

AGREEMENT TO FURNISH PROFESSIONAL SERVICES
FOR PREPARATION OF RISK MANAGEMENT PLAN FOR THE NORTH ORANGE
WELLFIELD PROJECT

This Agreement is made and entered into this 1st day of April 2003, by and between the City of Redlands, a municipal corporation (hereinafter "City") and Resource Management Services, Inc., 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 professional environmental services ("Services") for preparation of a Risk Management Plan at and for facilities (See Attachment "A") within the City of Redlands, California ("Project").
- 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 professionals in the industry providing like and 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 Work," 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 right-of-way as required by Consultant to perform the Services.
- 3.3 City designates Greg Gage, 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 prompt and diligent manner and in accordance with the schedule set forth in Attachment "B", entitled "Project Schedule".

ARTICLE 5 - PAYMENTS TO THE CONSULTANT AND NOTICE

- 5.1 The total compensation for Consultant's performance of the Services shall not exceed the amount of \$21,000. City shall pay Consultant on a time and material 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 "Schedule of Fees".
- 5.2 Consultant shall bill City for services 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
Greg Gage
Municipal Utilities Department
35 Cajon Street
P. O. Box 3005
Redlands, CA 92373

Consultant
Pankaj Garg
Resource Management Services, Inc.
7304 Celata Lane
San Diego, CA 92129

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.

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 Project and shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by the City. Consultant shall not perform any services pursuant to this Agreement unless and until all required insurance listed below is obtained by Consultant. Consultant shall provide City with Certificates of Insurance and endorsements evidencing such insurance prior to commencement of work. All insurance policies shall include a provision prohibiting cancellation of the policy except upon thirty (30) days prior written notice to City.

6.2 Workers' Compensation and Employer's Liability

- A. Consultant shall secure and maintain Worker Compensation and Employer's Liability insurance throughout the duration of this Agreement in amounts which meet statutory

requirements with an insurance carrier acceptable to the City.

- 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 extends 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 is 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 Agreement comprehensive general liability insurance with carriers acceptable to City. Minimum coverage 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. Consultant shall obtain an endorsement that City shall be named as an additional insured.
- 6.4 Professional Liability Insurance. Consultant shall secure and maintain professional liability insurance throughout the duration of this Agreement in the amount of one million dollars (\$1,000,000) per claim made.
- 6.5 Business Auto Liability Insurance. Consultant shall have business auto liability coverage, with minimum limits of one million (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. This coverage shall include all consultant owned vehicles used on the project, hired and non-owned vehicles, and employee non-ownership vehicles. Consultant shall obtain an endorsement that the City shall be named as an additional insured.
- 6.6 Assignment and Insurance Requirements. Consultant is expressly prohibited from subletting or assigning any of the services covered by this Agreement without the express written consent of City. In the event of mutual agreement between parties to sublet a portion of the Services, the Consultant will add the subcontractor as an additional insured and provide the City with the insurance endorsements prior to any work being performed by the subcontractor. Assignment does not include printing or other customary reimbursable expenses that may be provided in this Agreement.
- 6.7 Hold Harmless and Indemnification. Consultant shall defend, indemnify, and hold harmless City and its elected officials, employees and agents from and against any and all actions, claims, demands, lawsuits, losses and liability for damages to persons or property, including costs and attorney fees, that may be asserted or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of or in connection with Consultant's negligent

and/or intentionally wrongful acts or omissions under this Agreement; but excluding such actions, claims, demands, lawsuits and liability for damages to persons or property arising from the sole negligence or intentionally wrongful acts of City, its officers, employees or agents.

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: Pankaj Garg
- 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.
- 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.

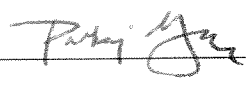
- 7.9 This Agreement, including the attachments incorporated herein by reference, represents the entire agreement and understanding between the parties and any prior negotiations, proposals or oral agreements are superseded by this written Agreement. Any amendment to this Agreement, to be effective, shall be in writing and 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.

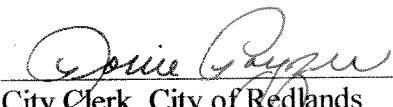
City of Redlands
("City")

Resource Management Services, Inc.
("Consultant")

By: _____
KARL N. HAWS
Mayor

By: _____
PANKAJ GARG
Director

ATTEST:

_____
City Clerk, City of Redlands

AGREEMENT TO FURNISH PROFESSIONAL SERVICES FOR PREPARATION OF RISK MANAGEMENT PLAN FOR THE NORTH ORANGE WELLFIELD PROJECT

ATTACHMENT A

SCOPE OF WORK

The City of Redlands is currently constructing a facility known as the North Orange Well Field Project Site. The facility will store, handle and use chlorine in excess of 100 pounds. As such, the facility is a "new" stationary source subject to the California Accidental Release Prevention Program (CalARP) requirements specified in the California Code of Regulations, Title 19, Division 2, Chapter 4.5, Articles 1 through 11 and may also be subject to the General Duty Clause requirements under the Federal Clean Air Act 112 (r) (1) Risk Management Plan and to the General Duty Clause requirements under the OSHA Process Safety Management regulations (29 CFR Part 1910.119).

These regulations specify requirements for the conduct of hazards analyses, off-site consequence analyses and the development and implementation of prevention programs for stationary sources which handle regulated substances above threshold quantities (e.g., chlorine is a regulated substance with a threshold quantity of 100-pounds).

As the North Orange Well Field Project site is considered a "new stationary source" the City must develop and implement the CalARP Program for the Project Site prior to actual startup (currently anticipated to be June 30, 2003). Therefore, this project must be a cooperative effort between the City of Redlands staff and RMS. RMS will develop the required documents and the City will implement the CalARP Prevention Program.

The Scope of Work consists of the preparation of a California Accidental Release Prevention (CalARP) Program and submittal of the appropriate documents to the San Bernardino County Fire Department, Hazardous Materials Division.

The specific tasks to be completed are identified below:

1. RMS will identify ALL necessary data for preparation and submittal of CalARP compliant documents, compliance with the General Duty Clause requirements of the federal RMP regulations and the General Duty Clause requirements of the OSHA PSM regulations.
2. RMS will coordinate all aspects of the project scope with the San Bernardino County Fire Department, Hazardous Materials Division.
3. RMS will provide the listing of the information required at the Project Kickoff. As the Project moves forward, new required information may be identified. It will be the responsibility of the City of Redlands to provide all requested information in a timely manner. Examples of such information include process flow diagrams, appropriate piping and instrumentation diagrams and other related process safety information, site maps, plot plans, preventive and routine maintenance procedures, accident investigation procedures, and standard operating procedures for the receipt, storage, handling and use of chlorine.
4. RMS will perform technical studies such as the hazard and operability study, air dispersion analyses, and off-site consequence analyses for the receipt, storage, handling and use of chlorine at the Project Site. The performance of the hazard and operability study will be coordinated with the San Bernardino County Fire Department (and a representative from the CFD may attend the sessions).
5. In some cases, the County Fire Department requests that a seismic risk assessment be conducted for the facility (specific to the chlorine storage, handling and use areas). Since ALL

construction associated with the North Orange Street Well Field Project is “new” and would have to conform to the current Uniform Building Code and Uniform Fire Code, RMS does not currently foresee that a seismic risk assessment will be required. As such conduct of a seismic risk assessment is not part of the scope of work.

6. It will be the responsibility of the City of Redlands to implement all recommended actions resulting from the hazard and operability study and any other required technical studies conducted by RMS. Recommended actions anticipated to be implemented by the City staff will consist mainly of improvements to the chlorine system safety design (examples may include the installation of chlorine detectors and other capital improvement projects). RMS will verify that the recommended actions have been implemented.
7. The City of Redlands will be responsible for providing ALL mapping and map development services as well as Building Layout and Floor Plans. RMS will provide guidance on the required maps and plans. It is envisioned that RMS will “redline” graphics to ensure the adequacy and acceptance of the final documents by the San Bernardino County Fire Department.
8. RMS will evaluate the facility’s five-year accident history and mitigation measures. Since the facility is new, there will not be a five-year accident history evaluation. Rather, the emphasis will be on identifying the mechanisms and procedures for accident/incident investigation to prevent re-occurrence (should an actual accident/incident take place).
9. RMS will identify the “critical” equipment components of the chlorine storage, handling and use system. It will be the responsibility of the City of Redlands to provide manufacturers data, specifications and cut sheets of all identified critical system components and equipment.
10. RMS will develop Mechanical Integrity Program sub-section of the CalARP Prevention Program. It will be the responsibility of the City of Redlands to provide the actual maintenance procedures that are to be utilized by Operations Staff at the North Orange Well Field Project Site to ensure the mechanical integrity of the identified equipment and critical equipment components (i.e., preventive and routine maintenance procedures).
11. RMS will develop the Emergency Response Plan sub-section of the CalARP Prevention Program. The City of Redlands will provide the site-specific emergency response plan and shelter in place plan and conduct the required emergency response drills. Drills and exercises to be conducted may require coordination with the San Bernardino County Fire Department and the Local Fire Department.
12. RMS will evaluate existing procedures, programs and practices and make recommendations for modifications to meet the requirements of CalARP Program as required.
13. Where required procedures, programs and practices do not exist, RMS will work with the City of Redlands staff to develop ALL required procedures, programs and practices. These procedures will fall into two categories: Operating Procedures and Administrative or CalARP Program mandated procedures. The City of Redlands will develop ALL operating procedures for chlorine receipt, storage, handling and use system with guidance being provided by RMS with regards to content and format.
14. RMS will provide all photocopying and will submit the documents to the appropriate regulatory agencies as required (to the San Bernardino County Fire Department).
15. During the course of the project, it is anticipated that a number of areas of non-compliance may be identified. Several potential areas include training in OSHA Hazard Communication and Injury and Illness Prevention, chlorine safety and hazards training, emergency response planning and drilling, and Plan Check review and associated site inspections by the Local Fire

Department to ensure compliance with the Building and Fire Codes. As the identification of these issues is firmed up, a delineation of responsibilities will have to be made. Training of personnel is not included in the Scope of Work.

17. RMS will develop a package containing the San Bernardino County Fire Department Risk Communications Supplements. Specific requirements include:
 - a. An Executive Summary of the CalARP Program.
 - b. A map showing the footprint of the facility, vulnerable zones with radius equal to the distance to the toxic endpoint for the worst-case and alternative scenarios, the location of the nearest public receptor, the location of any public or private school within the zones established by the dispersion modeling, and the location of identified environmental receptors. Additionally, the facility emergency response plan shall include the name, location and emergency phone number of each identified vulnerable population within a one mile radius of the facility.
 - c. A Table of regulated substance risk mitigation measures with implementation schedule.
 - d. A Table of detection and monitoring devices and methods including their sensitivities and the resulting actions (visual or audible alarm, remote alert, shutdown, etc.).
 - e. Any further explanation not included in the Executive Summary that the City and San Bernardino County Fire Department decide will assist members of the public in understanding the CalARP Program elements.
18. RMS will prepare and submit to the City Project Manager for review a Draft of the CalARP Prevention Program (Volume I), the CalARP Program Technical Studies and Supporting Documentation (Volume II) and the San Bernardino County Risk Communication Supplements. The documents and the information contained therein will follow the regulatory requirements and the guidelines of the San Bernardino County Fire Department.
19. RMS will revise the Draft documents listed above under Item No. 18 by integrating the Project Manager's comments into the Final Documents.
20. RMS will submit two (2) copies of the Finalized documents to the San Bernardino County Fire Department and one (1) copy to be maintained at the Project Site.
21. The City of Redlands will be responsible for Public Notification (i.e., the placement of an advertisement in a local newspaper for five consecutive days that the CalARP Program is available for Public Review and Comment).
22. RMS will address any questions/concerns that arise during the 45-day comment period. These questions/concerns would be consolidated by the San Bernardino County Fire Department and forwarded to the City's Project Manager.
23. Upon acceptance of the CalARP Program by the San Bernardino County Fire Department, RMS will provide an orientation on the Prevention Program for the City's Project Manager.
24. The City of Redlands will be responsible for implementing the CalARP Prevention Program at the North Orange Well Field Project Site.

**AGREEMENT TO FURNISH PROFESSIONAL SERVICES FOR PREPARATION OF RISK
MANAGEMENT PLAN FOR THE NORTH ORANGE WELLFIELD PROJECT**

ATTACHMENT B

ANTICIPATED PROJECT SCHEDULE

Work under this Contract initiates on April 2, 2003 and will be completed by July 31, 2003.

April 2, 2003	Project Kickoff Meeting Meeting with City Engineer to obtain ALL available data regarding the proposed storage, handling and use of chlorine, proposed chlorine monitoring and detection devices, emergency shut-offs, emergency control devices, proposed personnel safety training, and proposed emergency response plan and drilling/exercise program. Meeting with GIS Department to discuss project mapping and graphics requirements and also to discuss the requirements for identification of human and environmental receptors. Project Site Visit
April 2, 2003	Meeting with San Bernardino County Fire Department to discuss the North Orange Street Well Field Project
April 3, 2003	RMS to provide the Project Manager with listing of additional process safety information and other data required for the project. GIS to provide RMS with initial base-maps indicating the Project Site Location and surrounding land use Identify critical equipment and provide listing to Project Manager (provide Project Manager with guidance on requirements for the mechanical integrity program)
April 17, 2003	Complete Hazard and Operability Study
April 21, 2003	Complete Documentation of Hazard and Operability Study and identify potential worst-case and alternative release case scenarios for modeling
April 22, 2003	Provide listing of recommended actions resulting from Hazard and Operability Study to Project Manager for implementation by City Staff
April 23, 2003	Complete Offsite Consequence Analysis and Document Results
April 24, 2003	Provide City GIS Department with information on the required mapping and vulnerable zones
May 15, 2003	Submit Draft of Volume II to Project Manager Provide Project Manager with Drafts of the following: Draft San Bernardino County Supplemental Risk Communication Information and Executive Summary Draft Training Programs Section

Draft Management of Change Section
 Draft Pre-Startup Review Section
 Draft CalARP Program Audit Section
 Draft Employee Participation Program Section
 Draft Fire Prevention Plan and Hot Work Permit Program Section
 Draft Contractor Safety Management Program
 Draft Program Certification Section
 Draft Record Keeping Requirements Section
 Draft Emergency Response Plan and Shelter in Place Plan
 Draft Accident / Incident Investigation Program
 Draft Mechanical Integrity Program
 Draft Finalized Standard Operating Procedures

May 22, 2003	RMS to complete integration of Project Manager's comments into above-listed sections and finalize Volume I, finalize Volume II and submit to San Bernardino County Fire Department for review
May 29, 2003	Begin 45-day Public Review and Comment Period (will depend on the speed with which the San Bernardino County Fire Department can complete their review of the documents submitted)
July 15, 2003	Completion of comment period and expected acceptance letter from San Bernardino County Fire Department
July 22, 2003	Address Public Comments received through the San Bernardino County Fire Department

**AGREEMENT TO FURNISH PROFESSIONAL SERVICES FOR PREPARATION OF RISK
MANAGEMENT PLAN FOR THE NORTH ORANGE WELLFIELD PROJECT**

ATTACHMENT C

FEE

Resource Management Services, Inc. (RMS) proposes to perform the Scope of Services specified in Attachment A on a fixed cost basis for a total price of \$21,000. Our fee includes all technical and clerical labor charges and other direct expenses as well as all travel and per diem expenses associated with performing the Scope of Services specified in Attachment A.

Our project fee is payable per the following schedule:

After the Project Kickoff Meeting	\$2,000
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After conduct of the Hazard and Operability Study	\$2,000
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After completion of HazOp Documentation	\$3,000
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After submittal of the following:

- Draft Volume II
- Draft Training Programs Section
- Draft Management of Change Section
- Draft Pre-Startup Review Section
- Draft CalARP Program Audit Section
- Draft Employee Participation Program Section
- Draft Fire Prevention Plan and Hot Work Permit Program Section
- Draft Contractor Safety Management Program
- Draft Program Certification Section
- Draft Record Keeping Requirements Section
- Draft Emergency Response Plan and Shelter in Place Plan
- Draft Accident / Incident Investigation Program
- Draft Mechanical Integrity Program
- Draft Finalized Standard Operating Procedures

Total	\$12,000
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After receiving an acceptance letter from the San Bernardino County Fire Department for the CalARP Program	\$2,000
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**AGREEMENT TO FURNISH PROFESSIONAL SERVICES FOR PREPARATION OF RISK
MANAGEMENT PLAN FOR THE NORTH ORANGE WELLFIELD PROJECT**

ATTACHMENT D

SCHEDULE OF FEES

PROFESSIONAL SERVICES

HOURLY RATE (\$)

Professional Level I	45.00
Professional Level II	50.00
Professional Level III	55.00
Professional Level IV	60.00
Professional Level V	65.00
Professional Level VI	75.00
Professional Level VII	85.00
Professional Level VIII	95.00
Professional Level IX	100.00
Professional Level X	105.00
Professional Level XI	115.00
Principal	125.00

TECHNICIAN SERVICES

Technician I	25.00
Technician II	35.00
Technician III	45.00
Technician IV	55.00

SUPPORT SERVICES

Clerical	25.00
Technical Editor	35.00
Word Processing	35.00
Graphics	45.00