: Ayer Transfer Station Analysis
Arcadis U.S., Inc. Proposal

Dear Mr. Van Schalkwyk:

Arcadis is pleased to submit this proposal to assist with a review and recommendations for the Town's solid waste transfer station.

Project Background

The Town of Ayer, Department of Public Works (DPW) is seeking consulting services to evaluate the existing operations and municipal finances of the Solid Waste Division (SWD) of the DPW and obtain professional recommendations for changes that will improve program costs at its Solid Waste Transfer Station. Below are some of the current issues identified by the Town:

- The Town currently subsidizes a portion of its Solid Waste Enterprise Fund (Fund) through its General Fund; therefore, the Enterprise Fund is not self-sustaining.
- The Town's primary source of revenue for the Solid Waste Enterprise Fund is through Pay As You Throw (PAYT) bag sales and annual permit stickers.
- Relatively high bag and sticker prices compared to nearby similar towns.
- Flat sticker sales year-after-year / Decreasing usership.
- Complaints of non-PAYT bags in waste-stream.
- Complaints of vehicles without stickers.
- There are two full-time employees from DPW union assigned to operate the station and salary cost is high.
- Day and hours of operation (including overtime pay) and days closed to public for O&M purposes.
- Should there be a non-resident use of transfer station (TS) and associated permit fee.
- Permit sales – calendar vs. fiscal year; sell at the TS; discontinue permits, etc.
- The Town would not like to evaluate curbside collection as part of this evaluation.

Scope of Work

The scope of work will be performed by Arcadis US, Inc (Arcadis) and will include the following tasks:

Task 1: Project Management

This task includes the overall management and administrative support. Activities under this task include, but are not limited to, project setup, data and record keeping, invoice management, resource planning and coordination, internal and external communications and correspondence, quality control, schedule and budget monitoring, and project closeout.

Task 2: Kickoff Meeting, Data Collection and Operational Analysis

Arcadis will facilitate a virtual kickoff meeting to discuss overall project objectives and schedule, as well as review and identify data and information to be provided by the SWD. Arcadis will prepare and submit to the Department an information request based on the items discussed in the meeting.

Data and information for the financial model will be analyzed for the current SWD operations, statistics, and trends, as well as evaluating Town policies and other relevant information. Such data will be obtained from the SWD and outside sources as necessary. All collected data will be analyzed for accuracy, and where needed, data projections to support assumed model values will be calculated with source data properly referenced. All model data assumptions will be validated and agreed upon by the SWD. Model input data developed under this subtask will include, but is not limited to, the following:

- Population Growth
- Household Growth
- Garbage Generation Rates
- Escalation Factors - Inflation (CPI)
- Relevant fiscal policies for the Enterprise Fund
- Planned changes in collection fees and disposal rates
- Revenue and Expense Data for FY 2023
- Current debt service schedules
- Beginning fund balance data as of July 1, 2022
- Current Capital Improvements Program and funding source information
- Latest Annual Financial Report

Task 3: Develop Financial Model

Arcadis will develop a customized eFORECAST financial model for the Enterprise Fund to analyze the long-term cost and revenue trends and determine the optimal financial management strategies.

Model features and benefits include:

- ✓ Proactive control of collection and disposal rates and charges adjustments by setting aside capital and operating reserves, planning for debt issuance, and accelerating or postponing capital projects.
- ✓ Enabling dynamic scenario analysis of different revenue and cost projections to determine the impact on collection and disposal rates and charges, and evaluate the financial feasibility of specific capital projects/investments.
- ✓ Ensuring the sufficient and timely availability of revenues for the SWD's future infrastructure improvement needs.
- ✓ Providing visual real-time impacts of financial planning scenario decisions through a user-friendly, graphical interface.
- ✓ Reviewing metrics of current and forecasted financial health to understand the dynamics of rate revenue in relation to operating expenses, debt service, and ultimately customer affordability.

The development of the financial models will incorporate the Department's data and information gathered and analyzed in previous tasks. Further data review and analyses will be made during model development, including the following:

- Review of pertinent background documents related to the SWD's operations and fee structure.
- Analysis of non-fee revenues, operation and maintenance expenses, capital expenditures and total revenue requirements.
- Review of the current disposal and collection tonnage calculations and projections; review of Town population estimates and other indicators of future growth and customer composition.
- Review of the SWD's capital improvement program (CIP)
- Projection of other non-operating revenue requirements over the forecast period (e.g., transfers, scheduled debt service principal and interest payments associated with outstanding and anticipated debt).
- Incorporation of pertinent Town fiscal policies, such as the desire to maintain capital reserve funds, emergency funds, repair & replacement (R&R) funds, and the maintenance of adequate working capital balances.

Once the eFORECAST model is developed, Arcadis will facilitate a (virtual) two-hour model validation workshop to review the baseline modeling results and to allow SWD staff to interactively test various "what-if" scenarios to make sure that the model reflects future financial conditions under the most realistic assumptions.

The goal of this workshop will be to:

- Review and validate the baseline financial modeling results and assumptions.
- Analyze and discuss the most cost effective and appropriate funding sources available to the SWD for funding its capital improvement projects.
- Assess the projected average fee adjustments under a variety of scenarios.
- Reach consensus on the financial forecast and annual revenue needs.
- Confirm desired graphical interfaces, including format of the summary financial report (pro forma).

After the model validation workshop, Arcadis will incorporate the SWD's input into the eFORECAST model. A one-hour virtual workshop will then be held with the Department to review the final model and validate the reporting and modeling capability.

Task 4: Prepare Memorandum

Based on the results of the above tasks, Arcadis will prepare and submit one electronic copy (PDF format) of a draft Memorandum to the SWD for review and comment. The Memorandum will provide documentation of the data collected, assumptions, calculations, analyses, and other information used in the development of the models, modeling and analysis results over the forecast period, and conclusions and recommendations for the SWD. Arcadis will review comments received from the SWD and revise the draft Memorandum to address comments, if necessary.

Arcadis will prepare and submit one (1) electronic copy (PDF format) of the final Memorandum to the SWD following receipt of written comments.

Schedule

Services are expected to be completed within 90 -120 calendar days of receipt of notice to proceed.

Compensation

Professional services related to this work shall be provided on lump sum basis of \$16,540 and invoiced at a percent complete by month. The project budget is based on the scope of work as provided and is subject to cost adjustment resulting from any change in the scope or schedule of work. The estimated level of effort and reimbursable expenses required to complete this task is provided in the following table:

Town of Ayer, MA Transfer Station Analysis Cost Table								
Task Description	Person-Hours					Project Costs		
	Engineer Director	Principal Engineer 2	Senior Engineer	Staff Engineer	Total Person -Hours	Total Labor Costs	Other Direct Costs	Total Costs
Billing Rate	\$297	\$285	\$177	\$106				
1. Project Management	1	1	6	4	12	\$2,068	\$0	\$2,068
2. Kickoff Mtg, Data Collection & Operational Analysis	1	5	0	13	19	\$3,100	\$0	\$3,100
3. Develop Financial Model & Workshops	3	4	12	40	59	\$8,395	\$60	\$8,455
4. Draft & Final Memo	1	2	2	16	21	\$2,917	\$0	\$2,917
TOTAL	6	12	20	73	111	\$16,480	\$60	\$16,540

Assumptions and Exclusions

1. All tasks assume that all data or reports (e.g., Comprehensive Annual Financial Reports, financial data, etc.) generated by the SWD will be available in electronic format. It is understood that reports or information derived by others may only be available in hard copy format.

We look forward to assisting you with this important assignment. Please call if there are any questions or items you wish to discuss.

Sincerely,
Arcadis U.S., Inc.



Jennifer Kelly Lachmayr, PE BCEE
Senior Vice President/Area Leader New England

Email: Jennifer.Lachmayr@arcadis.com
Direct Line: 781 439 5181

CC. Chris Tilman, PE & Amy Anderson George - Arcadis

This proposal and its contents shall not be duplicated, used or disclosed — in whole or in part — for any purpose other than to evaluate the proposal. This proposal is not intended to be binding or form the terms of a contract. The scope and price of this proposal will be superseded by the contract. If this proposal is accepted and a contract is awarded to Arcadis as a result of — or in connection with — the submission of this proposal, Arcadis and/or the client shall have the right to make appropriate revisions of its terms, including scope and price, for purposes of the contract. Further, client shall have the right to duplicate, use or disclose the data contained in this proposal only to the extent provided in the resulting contract.

10-5004-P026
December 7, 2023

Dan Van Schalkwyk, PE, Director
Ayer Public Works Department
25 Brook Street
Ayer, MA 01432

Re: **Proposal for Professional Engineering Services
Transfer Station Evaluation**

Dear Mr. Van Schalkwyk:

Tighe & Bond is pleased to provide the Town of Ayer (Town) with this proposal to evaluate the Town's Solid Waste Transfer Station from an operational and financial perspective.

Project Understanding

The Town operates their Transfer Station located at 95 Groton-Harvard Road as an enterprise fund supported by revenue from Pay As You Throw (PAYT) bags, vehicle permits and bulk items. Although the cost of PAYT bags is high compared to comparable communities the fund has been running at a deficit for the last five years. Costs have been increasing, however the sales of PAYT bags and permits have been flat while usage has been decreasing. In addition, there have been reports of non PAYT bags and unpermitted vehicles at the transfer station.

It is our understanding that the Town's goal is to develop recommendations for changes to the fee structure that will improve user costs for the Transfer Station.

Scope of Services

We have developed the following proposed Scope of Services based on our understanding of the project and our meeting with the Town on November 29, 2023.

Task 1 – Operational Evaluation

We will complete an operational evaluation of the Transfer Station which will include services described in the following tasks:

- 1.1 Data collection** – We will collect all available data provided by the Town related to:
 - a.** Annual bag /permit sales for the last 3 years
 - b.** Vehicle trips (start with estimates and have Town collect data for the duration of the evaluation)
 - c.** Estimated bulk material volumes
 - d.** Tipping weights from Casella for the last 3 years
 - e.** Discussions with up to three private trash companies serving the Town of Ayer to discuss increases in customers fees etc.
 - f.** Interviews with key Town personnel.
- 1.2 Site visits** - Tighe & Bond will visit the transfer station on two separate occasions during projected peak hours to observe operations, customer activity etc. as well as the overall layout of the facility.

- 1.3 Review of similar facilities** - We will contact three other municipalities with similar operations to add perspective to the evaluation as well as to obtain costs for PAYT, permits and bulk disposal costs.
- 1.4 Recommendations** - Based upon our site visits and discussion with the Town we will make recommendations on the operating hours and staffing requirements for the facility and potential changes to layout to reduce non-paid disposal.

Task 2 – Financial Evaluation

The financial evaluation will be conducted in the same manner as water, sewer and stormwater funds are evaluated by developing a customized financial model. This similar to the model used to evaluate the Town’s Stormwater Utility. The financial evaluation consists of the following:

- 2.1 Establish Revenue Requirements** – We will review the last three years of the operating budget for the transfer station and compare that to actual data from the operation and the existing hauling agreement with Casella. We will discuss with Town any planned capital improvement plans for the facility and will estimate operating costs for the next five fiscal years. Operating costs will reflect any recommended changes in staffing for the facility.
- 2.2 Project Revenues** - Revenue projections will be based upon the projected PAYT permit sales developed from data collected in Task 1. Revenues will be prepared under three scenarios (alternatives). We will discuss the following scenarios with the Town at the project kickoff meeting and modify them as necessary.
 - a. Self-sufficient:** Existing Bag & Vehicle costs will be increased proportionally to maintain the desired retained earnings balance.
 - b. Planned Subsidy:** Enterprise funds may be operated revenue positive, neutral or with a planned subsidy. This alternative will be based upon a predetermined maximum subsidy.
 - c. Modified Rate Structure:** This alternative will be based upon the research conducted in Task 1 and discussed with the Town. This may include varying the amount of revenue obtained from PAYT/permits, changes to bulk disposal rates etc
- 2.3 Estimate Customer Costs** - Costs for a typical residential customer will be developed based upon either observed or discussed bag usage for all three scenarios.

Task 3 – Meetings and Deliverables

We will coordinate and attend three meetings with the Town as described below. Meetings will be either in-person or virtual.

- 3.1 Kickoff Meeting** - The Kick-off meeting will review the scope of services, source data, project approach and schedule.
- 3.2 Data Validation Meeting** – This meeting will review the preliminary results of our financial evaluation as well as recommendations from site visits, etc.
- 3.3 Rate Review Committee Meeting** – We will attend one meeting with the Town’s Rate Review Committee to review and discuss our findings and recommendations.

3.4 Technical Memorandum – Tighe & Bond will prepare a technical memorandum which will summarize our approach, data collected and our recommendations with key elements from the rate model.

Fee

Tighe & Bond will perform these services for a lump sum fee of **\$18,500**, invoiced monthly based on percentage complete. In the event that the Scope of Work is increased for any reason, the lump sum fee to complete the work shall be mutually revised by written amendment. Our attached Terms and Conditions are part of this letter agreement.

Schedule

Tighe & Bond staff will plan to visit the Transfer Station during operating hours the week of December 25, 2023 as we expect that this will be a busier operating week. We will conduct a second visit at a later date that is mutually agreed to with the Town. We estimate that the services included in this proposal will be completed within three months of authorization to proceed.

The included schedule and fee are based on the above scope of work and assumptions. The schedule includes reasonable allowances for review and approval times by applicable parties. This schedule may need to be adjusted as the project progresses, allowing for changes in scope, character or size of the project requested by the Town of Ayer, or for delays or other causes beyond our reasonable control.

We look forward to assisting you with this project. If this proposal is acceptable, please return one signed copy to my attention. If you have any questions or require any additional information, please contact me or Michael Schrader at mjschrader@tighebond.com.

Very truly yours,

TIGHE & BOND, INC.



Thomas J. Mahanna, PE
Vice President

Enclosure: Terms and Conditions – REV 04/2020

Acceptance

On behalf of the Town of Ayer, the scope, fee, and terms of this proposal are hereby accepted.

Authorized Representative

Date

Name

Title