

**AGREEMENT TO FURNISH SERVICES FOR THE
PREPARATION AND SUPPORT OF A STATE REVOLVING FUND LOAN
APPLICATION FOR THE CITY OF REDLANDS' RECYCLED WATER PROJECT**

This Agreement is made and entered into this 16th day of October, 2001 by and between the City of Redlands, a municipal corporation (hereinafter "City") and Black & Veatch, Corporation (hereinafter "Consultant").

In consideration of the mutual promises, covenants and conditions hereinafter set forth, City and Consultant hereby agree as follows:

ARTICLE 1 - ENGAGEMENT OF CONSULTANT

- 1.1 City hereby engages Consultant, and Consultant hereby accepts the engagement, to perform services ("Services") for preparation and support of a State Revolving Fund Loan application with the State Water Resources Control Board ("Project"), for the City of Redlands, California.
- 1.2 The Services shall be performed by Consultant in a professional manner, and Consultant represents that it has the skill and the professional expertise necessary to provide high quality Services for the Project at the level of competency presently maintained by other practicing professional Consultants in the industry providing similar types of services.

ARTICLE 2 - SERVICES OF CONSULTANT

- 2.1 The specific Services which Consultant shall perform are more particularly described in Attachment "A," entitled "Scope of Services," which is attached hereto and incorporated herein by this reference.

ARTICLE 3 - RESPONSIBILITIES OF CITY

- 3.1 City shall make available to Consultant information in its possession that is pertinent to the performance of Consultant's Services.
- 3.2 City will provide access to and make provisions for Consultant to enter upon City-owned property or rights-of-way as required by Consultant to perform the Services.

AGREEMENT TO FURNISH ENVIRONMENTAL CONSULTING SERVICES
FOR THE REDLANDS RECYCLED WATER PROJECT

October 16, 2001

Page 2

- 3.3 City designates Douglas Headrick as Project Manager, to act as its representative with respect to the Services to be performed under this Agreement.

ARTICLE 4 - PERIOD OF SERVICE

- 4.1 Consultant shall perform the Services in a diligent manner and in accordance with the schedule set forth in Attachment "B", entitled "Project Schedule".

ARTICLE 5 - PAYMENTS TO THE CONSULTANT

- 5.1 The total compensation for Consultant's performance of Services shall not exceed the amount of \$26,000. City shall pay Consultant on a time and materials basis up to the not to exceed amount, in accordance with Attachment "C", entitled "Project Fee", based on the hourly rates shown in Attachment "D", entitled "Rate Schedule".
- 5.2 Consultant shall bill City within ten days following the close of each month by submitting an invoice indicating the Services performed, who performed the services, indirect costs, and the detailed cost of all Services, including backup documentation. Payments by City to Consultant shall be made within 30 days after receipt and approval of Consultant's invoice, by warrant payable to Consultant.
- 5.3 All contractual notices, bills and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail shall be addressed as follows:

City
Douglas Headrick
Municipal Utilities Department
35 Cajon Street
P. O. Box 3005
Redlands CA 92373

Consultant
Black & Veatch
201 S. Lake, Suite 803
Pasadena, CA 91101

When so addressed, such notices shall be deemed given upon deposit in the United States Mail. In all other instances, notices, bill and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills, and payments are to be given by giving notice pursuant to this paragraph.

AGREEMENT TO FURNISH ENVIRONMENTAL CONSULTING SERVICES
FOR THE REDLANDS RECYCLED WATER PROJECT

October 16, 2001

Page 3

ARTICLE 6 - INSURANCE AND INDEMNIFICATION

6.1 Consultant's Insurance to be Primary.

All insurance required by this Agreement is to be maintained by Consultant for the duration of this Agreement and shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by City. Consultant shall provide City with Certificates of Insurance evidencing such insurance prior to commencing the services.

6.2 Worker's Compensation and Employer's Liability

A. Consultant shall have worker's compensation and employer's liability insurance in force throughout the duration of the contract in an amount which meets the statutory requirement with an insurance carrier acceptable to the City. City shall be named as an additional insured and the insurance policy shall include a provision prohibiting cancellation of said policy except upon thirty (30) days prior written notice to City. Certificates of Insurance shall be delivered to City within fifteen (15) days of execution of the agreement.

B. Consultant expressly waives all rights to subrogation against the City, its officers, employees and volunteers for losses arising from work performed by Consultant for City by expressly waiving Consultant's immunity for injuries to Consultant's employees and agrees that the obligation to indemnify, defend and hold harmless provided for in this Agreement extend to any claim brought by or on behalf of any employee of Consultant. This waiver is mutually negotiated by the parties. This shall not apply to any damage resulting from the sole negligence of City, its agents and employees. To the extent any of the damages referenced herein were caused by or resulted from the concurrent negligence of City, its agents or employees, the obligations provided herein to indemnify, defend and hold harmless are valid and enforceable only to the extent of the negligence of Consultant, its officers, agents and employees.

6.3 Comprehensive General Liability Insurance. Consultant shall secure and maintain in force throughout the duration of the contract comprehensive general liability insurance covering all work under this Agreement, including work done by subcontractors, with carriers acceptable to the City. Minimum coverages of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for public liability, property damage and personal injury is required. The City shall be named as an

AGREEMENT TO FURNISH ENVIRONMENTAL CONSULTING SERVICES
FOR THE REDLANDS RECYCLED WATER PROJECT

October 16, 2001

Page 4

additional insured and the insurance policy shall include a provision prohibiting cancellation of said policy except upon thirty (30) days prior written notice to the City.

- 6.4 Business Auto Liability Insurance. Consultant shall carry business auto liability coverage, with minimum limits of five hundred thousand dollars (\$500,000) per occurrence, combined single limit for bodily injury liability and property damage liability. This coverage shall include all Consultant owned vehicles used on the Agreement, hired and non-owned vehicles, and employee non-ownership vehicles.
- 6.5 Professional Liability Insurance. Agreements with Consultants who are required to be professionally certified by the State, shall be required to provide professional liability insurance in the amount of one million dollars (\$1,000,000) with a minimum coverage of five hundred thousand dollars (\$500,000) per occurrence and one million dollars (\$1,000,000) in the aggregate.
- 6.6 Hold Harmless and Indemnification. Consultant shall indemnify, hold harmless and defend City and its elected officials, agents and employees from and against any and all claims, losses or liability, including attorney's fees, arising from injury or death to persons or damage to property occasioned by any act, omission or failure of Consultant, its subcontractors, and any officers, agents and employees in performing the work required by this Agreement. Consultant's obligations under this provision shall not be limited in any way by any terms of this Agreement, or the insurance limits.

ARTICLE 7 - GENERAL CONSIDERATIONS

- 7.1 In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees.
- 7.2 Consultant shall not assign any of the Services required by this Agreement, except with the prior written approval of City and in strict compliance with the terms, provisions and conditions of this Agreement.
- 7.3 Consultant's key personnel for the Project are:

Project Manager: Sudhir Pardiwala

Consultant agrees that the key personnel shall be made available and assigned to the Project, and that they shall not be replaced without concurrence from City.

AGREEMENT TO FURNISH ENVIRONMENTAL CONSULTING SERVICES
FOR THE REDLANDS RECYCLED WATER PROJECT

October 16, 2001

Page 5

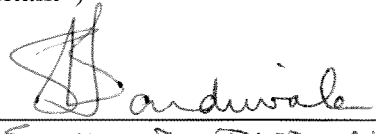
- 7.4 All documents, records, drawings, designs, costs estimates, electronic data files and databases and other Project documents developed by the Consultant pursuant to this Agreement shall become the property of City and shall be delivered to City upon completion of the Services or upon the request of City. Any reuse of such documents for other projects and any use of incomplete documents will be at City's sole risk.
- 7.5 Consultant is for all purposes an independent contractor. All personnel employed by Consultant are for its account only, and in no event shall Consultant or any personnel retained by it be deemed to have been employed by City or engaged by City for the account of or on behalf of City.
- 7.6 Unless earlier terminated, as provided for below, this Agreement shall terminate upon completion and acceptance by City of the Services.
- 7.7 This Agreement may be terminated by the City, without cause, by providing ten (10) days prior written notice to the Consultant (delivered by certified mail, return receipt requested) of intent to terminate.
- 7.8 Upon receipt of a termination notice, Consultant shall (1) promptly discontinue all services affected, and (2) deliver or otherwise make available to City, copies (in both hard copy and electronic form, where applicable), of any data, design calculations, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by Consultant in performing the Services required by this Agreement.
- 7.9 This Agreement, including the attachments incorporated herein by reference, represents the entire agreement and understanding between the parties and any prior negotiations, proposals or oral agreements are superseded by this Agreement. Any amendment to this Agreement shall be in writing, approved by the City Council of City and signed by City and Consultant.
- 7.10 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, duly authorized representatives of the City and Consultant have signed in confirmation of this Agreement.

City of Redlands
("City")

By: 
PAT GILBREATH
Mayor

Black & Veatch Corporation
("Consultant")

By: 
SUDHIR D. PARDIWALA
Title: SENIOR PROJECT MANAGER

ATTEST:


Lorrie Poyzer
City Clerk, City of Redlands

ATTACHMENT A
SCOPE OF SERVICES

ATTACHMENT A

Scope of Services

The work effort for this project will be the preparation of a loan application and supplements for the State Water Resources Control Board (SWRCB) Water Reclamation Construction Program (WRCP) and/or the State Revolving Fund (SRF) program. The goal of this project will be to facilitate approval of the loan application and respond to comments from SWRCB loan program staff as they review the application.

General and Administrative

Task 1 - Project Management

This project component includes general project planning, project coordination, staff direction, and other administrative activities such as project budgeting, monitoring, schedule tracking and defining and designating responsibilities and goals. Specific subtasks are:

- 1.1 Coordinate project activities among Black & Veatch, City staff, and loan program staff through review meetings and other forms of client correspondence.
- 1.2 Provide direction to staff as required to meet project objectives and deadlines. Ensure adequate levels of staff throughout the course of the project. Perform general administrative duties, monitor project progress and project tracking.

Task 2. Finalize Preliminary Eligibility

Prior to preparing the WRCP/SRF application, it is important to determine the City's project's eligibility for WRCP/SRF loans. The City has been in contact with the SWRCB Staff and has determined that an SRF loan application is the preferred alternative at this time. However, as the preliminary review process continues at the SWRCB, it may be necessary to look at other options. This purpose of this task is to finalize the determination of which loan program to focus the application on.

- 2.1 Evaluate issues related to meeting loan eligibility requirements such as:
 - 2.1.1 Current status of project including planning feasibility reports, EIR, water conservation plan, user information and other relevant information.
 - 2.1.2 Water reclamation project's impact on alternative water supply and demand. The impact would be analyzed both from a quantitative and qualitative perspective.

ATTACHMENT A

- 2.2 Review and forward the preliminary planning feasibility study prepared by the City to the SWRCB loan program staff for their loan eligibility review.

Task 3 - Refine Project Definition

The project is currently in its design phase. For purposes of the loan application, the project costs and components to be funded will be defined. Specific subtasks for this component are:

- 3.1 Schedule a meeting with the City to refine the project description and construction cost estimate, emphasizing those components of the project to be covered by the loan. This can be an iterative process, as the loan program administrators review the capacities and eligibility of the specific components. Specific issues that would be addressed are:
 - 3.1.1 Based on discussions with loan program staff, identify and review components that would be funded by the WRCP/SRF loan and outline other components of the project not eligible for WRCP/SRF loan funding.
 - 3.1.2 Review the construction cost estimate and then prepare separate estimates of the facilities to be covered by the WRCP/SRF loan, City reserves and grants from SAWPA (Proposition 13).
 - 3.1.3 Review any phasing of the project to confirm the constructability and operational flexibility of the system as it is expanded.
- 3.2 Define agreements and/or ordinances that are needed to satisfy the loan requirements. Examples of these will likely include:
 - Agreements with users for any purchased recycled water.
 - Resolution establishing a capital reserve fund in accordance with the SWRCB's requirements of the loan program.
 - A resolution authorizing the City Administrator to enter into a loan or grant contract with the SWRCB.
 - Any requirements regarding holding an election before entering into a loan contract with the SWRCB.
- 3.3 Prepare a preliminary project schedule showing project phasing, and covering the funding acquisition, design and construction phases. Black & Veatch will collect and review all available plans, specifications, reports, and operating data applicable to the completeness of the loan application.

ATTACHMENT A

- 3.4 Arrange a meeting with SWRCB staff to review the relevant issues, discuss plans and facilitate meeting so that the City Council can be assured about the funding program.

Preparation of the Loan Application

This phase of the work involves compilation of the entire loan application package for the SWRCB WRCP/SRF, submission of the loan application package to the SWRCB, and follow-through with loan program staff.

Loan Application Supplements

Task 4. Prepare Loan Application Supplements

Black & Veatch will work in conjunction with City staff to gather and review the loan application supplements. Specific subtasks are:

- 4.1 Collect and review all the loan application supplements deemed necessary for completeness. During a meeting with the City, Black & Veatch will collect and review the following supplements designated by the City in addition to any others in order to fulfill application requirements:
 - 4.1.1 ***Description of the Project:*** We will provide a precise description of the water reclamation/desalination project outlining its objectives, technical specifications, and overall project methodology.
 - 4.1.2 ***Draft Revenue Program:*** We will obtain and package the revenue program in the format desired by the SWRCB. It is expected that others will develop the revenue program and Black & Veatch will include the revenue program in the WRCP/SRF application in the format required by the SWRCB. We will advise the City on establishment and maintenance of replacement reserves specified in the WRCP/SRF guidelines.
 - 4.1.3 ***Project Schedule:*** Project Schedule showing project milestone dates. This task would also include periodic updates.
 - 4.1.4 ***Regional Board Requirements:*** Regional Board Requirements relating to Waste Discharge Requirements, Water Reclamation Requirements and/or NPDES Permit.
 - 4.1.5 ***Compliance Requirements:*** We will assist in preparation of compliance-related documentation such as Certification of Compliance with Federal Laws, Pre-award Compliance Report, and Water Rights Considerations.
- 4.2 We will assist with other application requirements such as:

ATTACHMENT A

- 4.2.1 Additional facilities planning documentation needed for the loan application.
- 4.2.2 Economic and financial analysis including construction-period monthly cash flow analysis considering grants, loans and City reserves.
- 4.2.3 Ten-year annual cash flow analysis including debt service analysis.

Application Compilation and Submittal

Task 5. Compile and Submit Application

This project component primarily involves frequent review of all the loan application requirements with City staff to ensure proper coordination and meet project schedule deadlines. Specific subtasks are:

- 5.1 Review all City supplemental draft documentation as it is developed. The purpose of this review is to ensure consistency and integrity of data among all the supplemental documentation, and consistent application of methodology in the analysis.
- 5.2 Prepare the completed loan application package for the City to submit to the SWRCB.

Follow Up Response

Task 6. Respond to Comments

This final project component involves follow up tasks necessary to expedite the application process so that the City can obtain timely commitment of funds. Specific subtasks are:

- 6.1 Provide both informal verbal and formal written responses to all the comments and questions raised by the loan program staff.
- 6.2 Furnish a copy of all informal and formal responses, which require the City's input.
- 6.3 Black & Veatch will periodically apprise the City of the status of the loan application.

**AGREEMENT TO FURNISH SERVICES FOR THE
PREPARATION OF THE WATER AND WASTEWATER RATE STUDY**

ATTACHMENT B

PROJECT SCHEDULE

ATTACHMENT B

PROJECT SCHEDULE

Project Schedule and Deliverables

Task Description	Week Ending:	October	November	December	January
		5 12 19 26	2 9 16 23 30	7 14 21 28	4 11 18 25
Notice to Proceed		◆			
Task 1 - Project Management					
Task 2 - Determine Preliminary Eligibility					
Task 3 - Refine Project Definition					
Task 4 - Prepare Loan Application Supplements					
Task 5 - Compile and Submit Application					
Task 6 - Respond to Comments					
Task 7 - Meetings		○ □		□	○
		◆ Notice to Proceed ○ Meetings w/ City □ Meetings w/ SWRCB			

To expedite approval, it is expected that the various components of the application will be submitted to the SWRCB in stages as they become available instead of in one package.

**AGREEMENT TO FURNISH SERVICES FOR THE
PREPARATION OF THE WATER AND WASTEWATER RATE STUDY**

ATTACHMENT C

PROJECT FEE

ATTACHMENT C

Project Fees

Services will be provides on a salary cost basis. Tasks in this scope of work will be completed for a not to exceed amount of \$26,000 including direct costs. Additional services beyond the scope identified can be provided on a salary cost basis.

**AGREEMENT TO FURNISH SERVICES FOR THE
PREPARATION OF THE WATER AND WASTEWATER RATE STUDY**

ATTACHMENT D

RATE SCHEDULE

ATTACHMENT D

RATE SCHEDULE

Hourly Rates

Black & Veatch proposes to provide the tasks identified in our Scope of Services at the hourly billing rates shown in the table below. These rates are at or below the current hourly rates charged by Black & Veatch for packaging state and federal loan applications.

	<u>Hourly Billing Rate</u>
Project Manager.....	\$160
Financial Analyst	\$110
Word Processing.....	\$45

Reimbursement of Direct Expenses

Direct expenses are costs incurred in providing the services outlined in the proposed Scope of Services. Such expenses include such items as travel, technology charges, postage, long distance telephone, reproduction, etc.