



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 2/15/2011

Report Type: Consent

Title: Agreement: Well Condition Assessment

Report ID: 2011-00083

Location: District 2

Recommendation: Adopt a Resolution authorizing the Interim City Manager to execute a Professional Services Agreement with The Source Group, Inc. for well condition assessment, for an amount not to exceed \$ 355,226.

Contact: Bill Busath, Interim Engineering Manager, (916) 808-1434; Dan Sherry, Supervisor Engineering, (916) 808-1419, Department of Utilities

Presenter: None

Department: Department of Utilities

Division: CIP Engineering

Dept ID: 14001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Resolution
- 4-Unexecuted Contract/Agreement
- 5-Exhibit A - Agreement

City Attorney Review

Approved as to Form
Janeth D. San Pedro
2/10/2011 1:35:04 PM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Russell Fehr
2/8/2011 6:33:12 PM

Approvals/Acknowledgements

Department Director or Designee: Marty Hanneman - 2/10/2011 8:30:03 AM

Assistant City Manager: John Dangberg - 2/10/2011 1:21:29 PM



Description/Analysis

Issue: A Request for Proposal (RFP) was issued in December 2010 for performing a condition assessment of ten of the City's highest priority water supply groundwater wells that are showing signs of poor performance or have been shut off due to significant operating problems. Eight RFP submittals were received and The Source Group was selected as the top ranked firm.

Policy Considerations: The City is committed to developing an efficient and dependable groundwater supply that will increase the City's water supply reliability and support a surface water / groundwater conjunctive use program. This report's recommendation is consistent with the City's Strategic Plan Goals of achieving sustainability, livability, and expanding economic development throughout the City.

Environmental Considerations: The execution of the contract would lead to a project, as defined by Section 15378 of the CEQA Guidelines. The project involves the testing of existing wells with performance issues. This project is exempt under Section 15301 of the CEQA Guidelines, Existing Facilities, in that it involves the maintenance of existing public mechanical equipment, with no expansion of use beyond that existing. The contract would allow only for the testing of the wells, no improvements or physical changes to the wells would be performed at this time.

Commission/Committee Action: None.

Rationale for Recommendation: The recommended action will allow progress towards implementing a conjunctive use program that will provide a dependable and sustainable groundwater supply.

Financial Considerations: The professional services agreement for well condition assessment and flow profiling is for a not to exceed amount of \$355,226. There are sufficient water funds (6005) in the Conjunctive Use Groundwater Project (Z14009600) to award the contract and complete the project. The total Project budget is \$414,387.

Emerging Small Business Development (ESBD): The selected firm (The Source Group, Inc.) is not certified by the City of Sacramento as a small business enterprise.



Background Information:

Utilities currently operate 27 wells in the City, a majority of which have been in service for over 40 years. Utilities is developing a conjunctive use strategy for the City's surface water and groundwater supply that will allow flexibility in meeting City water demands based on water availability and impacts to the environment. As a result, Utilities has begun a program to evaluate the City's well system to identify future needs for system reliability and efficient groundwater production.

Ten wells were chosen for assessment due to evidence of poor performance and for their importance of providing adequate supply to the water distribution system. Results from the assessment will provide information to determine if each well can be rehabilitated, and the scope and cost of the rehabilitation for each eligible well.



RESOLUTION NO.

Adopted by the Sacramento City Council

February 15, 2011

A RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH THE SOURCE GROUP, INC. FOR WELL CONDITION ASSESSMENT (Z14009600)

BACKGROUND

- A. The City currently operates 27 municipal groundwater wells in the City, a majority of which have been in service for over 40 years. To provide a more reliable water supply for the City during dry years and assist in the development of a conjunctive use strategy for surface water and groundwater, the City has begun a program to evaluate its well system to identify future needs for system reliability and efficient groundwater production.
- B. A Request for Proposal (RFP) was issued in December 2010 for performing condition assessment of ten water supply wells that are showing signs of poor performance or have been shut off due to significant operating problems. Eight RFP submittals were received and The Source Group was selected as the top ranked firm.
- C. There are sufficient funds in the Conjunctive Use Groundwater Project (Z14009600) project budget to fund this agreement.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to execute a Professional Services Agreement with The Source Group, Inc. for well condition assessment for a not to exceed amount of \$355,226.
- Section 2. Exhibit A is incorporated into and made part of this Resolution.

Table of Contents:

Exhibit A – Professional Services Agreement



Unexecuted Contract/Agreements

- The Unexecuted Contract/Agreement is signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.
- The Unexecuted Contract/Agreement (Public Project) is NOT signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.
- The Unexecuted Contract is NOT included as an exhibit to the Resolution because the Agreement(s) is with other another governmental agency and it is not feasible to obtain the other agency's signature prior to Council action (be they denominated Agreements, MOUs, MOAs, etc.); however, the City Attorney approves the forwarding of the report to Council even though the signed agreement is not in hand yet.
- The Unexecuted Contract is NOT included as an exhibit to the resolution because, due to special circumstances, and the City Attorney confirms in writing that it is okay to proceed with Council action even though the signed agreement is not in hand yet.

All unexecuted contracts/agreements which are signed by the other parties are in the Office of the City Clerk before agenda publication.



PROJECT #: Z14009600
PROJECT NAME: Conjunctive Use Groundwater Wells
DEPARTMENT: Utilities
DIVISION: Engineering Services

CITY OF SACRAMENTO

PROFESSIONAL SERVICES AGREEMENT FOR DESIGN SERVICES

**TO BE USED FOR DESIGN PROFESSIONAL SERVICES PERFORMED BY
LICENSED ARCHITECTS, LANDSCAPE ARCHITECTS OR PROFESSIONAL
LAND SURVEYORS OR REGISTERED PROFESSIONAL ENGINEERS**

THIS AGREEMENT is made at Sacramento, California, as of _____, by and between the **CITY OF SACRAMENTO**, a municipal corporation (“CITY”), and

**TheSource Group, Inc.
3451-C Vincent Road
Pleasant Hill, CA 94523
(925) 944-2856**

(“CONTRACTOR”), who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, CONTRACTOR shall provide to CITY the services described in Exhibit A. CONTRACTOR shall provide said services at the time, place, and in the manner specified in Exhibit A. CONTRACTOR shall not be compensated for services outside the scope of Exhibit A unless prior to the commencement of such services: (a) CONTRACTOR notifies CITY and CITY agrees that such services are outside the scope of Exhibit A; (b) CONTRACTOR estimates the additional compensation required for these additional services; and (c) CITY, after notice, approves in writing a Supplemental Agreement specifying the additional services and amount of compensation therefor. CITY shall have no obligations whatsoever under this Agreement and/or any Supplemental Agreement, unless and until this Agreement or any Supplemental Agreement is approved by the Sacramento City Manager or the City Manager’s authorized designee, or by the Sacramento City Council, as required by the Sacramento City Code.
2. **Payment.** CITY shall pay CONTRACTOR for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B. The payments specified in Exhibit B shall be the only payments to be made to CONTRACTOR for the services rendered pursuant to this Agreement unless pursuant to Section 1, above, CITY approves additional compensation for additional services. CONTRACTOR shall submit all billings for said services to CITY in the manner specified in Exhibit B, or, if not specified in Exhibit B, according to the usual and customary procedures and practices that CONTRACTOR uses for billing clients similar to CITY.
3. **Facilities and Equipment.** Except as set forth in Exhibit C, CONTRACTOR shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. CITY shall furnish to CONTRACTOR only the facilities and equipment listed in Exhibit C according to any terms and conditions set forth in Exhibit C.

4. **General Provisions.** The General Provisions set forth in Exhibit D, that include indemnity and insurance requirements, are part of this Agreement. In the event of any conflict between the General Provisions and any terms or conditions of any document prepared or provided by CONTRACTOR and made a part of this Agreement, including without limitation any document relating to the scope of services or payment therefor, the General Provisions shall control over said terms or conditions.
5. **Non-Discrimination in Employee Benefits.** This Agreement is subject to the provisions of Sacramento City Code Chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. The requirements of Sacramento City Code Chapter 3.54 are summarized in Exhibit E. CONTRACTOR is required to sign the attached Declaration of Compliance (Equal Benefits Ordinance), to assure compliance with these requirements.
6. **Authority.** The person signing this Agreement for CONTRACTOR hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of CONTRACTOR and to bind CONTRACTOR to the performance of its obligations hereunder.
7. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated as if set forth fully herein.

Executed as of the day and year first above stated.

CITY OF SACRAMENTO
A Municipal Corporation

By: _____

Print name: _____

Title: _____

For: Gustavo F. Vina, Interim City Manager

APPROVED TO AS FORM:

City Attorney

ATTEST:

City Clerk

CONTRACTOR:

NAME OF FIRM

Federal I.D. No.

State I.D. No.

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY (*check one*):

- _____ Individual/Sole Proprietor
- _____ Partnership
- _____ Corporation (*may require 2 signatures*)
- _____ Limited Liability Company
- _____ Other (*please specify:* _____)

Signature of Authorized Person

Print Name and Title

Additional Signature (*if required*)

Print Name and Title Attachments

- Exhibit A - Scope of Service
- Exhibit B - Fee Schedule/Manner of Payment
- Exhibit C - Facilities/Equipment Provided
- Exhibit D - General Provisions
- Exhibit E - Non-Discrimination in Employee Benefits

**DECLARATION OF COMPLIANCE
Equal Benefits Ordinance**

Name of Contractor: The Source Group

Address: 3451-C Vincent Rd., Pleasant Hill, CA 94523

The above named Contractor ("Contractor") hereby declares and agrees as follows:

1. Contractor has read and understands the Requirements of the Non-Discrimination In Employee Benefits Code (the "Requirements") attached hereto as Exhibit E.
2. As a condition of receiving this Agreement, Contractor agrees to fully comply with the Requirements, as well as any additional requirements that may be specified in the City of Sacramento's Non-Discrimination In Employee Benefits Code codified at Chapter 3.54 of the Sacramento City Code (the [Ordinance](#)).
3. Contractor understands, to the extent that such benefits are not preempted or prohibited by federal or state law, employee benefits covered by the Ordinance are any of the following:
 - a. Bereavement Leave
 - b. Disability, life, and other types of insurance
 - c. Family medical leave
 - d. Health benefits
 - e. Membership or membership discounts
 - f. Moving expenses
 - g. Pension and retirement benefits
 - h. Vacation
 - i. Travel benefits
 - j. Any other benefit offered to employees

Contractor agrees that if Contractor offers any of the above-listed employee benefits, Contractor will offer those benefits, without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouses and domestic partners of such employees.

4. Contractor understands that Contractor will not be considered to be discriminating in the provision or application of employee benefits under the following conditions or circumstances:
 - a. If the actual cost of providing a benefit to a domestic partner or spouse exceeds the cost of providing the same benefit to a spouse or domestic partner of an employee, Contractor will not be required to provide the benefit, nor shall it be deemed discriminatory, if Contractor requires the employee to pay the monetary difference in order to provide the benefit to the domestic partner or to the spouse.
 - b. If Contractor is unable to provide a certain benefit, despite taking reasonable measures to do so, if Contractor provides the employee with a cash equivalent Contractor will not be deemed to be discriminating in the application of that benefit.
 - c. If Contractor provides employee benefits neither to employee's spouses nor to employee's domestic partners.
 - d. If Contractor provides employee benefits to employees on a basis unrelated to marital or domestic partner status.
 - e. If Contractor submits written evidence of making reasonable efforts to end discrimination in employee benefits by implementing policies that will be enacted before the first effective date

after the first open enrollment process following the date this Agreement is executed by the City of Sacramento ("City"). Contractor understands that any delay in the implementation of such policies may not exceed one (1) year from the date this Agreement is executed by the City, and applies only to those employee benefits for which an open enrollment process is applicable.

- f. Until administrative steps can be taken to incorporate nondiscrimination in employee benefits. The time allotted for these administrative steps will apply only to those employee benefits for which administrative steps are necessary and may not exceed three (3) months from the date this Agreement is executed by the City.
 - g. Until the expiration of a current collective bargaining agreement(s) if employee benefits are governed by such collective bargaining agreement(s).
 - h. Contractor takes all reasonable measures to end discrimination in employee benefits by either requesting that the union(s) involved agree to reopen the agreement(s) in order for Contractor to take whatever steps are necessary to end discrimination in employee benefits or by ending discrimination in employee benefits without reopening the collective bargaining agreement(s).
 - i. In the event Contractor cannot end discrimination in employee benefits despite taking all reasonable measures to do so, Contractor provides a cash equivalent to eligible employees for whom employee benefits are not available. Unless otherwise authorized in writing by the City Manager, Contractor understands this cash equivalent must begin at the time the union(s) refuse to allow the collective bargaining agreement(s) to be reopened or not longer than three (3) months after the date this Agreement is executed by the City.
- 5. Contractor understands that failure to comply with the provisions of Section 4(a) through 4(i), above, will subject Contractor to possible suspension and/or termination of this Agreement for cause; repayment of any or all of the Agreement amount disbursed by the City; debarment for future agreements until all penalties and restitution have been paid in full and/or for up to two (2) years; and/or the imposition of a penalty, payable to the City, in the sum of \$50.00 for each employee, for each calendar day during which the employee was discriminated against in violation of the provisions of the Ordinance.
 - 6. Contractor understands and agrees to provide notice to each current employee and, within ten (10) days of hire, to each new employee, of their rights under the Ordinance. Contractor further agrees to maintain a copy of each such letter provided, in an appropriate file for inspection by authorized representatives of the City. Contractor also agrees to prominently display a poster informing each employee of these rights.
 - 7. Contractor understands that Contractor has the right to request a waiver of, or exemption from, the provisions of the Ordinance by submitting a written request to the City's Procurement Services Division prior to Agreement award, which request shall identify the provision(s) of the Ordinance authorizing such waiver or exemption and the factual basis for such waiver or exemption. The City shall determine in its sole discretion whether to approve any such request.
 - 8. Contractor agrees to defend, indemnify and hold harmless, the City, its officers and employees, against any claims, actions, damages, costs (including reasonable attorney fees), or other liabilities of any kind arising from any violation of the Requirements or of the Ordinance by Contractor.

The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that he or she is authorized to bind the Contractor to the provisions of this Declaration.

Signature of Authorized Representative

Date

Print Name

Title

EXHIBIT A

PROFESSIONAL SERVICES AGREEMENT FOR DESIGN SERVICES

SCOPE OF SERVICES

1. Representatives.

The CITY Representative for this Agreement is:

Mark Elliott
Department of Utilities
1395 35th Avenue
Sacramento, CA 95822
(916) 808-8894
(916) 808-1497 fax

All CONTRACTOR questions pertaining to this Agreement shall be referred to the CITY Representative or the Representative's designee.

The CONTRACTOR Representative for this Agreement is:

Robert Gailey
The Source Group Inc.
3451-C Vincent Rd.
Pleasant Hill, CA 94523
(925) 944-2856
(925) 944-2859 fax

All CITY questions pertaining to this Agreement shall be referred to the CONTRACTOR Representative. All correspondence to CONTRACTOR shall be addressed to the address set forth on page one of this Agreement. Unless otherwise provided in this Agreement, all correspondence to the CITY shall be addressed to the CITY Representative.

2. Professional Liability Insurance. Professional Liability (Errors and Omissions) insurance is X is not __ [check one] required for this Agreement. If required, such coverage must be continued for at least __ year(s) following the completion of all Services and Additional Services under this Agreement. (See Exhibit D, Section 11, for complete insurance requirements.)

3. Conflict of Interest Requirements.

A. **Generally.** Under the California Political Reform Act, Government Code §§ 81000 et seq., designated employees of the CITY are required to comply with the CITY's Conflict of Interest Code. The term "designated employees" is a term of art and includes individuals who are working for contractors who are providing services or performing work for the CITY and who are considered to be "consultants" under the Political Reform Act. The term "consultant" generally includes individuals who make, or participate in making, governmental decisions or who serve in a staff capacity.

Individuals who perform work that is solely clerical, ministerial, manual or secretarial are not “consultants.”

The CITY’s Conflict of Interest Code requires designated employees, including individuals who qualify as “consultants”, to file the following statements of economic interests:

- (1) An “assuming office” statement of economic interests to be filed within 30 days after execution of the agreement between the City and the contractor;
- (2) Annual statements of economic interests while the agreement remains in effect, to be filed not later than April 30 of each year; and
- (3) A “leaving office” statement of economic interests to be filed within 30 days of completion of the contract.

The above statements of economic interests are public records subject to public disclosure under the California Public Records Act.

The CITY’s Conflict of Interest Code also requires individuals who qualify as “consultants” under the Political Reform Act to comply with the conflict of interest provisions of the Political Reform Act, which generally prohibit individuals from making or participating in the making of decisions that will have a material financial effect on their economic interests.

B. Conflict of Interest Statements. The individual(s) who will provide services or perform work pursuant to this Agreement are “consultants” within the meaning of the Political Reform Act and the CITY’s Conflict of Interest Code: yes no *[check one]*

If “yes” is checked above, CONTRACTOR shall cause the following to occur within 30 days after execution of this Agreement:

- (1) Identify the individuals who will provide services or perform work under this Agreement as “consultants”;
- (2) Cause these individuals to file with the CITY Representative the assuming office statements of economic interests required by the CITY’s Conflict of Interest Code.

Thereafter, throughout the term of the Agreement, CONTRACTOR shall cause these individuals to file with the CITY Representative annual statements of economic interests, and “leaving office” statements of economic interests, as required by the CITY’s Conflict of Interest Code. The CITY may withhold all or a portion of any payment due under this Agreement until all required statements are filed.

4. Scope of Services. The services provided shall be as set forth in Attachment 1 to Exhibit A, attached hereto and incorporated herein.

5. Time of Performance. The services described herein shall be provided during the period, or in accordance with the schedule, set forth in the scope of services.

EXHIBIT B

PROFESSIONAL SERVICES AGREEMENT FOR DESIGN SERVICES

FEE SCHEDULE/MANNER OF PAYMENT

1. **CONTRACTOR's Compensation.** The total of all fees paid to the CONTRACTOR for the performance of all services set forth in Exhibit A, including normal revisions (hereafter the "Services"), and for all authorized Reimbursable Expenses, shall not exceed the total sum of **\$355,226**.
2. **Billable Rates.** CONTRACTOR shall be paid for the performance of Services on an hourly rate, daily rate, flat fee, lump sum or other basis, as set forth in Attachment 1 to Exhibit B, attached hereto and incorporated herein.
3. **CONTRACTOR's Reimbursable Expenses.** Reimbursable Expenses shall be limited to actual expenditures of CONTRACTOR for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by CITY.
4. **Payments to CONTRACTOR.**
 - A. Payments to CONTRACTOR shall be made within a reasonable time after receipt of CONTRACTOR's invoice, said payments to be made in proportion to services performed or as otherwise specified in Attachment 1 to Exhibit B. CONTRACTOR may request payment on a monthly basis. CONTRACTOR shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of CITY.
 - B. All invoices submitted by CONTRACTOR shall contain the following information:
 - (1) Job Name
 - (2) Description of services billed under this invoice, and overall status of project
 - (3) Date of Invoice Issuance
 - (4) Sequential Invoice Number
 - (5) CITY's Purchase Order Number
 - (6) Total Contract Amount
 - (7) Amount of this Invoice (Itemize all Reimbursable Expenses)
 - (8) Total Billed to Date
 - (9) Total Remaining on Contract
 - (10) Updated project schedule. This shall identify those steps that shall be taken to bring the project back on schedule if it is behind schedule.
 - C. Items shall be separated into Services and Reimbursable Expenses. Billings that do not conform to the format outlined above shall be returned to CONTRACTOR for correction. CITY shall not be responsible for delays in payment to CONTRACTOR resulting from CONTRACTOR's failure to comply with the invoice format described below.

D. Requests for payment shall be sent to:

Dept. of Utilities, Engr. Services
1395 35th Avenue
Sacramento, CA 95822
Attn: Renee Graves

5. **Additional Services.** Additional Services are those services related to the scope of services of CONTRACTOR set forth in Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when a Supplemental Agreement authorizing such Additional Services is approved by CITY in accordance with CITY's Supplemental Agreement procedures. CITY reserves the right to perform any Additional Services with its own staff or to retain other consultants to perform said Additional Services.
6. **Accounting Records of CONTRACTOR.** During performance of this Agreement and for a period of three (3) years after completing all Services and Additional Services hereunder, CONTRACTOR shall maintain all accounting and financial records related to this Agreement, including, but not limited to, records of CONTRACTOR's costs for all Services and Additional Services performed under this Agreement and records of CONTRACTOR's Reimbursable Expenses, in accordance with generally accepted accounting practices, and shall keep and make such records available for inspection and audit by representatives of the CITY upon reasonable written notice.
7. **Taxes.** CONTRACTOR shall pay, when and as due, any and all taxes incurred as a result of CONTRACTOR's compensation hereunder, including estimated taxes, and shall provide CITY with proof of such payment upon request. CONTRACTOR hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONTRACTOR's breach of this Section 7.

EXHIBIT D

PROFESSIONAL SERVICES AGREEMENT FOR DESIGN SERVICES

GENERAL PROVISIONS

1. Independent Contractor.

- A. It is understood and agreed that CONTRACTOR (including CONTRACTOR's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto for any purpose whatsoever. Neither CONTRACTOR nor CONTRACTOR's assigned personnel shall be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to CONTRACTOR under the provisions of this Agreement, and CONTRACTOR shall be issued a Form 1099 for its services hereunder. As an independent contractor, CONTRACTOR hereby agrees to indemnify and hold CITY harmless from any and all claims that may be made against CITY based upon any contention by any of CONTRACTOR's employees or by any third party, including but not limited to any state or federal agency, that an employer-employee relationship or a substitute therefor exists for any purpose whatsoever by reason of this Agreement or by reason of the nature and/or performance of any Services under this Agreement. (As used in this Exhibit D, the term "Services" shall include both Services and Additional Services as such terms are defined elsewhere in this Agreement.)
- B. It is further understood and agreed by the parties hereto that CONTRACTOR, in the performance of its obligations hereunder, is subject to the control and direction of CITY as to the designation of tasks to be performed and the results to be accomplished under this Agreement, but not as to the means, methods, or sequence used by CONTRACTOR for accomplishing such results. To the extent that CONTRACTOR obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use shall be at the CONTRACTOR's sole discretion based on the CONTRACTOR's determination that such use will promote CONTRACTOR's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that CONTRACTOR use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement.
- C. If, in the performance of this Agreement, any third persons are employed by CONTRACTOR, such persons shall be entirely and exclusively under the direction, supervision, and control of CONTRACTOR. Except as may be specifically provided elsewhere in this Agreement, all terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by CONTRACTOR. It is further understood and agreed that CONTRACTOR shall issue W-2 or 1099 Forms for income and employment tax purposes, for all of CONTRACTOR's assigned personnel and subcontractors.

D. The provisions of this Section 1 shall survive any expiration or termination of this Agreement. Nothing in this Agreement shall be construed to create an exclusive relationship between CITY and CONTRACTOR. CONTRACTOR may represent, perform services for, or be employed by such additional persons or companies as CONTRACTOR sees fit provided that CONTRACTOR does not violate the provisions of Section 5, below.

2. **Licenses; Permits, Etc.** CONTRACTOR represents and warrants that CONTRACTOR has all licenses, permits, City Business Operations Tax Certificate, qualifications, and approvals of whatsoever nature that are legally required for CONTRACTOR to practice its profession or provide any services under the Agreement. CONTRACTOR represents and warrants that CONTRACTOR shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, and approvals that are legally required for CONTRACTOR to practice its profession or provide such Services. Without limiting the generality of the foregoing, if CONTRACTOR is an out-of-state corporation, CONTRACTOR warrants and represents that it possesses a valid certificate of qualification to transact business in the State of California issued by the California Secretary of State pursuant to Section 2105 of the California Corporations Code.
3. **Time.** CONTRACTOR shall devote such time and effort to the performance of Services pursuant to this Agreement as is necessary for the satisfactory and timely performance of CONTRACTOR's obligations under this Agreement. Neither party shall be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.
4. **CONTRACTOR Not Agent.** Except as CITY may specify in writing, CONTRACTOR and CONTRACTOR's personnel shall have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. CONTRACTOR and CONTRACTOR's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.
5. **Conflicts of Interest.** CONTRACTOR covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, that would conflict in any manner with the interests of CITY or that would in any way hinder CONTRACTOR's performance of Services under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor, without the written consent of CITY. CONTRACTOR agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY at all times during the performance of this Agreement. If CONTRACTOR is or employs a former officer or employee of the CITY, CONTRACTOR and any such employee(s) shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission or committee.
6. **Confidentiality of CITY Information.** During performance of this Agreement, CONTRACTOR may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright,

data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special and unique assets of the CITY. CONTRACTOR agrees to protect all City Information and treat it as strictly confidential, and further agrees that CONTRACTOR shall not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party without the prior written consent of CITY. In addition, CONTRACTOR shall comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by CONTRACTOR of this Section 6 shall be a material violation of this Agreement and shall justify legal and/or equitable relief.

7. CONTRACTOR Information.

- A. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by CONTRACTOR pursuant to this Agreement. In this Agreement, the term "information" shall be construed to mean and include: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostating, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. CONTRACTOR shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
- B. CONTRACTOR shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each and every one of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by CONTRACTOR pursuant to this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify CONTRACTOR not later than ten (10) days after CITY is served with any such claim, action, lawsuit or other proceeding, provided that CITY's failure to provide such notice within such time period shall not relieve CONTRACTOR of its obligations hereunder, which shall survive any termination or expiration of this Agreement.
- C. All proprietary and other information received from CONTRACTOR by CITY, whether received in connection with CONTRACTOR's proposal to CITY or in connection with any Services performed by CONTRACTOR, will be disclosed upon receipt of a request for disclosure, pursuant to the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to CONTRACTOR of any request for the disclosure of such information. The CONTRACTOR shall then have five (5) days from the date it receives such notice to enter into an agreement with the CITY, satisfactory to the City Attorney, providing for the defense of, and complete indemnification and reimbursement for all costs (including plaintiff's attorney fees) incurred by CITY in any legal action to compel the disclosure of such information under the California Public Records Act. The CONTRACTOR shall have sole responsibility for defense of the actual "trade secret" designation of such information.
- D. The parties understand and agree that any failure by CONTRACTOR to respond to the

notice provided by CITY and/or to enter into an agreement with CITY, in accordance with the provisions of subsection C, above, shall constitute a complete waiver by CONTRACTOR of any rights regarding the information designated "trade secret" by CONTRACTOR, and such information shall be disclosed by CITY pursuant to applicable procedures required by the Public Records Act.

8. Standard of Performance. CONTRACTOR shall perform all Services required pursuant to this Agreement in the manner and according to the standards currently observed by a competent practitioner of CONTRACTOR's profession in California. All products of whatsoever nature that CONTRACTOR delivers to CITY pursuant to this Agreement shall be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in CONTRACTOR's profession, and shall be provided in accordance with any schedule of performance specified in Exhibit A. CONTRACTOR shall assign only competent personnel to perform Services pursuant to this Agreement. CONTRACTOR shall notify CITY in writing of any changes in CONTRACTOR's staff assigned to perform the Services required under this Agreement, prior to any such performance. In the event that CITY, at any time during the term of this Agreement, desires the removal of any person assigned by CONTRACTOR to perform Services pursuant to this Agreement, because CITY, in its sole discretion, determines that such person is not performing in accordance with the standards required herein, CONTRACTOR shall remove such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person.

9. Term; Suspension; Termination.

- A. This Agreement shall become effective on the date that it is approved by both parties, set forth on the first page of the Agreement, and shall continue in effect until both parties have fully performed their respective obligations under this Agreement, unless sooner terminated as provided herein.
- B. CITY shall have the right at any time to temporarily suspend CONTRACTOR's performance hereunder, in whole or in part, by giving a written notice of suspension to CONTRACTOR. If CITY gives such notice of suspension, CONTRACTOR shall immediately suspend its activities under this Agreement, as specified in such notice.
- C. CITY shall have the right to terminate this Agreement at any time by giving a written notice of termination to CONTRACTOR. If CITY gives such notice of termination, CONTRACTOR shall immediately cease rendering Services pursuant to this Agreement. If CITY terminates this Agreement:
 - (1) CONTRACTOR shall, not later than five days after such notice of termination, deliver to CITY copies of all information prepared pursuant to this Agreement.
 - (2) CITY shall pay CONTRACTOR the reasonable value of Services rendered by CONTRACTOR prior to termination; provided, however, CITY shall not in any manner be liable for lost profits that might have been made by CONTRACTOR had the Agreement not been terminated or had CONTRACTOR completed the Services required by this Agreement. In this regard, CONTRACTOR shall furnish to CITY such financial information as in the judgment of the CITY is necessary for CITY to determine the reasonable value of the Services rendered

by CONTRACTOR. The foregoing is cumulative and does not affect any right or remedy that CITY may have in law or equity.

10. Indemnity.

- A. Indemnity: CONTRACTOR shall defend, hold harmless and indemnify CITY, its officers and employees, and each and every one of them, from and against any and all claims, actions, damages, costs, liabilities, demands, losses, judgments, penalties and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Claims"), including but not limited to Claims arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, that arise out of, pertain to or relate to any negligent act or omission, recklessness or willful misconduct of CONTRACTOR, its sub-consultants, subcontractors or agents, and their respective officers and employees, in connection with performance of or failure to perform this Agreement, whether or not such Claims are litigated, settled or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense to the extent arising from (i) the sole negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, or (ii) the active negligence of CITY.
- B. Insurance Policies; Intellectual Property Claims: The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement shall not affect or limit any of CITY's rights under this Section 10, nor shall the limits of such insurance limit the liability of CONTRACTOR hereunder. This Section 10 shall not apply to any intellectual property claims, actions, lawsuits or other proceedings subject to the provisions of Section 7.B., above. The provisions of this Section 10 shall survive any expiration or termination of this Agreement.

11. Insurance Requirements. During the entire term of this Agreement, CONTRACTOR shall maintain the insurance coverage described in this Section 11.

Full compensation for all premiums that CONTRACTOR is required to pay for the insurance coverage described herein shall be included in the compensation specified for the Services provided by CONTRACTOR under this Agreement. No additional compensation will be provided for CONTRACTOR's insurance premiums.

It is understood and agreed by the CONTRACTOR that its liability to the CITY shall not in any way be limited to or affected by the amount of insurance coverage required or carried by the CONTRACTOR in connection with this Agreement.

A. Minimum Scope & Limits of Insurance Coverage

- (1) Commercial General Liability Insurance, providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less

than one million dollars (\$1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

- (2) Automobile Liability Insurance providing coverage at least as broad as ISO Form CA 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the CONTRACTOR.

No automobile liability insurance shall be required if CONTRACTOR completes the following certification:

“I certify that a motor vehicle will not be used in the performance of any work or services under this agreement.” _____ (CONTRACTOR initials)

- (3) Workers’ Compensation Insurance with statutory limits, and Employers’ Liability Insurance with limits of not less than one million dollars (\$1,000,000). The Worker’s Compensation policy shall include a waiver of subrogation for contracts involving construction or maintenance, or if required by the CITY by selecting the option below:

_____ Workers’ Compensation waiver of subrogation in favor of the City is required for all work performed by the CONTRACTOR.

No Workers’ Compensation insurance shall be required if CONTRACTOR completes the following certification:

“I certify that my business has no employees, and that I do not employ anyone. I am exempt from the legal requirements to provide Workers’ Compensation insurance.” _____ (CONTRACTOR initials)

- (4) Professional Liability Insurance providing coverage on a claims made basis for errors, omissions or malpractice with limits of not less than one million (\$1,000,000) dollars if required by the CITY under Exhibit A, Section 2.

B. Additional Insured Coverage

- (1) Commercial General Liability Insurance: The CITY, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of activities performed by or on behalf of CONTRACTOR, products and completed operations of CONTRACTOR, and premises owned, leased or used by CONTRACTOR. The general liability additional insured endorsement must be signed by an authorized representative of the insurance carrier for contracts involving construction or maintenance, or if required by the CITY by selecting the option below:

_____ Additional insured endorsement must be signed by an authorized representative of the insurance carrier.

If the policy includes a blanket additional insured endorsement or contractual additional insured coverage, the above signature requirement may be fulfilled by submitting that document with a signed declaration page referencing the blanket endorsement or policy form.

- (2) Automobile Liability Insurance: The CITY, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

C. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

- (1) Except for professional liability, CONTRACTOR's insurance coverage shall be primary insurance as respects CITY, its officials, employees and volunteers. Any insurance or self-insurance maintained by CITY, its officials, employees or volunteers shall be in excess of CONTRACTOR's insurance and shall not contribute with it.
- (2) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to CITY, its officials, employees or volunteers.
- (3) Coverage shall state that CONTRACTOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (4) CITY will be provided with thirty (30) days written notice of cancellation or material change in the policy language or terms.

D. Acceptability of Insurance

Insurance shall be placed with insurers with a Bests' rating of not less than A:V. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Section 11 must be declared to and approved by the CITY Risk Management Division in writing prior to execution of this Agreement.

E. Verification of Coverage

- (1) CONTRACTOR shall furnish CITY with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the CITY representative named in Exhibit A. Copies of policies shall be delivered to the CITY on demand. Certificates of insurance shall be signed by an authorized representative of the insurance carrier.
- (2) The CITY may withdraw its offer of contract or cancel this Agreement if the certificates of insurance and endorsements required have not been provided

prior to execution of this Agreement. The CITY may withhold payments to CONTRACTOR and/or cancel the Agreement if the insurance is canceled or CONTRACTOR otherwise ceases to be insured as required herein.

F. Subcontractors

CONTRACTOR shall require and verify that all sub-consultants and subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in subsection A, above.

12. Equal Employment Opportunity. During the performance of this Agreement, CONTRACTOR, for itself, its assignees and successors in interest, agrees as follows:

- A. Compliance With Regulations: CONTRACTOR shall comply with the Executive Order 11246 entitled "Equal Opportunity in Federal Employment", as amended by Executive Order 11375 and 12086, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), hereinafter collectively referred to as the "Regulations".
- B. Nondiscrimination: CONTRACTOR, with regards to the work performed by it after award and prior to completion of the work pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of subcontractors, including procurement of materials and leases of equipment. CONTRACTOR shall not participate either directly or indirectly in discrimination prohibited by the Regulations.
- C. Solicitations for Subcontractors, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by CONTRACTOR for work to be performed under any subcontract, including all procurement of materials or equipment, each potential subcontractor or supplier shall be notified by CONTRACTOR of CONTRACTOR's obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation.
- D. Information and Reports: CONTRACTOR shall provide all information and reports required by the Regulations, or by any orders or instructions issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the CITY to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of CONTRACTOR is in the exclusive possession of another who fails or refuses to furnish this information, CONTRACTOR shall so certify to the CITY, and shall set forth what efforts it has made to obtain the information.
- E. Sanctions for Noncompliance: In the event of noncompliance by CONTRACTOR with the nondiscrimination provisions of this Agreement, the CITY shall impose such sanctions as it may determine to be appropriate including, but not limited to:
 - (1) Withholding of payments to CONTRACTOR under this Agreement until CONTRACTOR complies;

(2) Cancellation, termination, or suspension of the Agreement, in whole or in part.

F. Incorporation of Provisions: CONTRACTOR shall include the provisions of subsections A through E, above, in every subcontract, including procurement of materials and leases of equipment, unless exempted by the Regulations, or by any order or instructions issued pursuant thereto. CONTRACTOR shall take such action with respect to any subcontract or procurement as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, CONTRACTOR may request CITY to enter such litigation to protect the interests of CITY.

13. **Entire Agreement.** This document, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. No alteration to the terms of this Agreement shall be valid unless approved in writing by CONTRACTOR, and by CITY, in accordance with applicable provisions of the Sacramento City Code.

14. **Severability.** If any portion of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

15. **Waiver.** Neither CITY acceptance of, or payment for, any Service or Additional Service performed by CONTRACTOR, nor any waiver by either party of any default, breach or condition precedent, shall be construed as a waiver of any provision of this Agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.

16. **Enforcement of Agreement.** This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California. Venue of any litigation arising out of or connected with this Agreement shall lie exclusively in the state trial court or Federal District Court located in Sacramento County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

17. **Assignment Prohibited.** The expertise and experience of CONTRACTOR are material considerations for this Agreement. CITY has a strong interest in the qualifications and capability of the persons and entities who will fulfill the obligations imposed on CONTRACTOR under this Agreement. In recognition of this interest, CONTRACTOR shall not assign any right or obligation pursuant to this Agreement without the written consent of the CITY. Any attempted or purported assignment without CITY's written consent shall be void and of no effect.

18. **Binding Effect.** This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties, subject to the provisions of Section 17, above.

19. **Use Tax Requirements.** During the performance of this Agreement, CONTRACTOR, for itself, its assignees and successors in interest, agrees as follows:

A. Use Tax Direct Payment Permit: For all leases and purchases of materials, equipment, supplies, or other tangible personal property used to perform the Contract or Agreement

and shipped from outside California, the Contractor and any subcontractors leasing or purchasing such materials, equipment, supplies or other tangible personal property shall obtain a Use Tax Direct Payment Permit from the California State Board of Equalization ("SBE") in accordance with the applicable SBE criteria and requirements.

- B. Sellers Permit: For any construction contract and any construction subcontract in the amount of \$5,000,000 or more, Contractor and the subcontractor(s) shall obtain sellers permits from the SBE and shall register the jobsite as the place of business for the purpose of allocating local sales and use tax to the City. Contractor and its subcontractors shall remit the self-accrued use tax to the SBE, and shall provide a copy of each remittance to the City.
- C. The above provisions shall apply in all instances unless prohibited by the funding source for the Contract or Agreement.

EXHIBIT E

REQUIREMENTS OF THE NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

INTRODUCTION

The Sacramento Non-Discrimination In Employee Benefits Code (the "Ordinance"), codified as Sacramento City Code Chapter 3.54, prohibits City contractors from discriminating in the provision of employee benefits between employees with spouses and employees with domestic partners, and between the spouses and domestic partners of employees.

APPLICATION

The provisions of the Ordinance apply to any contract or agreement (as defined below), between a Contractor and the City of Sacramento, in an amount exceeding \$25,000.00. The Ordinance applies to that portion of a contractor's operations that occur: (i) within the City of Sacramento; (ii) on real property outside the City of Sacramento if the property is owned by the City or if the City has a right to occupy the property; or (iii) at any location where a significant amount of work related to a City contract is being performed.

The Ordinance does not apply: to subcontractors or subcontracts of any Contractor or contractors; to transactions entered into pursuant to cooperative purchasing agreements approved by the Sacramento City Council; to legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City; where the requirements of the ordinance will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement; to permits for excavation or street construction; or to agreements for the use of City right-of-way where a contracting utility has the power of eminent domain.

DEFINITIONS

As set forth in the Ordinance, the following definitions apply:

"Contract" means an agreement for public works or improvements to be performed, or for goods or services to be purchased or grants to be provided, at the expense of the City or to be paid out of moneys deposited in the treasury or out of the trust money under the control or collected by the City. "Contract" also means a written agreement for the exclusive use ("exclusive use" means the right to use or occupy real property to the exclusion of others, other than the right reserved by the fee owner) or occupancy of real property for a term exceeding 29 days in any calendar year, whether by singular or cumulative instrument, (i) for the operation or use by others of real property owned or controlled by the City for the operation of a business, social, or other establishment or organization, including leases, concessions, franchises and easements, or (ii) for the City's use or occupancy of real property owned by others, including leases, concessions, franchises and easements.

"Contract" shall not include: a revocable at-will use or encroachment permit for the use of or encroachment on City property regardless of the ultimate duration of such permit; excavation, street construction or street use permits; agreements for the use of City right-of-way where a contracting utility has the power of eminent domain; or agreements governing the use of City property that constitute a public forum for activities that are primarily for the purpose of

espousing or advocating causes or ideas and that are generally protected by the First Amendment to the United States Constitution or that are primarily recreational in nature.

“Contractor” means any person or persons, firm partnership or corporation, company, or combination thereof, that enters into a Contract with the City. “Contractor” does not include a public entity.

“Domestic Partner” means any person who has a currently registered domestic partnership with a governmental entity pursuant to state or local law authorizing the registration.

“Employee Benefits” means bereavement leave; disability, life, and other types of insurance; family medical leave; health benefits; membership or membership discounts; moving expenses; pension and retirement benefits; vacation; travel benefits; and any other benefit given to employees. “Employee benefits” shall not include benefits to the extent that the application of the requirements of this chapter to such benefits may be preempted by federal or state.

CONTRACTOR’S OBLIGATION TO PROVIDE THE CITY WITH DOCUMENTATION AND INFORMATION

Contractor shall provide the City with documentation and information verifying its compliance with the requirements of the Ordinance within ten (10) days of receipt of a request from the City. Contractors shall keep accurate payroll records, showing, for each City Contract, the employee’s name, address, Social Security number, work classification, straight time pay rate, overtime pay rate, overtime hours worked, status and exemptions, and benefits for each day and pay period that the employee works on the City Contract. Each request for payroll records shall be accompanied by an affidavit to be completed and returned by the Contractor, as stated, attesting that the information contained in the payroll records is true and correct, and that the Contractor has complied with the requirements of the Ordinance. A violation of the Ordinance or noncompliance with the requirements of the Ordinance shall constitute a breach of contract.

EMPLOYER COMPLIANCE CERTIFICATE AND NOTICE REQUIREMENTS

(a) All contractors seeking a Contract subject to the Ordinance shall submit a completed Declaration of Compliance Form, signed by an authorized representative, with each proposal, bid or application. The Declaration of Compliance shall be made a part of the executed contract, and will be made available for public inspection and copying during regular business hours.

(b) The Contractor shall give each existing employee working directly on a City contract, and (at the time of hire), each new employee, a copy of the notification provided as Attachment “A.”

(c) Contractor shall post, in a place visible to all employees, a copy of the notice provided as Attachment “B.”

Attachment A



YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

On (date), your employer (the "Employer") entered into a contract with the City of Sacramento (the "City") for (contract details), and as a condition of that contract, agreed to abide by the requirements of the City's Non-Discrimination In Employee Benefits Code (Sacramento City Code Section 3.54).

The Ordinance does not require the Employer to provide employee benefits. The Ordinance does require that if certain employee benefits are provided by the Employer, that those benefits be provided without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouse or domestic partner of employees.

The Ordinance covers any employee working on the specific contract referenced above, but only for the period of time while those employees are actually working on this specific contract.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

(Employee Benefits does not include benefits that may be preempted by federal or state law.)

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, or in the application of these employee benefits, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of the Ordinance, and after having exhausted all remedies with your employer,

You May:

- Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

City of Sacramento
Procurement Services Division
5730 24th Street, Bldg. 1
Sacramento, CA 95822

- Bring an action in the appropriate division of the Superior Court of the State of California against the Employer and obtain the following remedies:
 - Reinstatement, injunctive relief, compensatory damages and punitive damages
 - Reasonable attorney's fees and costs

Attachment B



YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

If your employer provides employee benefits, they must be provided to those employees working on a City of Sacramento contract without discriminating between employees with spouses and employees with domestic partners.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

If you feel you have been discriminated against by your employer . . .

You May . . .

- Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

City of Sacramento
Procurement Services Division
5730 24th Street, Bldg. 1
Sacramento, CA 95822
- Bring an action in the appropriate division of the Superior Court of the State of California against the employer and obtain reinstatement, injunctive relief, compensatory damages, punitive damages and reasonable attorney's fees and costs.

Discrimination and Retaliation Prohibited.

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of this Ordinance . . .

You May Also . . .

Submit a written complaint to the City of Sacramento, Contract Services Unit, at the same address, containing the details of the alleged violation.

ATTACHMENT 1 TO EXHIBIT A
SCOPE OF SERVICES



February 5, 2011

Mark Elliott, P.E.
City of Sacramento
Department of Utilities
1395 35th Avenue
Sacramento, CA 95822

Re: Third Revised Scope of Work and Schedule to Provide Potable Well Condition Assessment and Flow Profiling

Mr. Elliott,

The Source Group is pleased to present this ^{THIRD MS.} second revised scope of work and schedule to provide Potable Well Condition Assessment and Flow Profiling. The revisions are based upon 1) updated information provided by the city and additional discussions that occurred during our meeting on January 28, 2011 and 2) telephone conversations on February 2 and 4, 2011. An updated revised project cost estimate and a fee schedule are also provided as separate documents.

The revisions to our original proposal dated January 11, 2011 are summarized as follows:

- Scope of Work
 - Task 2 has been split into two subtasks:
 - Task 2A (Video Log) will now entail all video logs being performed in wells that contain pumps as the city will be installing pumps as necessary and purging the wells before project kickoff.
 - Task 2B (Encrustation Sampling and Options Evaluation) includes additional work to sample and analyze encrusting material that may be observed in the wells, chemically analyze the material, and evaluate the best option for proceeding with work for each well.
 - Task 5 has been clarified to indicate that the report recommendations will include information related to well modification for water quality and screen rehabilitation as appropriate.
 - Tasks 6 and 7 have been added to address the phase two flow profiling, performance testing and reporting that will occur after the well screens are rehabilitated.
- The schedule has been adjusted:
 - Projected kickoff has been pushed out to February 28.
 - Pump installation in three wells and well purging will be performed before project kickoff.
 - Two weeks have been added to the project duration.
- Costs have been adjusted accordingly (separate document).

The following sections present the entire scope of work and schedule as revised based upon our discussions.

3451-C Vincent Road
Pleasant Hill, California 94523

Telephone: 925-944-2856
Facsimile: 925-944-2859

SCOPE OF WORK

Task 1 – Kickoff Meeting, Site Visit and Data Collection

The project will initiate with a kickoff meeting between the SGI Project Manager and Field Supervisor, and City staff. The meeting will include a discussion of the project details with the intent of enhancing efficiency, reducing and containing costs, and maintaining schedule. If there is interest from City staff, the kickoff meeting will also include a seminar on well profiling. The seminar is often presented by Robert Gailey, proposed Project Manager, and the well profiling subcontractor (BESST, Inc.). It requires one half-day, and attendees receive three contact hours for continuing education credit from the California Department of Public Health.

Available information for the wells to be profiled will be reviewed and discussed¹. We anticipate that this information may include:

- Construction
 - DWR Well Completion Report
 - Additional information on casing and perforations
 - Plumbness/deviation survey
- Geology
 - Lithologic log
 - Geophysical log(s)
- Current/historical conditions
 - Water levels
 - Static
 - Pumping
 - Water quality
 - Sand content
 - Video log(s)
 - Previous profiling results
- Current/historical use and performance
 - Monthly production volumes
 - Specific capacity
 - Step discharge test results
- Past well modification or screen rehabilitation
- Pump details
 - Depth and diameter of bowls
 - Diameter of column pipe

¹ It could make the meeting more efficient if the listed information were provided in advance of the meeting; however, we would be comfortable reviewing the information with City staff at the meeting.

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- Intake type and depth
- Lubrication (water or oil)
- Submersible pumps?²

A visit to the wells to be profiled would also occur as part of this task. Information that would be collected in the field would include:

- Wellhead access
 - Space for rig parking
 - Pump house/door or removable panels
 - Other potential ground-level obstructions at site
- Downhole access
 - Vent pipe curvature and other construction details appropriate for profiling tool passage
 - Other potential access points
 - Options for creating access if required
 - Drilling or cutting a hole in the discharge head
 - Coring a hole through the concrete pump pedestal and steel casing
 - Lifting the pump, moving to the side and placing blocks between the discharge head and casing
 - Clearance through annular space (between casing and column pipe) to bottom of well³
- Static and pumping water levels (for calculation of specific capacity)
- Presence of oil if an oil-lubricated pump used currently or historically⁴
- Availability of an accurate flow meter
- Discharge options⁵
 - Distribution system
 - Various pump-to-waste options
 - NPDES or other permitting issues

² We are unaware of the types of pumps present (vertical turbine, submersible, etc.). Submersible pumps are mentioned here for completeness given that some uncertainty may remain as to the well conditions to be encountered.

³ Conditions that often lead to problems with downhole access include well deviation and close proximity of the column pipe to the casing, small diameter casing relative to column pipe - especially at the couplings, foreign objects (i.e., lost water level sounding tapes or bubbler lines), power lines to submersible pumps. Experience indicates that the profiling tools can usually pass freely through ports into the well and down the annulus between the casing and pump components if a successful mock tool deployment is performed with a dummy that is ¾ inches in diameter and a specific length depending upon the tools to be inserted into the well (1 ½ inches for dye injection and tupe-bailer, 4 inches for sampling pump, 10 inches for video camera with downward view, and 15 inches for video camera with side view). Such a survey will be performed during the site visit to confirm downhole access.

⁴ Should vertical turbine pumps be present, the presence of an appreciable amount of oil will make water level measurement difficult. Also, the profiling subcontractor charges extra to clean and replace tools that become coated with oil. If oil is detected in the wells, SGI will discuss potential paths forward with City staff.

⁵ We understand that the City plans to manage considerations related to discharge with minor support from SGI; however, we mention it here for completeness.

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- Potential sources of discharge rate variability
 - System pressure variations (anticipated to be manageable based on communications with City staff)
 - Interference from nearby wells

Task 2 – Well Investigation

Two tasks will be performed to investigate each well and evaluate options for proceeding with the work.

Task 2A – Video Log Well

A color video log will be run under non-pumping conditions for each well. An SGI Hydrogeologist will supervise the logging, to be performed by BESST, Inc., in order to ensure that all pertinent aspects of the well construction and condition are documented. The details to be documented include:

- Static water level
- Perforated interval(s)
- Bowl depth and clearance
- Intake depth and configuration
- Potential obstructions and foreign materials
- Total well depth
- Condition of well casing, perforations and pump column
- Character of any observed encrustation or biological growth
- Indications of flow up or down the well-bore as a result of vertical groundwater gradients or head differentials between strata⁶

The initial logs will be performed with the view oriented downward. If details that require a side-view orientation (i.e., existing screen damage or casing corrosion) are noted during the initial video survey, a side-view mirror will be attached and the camera will be lowered to the depths where the details were noted⁷.

A video log summary report for each of the wells will be prepared and sent to the City within one week of the field work. Two copies of each report and video log DVD will be provided.

Task 2B – Encrustation Sampling and Options Evaluation

For those wells where encrustation is evident and obtaining samples appears possible, BESST, Inc. will attempt to collect one sample per well. This work will be performed on the same day as the video logging. The samples will be submitted to a laboratory for both analysis of inorganic precipitates and

⁶ Rapid movement of material suspended in the water column under non-pumping conditions often indicates the occurrence of flow through the well-bore. Such visual inspection is not a highly sensitive method for detecting flow. If it becomes necessary to evaluate flow through the well-bore, more sensitive and quantitative methods are available.

⁷ The side-view mirror attachment adds approximately 5 inches to the total length of the camera. In some limited-access settings, the longer camera assembly cannot fit into the well. As necessary, every effort will be made to gain access into the well. If access is not possible through existing ports and the side view is still desired. Access may be created as described under Task 1 as an out-of-scope item.

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bacteriological assessment. SGI will also evaluate the potential for contaminant plumes to interfere with operation of the wells in the future based upon information provided by the City.

A brief letter regarding the findings and options for proceeding will be prepared for each well based upon evaluation of the background information collected under Task 1, the video logging and the sample analysis, and information about contaminant plumes. It may be possible that some well screens appear quite clogged and that SGI recommends rehabilitating certain wells before any profiling is performed. It may also be possible that SGI identifies a significant problem with a well (i.e., structural failure evident in video log or contamination appears imminent based upon nearby plumes) and that SGI recommends no further work be performed. We will communicate these findings before proceeding with additional work.

Task 3 – Dynamic Flow Profiling

It is anticipated that the following activities will be performed in the ten wells. SGI will confer with City staff regarding the video results and plans for the flow profiling. The issues to be addressed in the planning include:

- Discharge permitting and management
- Dye injection points for flow measurement

Regarding the discharge, we assume for purpose of this proposal that 1) the wells will either discharge directly into a distribution system or be pumped to waste under an existing NPDES permit and 2) no additional permits will be required. The rhodamine dye to be used is NSF 60-approved⁸. SGI will provide City staff with the material safety data sheet for the dye and communicate with DPH as appropriate. Additional issues related to permitting the discharge can be addressed by SGI staff as necessary, but will be beyond the proposed scope. The dye injection will be performed by BESST under conditions representative of normal pumping⁹. The depths of the injections will be determined based primarily on the perforated interval(s), and pump intake depth and structure (e.g., standard pump intake or intake pipe slotted over some interval). Issues related to well construction, pump intake configuration, lithology and expected measurement accuracy will be considered in SGI's recommended injection plan for each well¹⁰. The injection plan will be presented to City staff for discussion before the final plan is set.

Our usual approach is to start with the injections closest to the pump intake and move successively further away from the intake. This allows knowledge about how the injection process is working in a particular well to be developed as the project progresses¹¹. Real-time review of the dye return time and flow meter

⁸ Typically, 30 to 60 milliliters of the dye is injected at a concentration of 120 parts per million.

⁹ It is best to recreate the conditions under which routine water quality samples have been collected so that the profiling results can be interpreted within the context of available water quality records. If the pump discharge will be diverted from the distribution system and a significant change in the pumping rate is anticipated as a result of a change in the total dynamic head (an increase in pumping rate), the potential implications of the change will be considered, discussed with the City, and addressed as appropriate.

¹⁰ The general plan will be to cover the entire perforated interval with the injections at a uniform spacing; however, some circumstances require that injections be spaced closer in specific areas (i.e., pump intake located a short distance below top of perforated interval in a highly conductive stratum). Such closely spaced injections (i.e., closer than 10 feet) can result in travel time data noise as a result of an unavoidable uncertainty in injection nozzle deployment depth, temporal resolution of the fluorimeter, and limited mixing of the dye with the well water over short intervals. These issues can be addressed through proper planning of the field work.

¹¹ The initial injections will produce the shortest delays between dye injection and return to the fluorimeter at ground surface. The travel times will increase as injections are performed at points that are successively further away from the pump intake. It is important to build an expectation about dye travel times during an injection project so that it is clear when a stagnant portion in

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data is essential in order to identify and correct problems in field (i.e., injection nozzle becoming caught and not advancing down the bore hole, significant variation in pumping rate during the profiling, incomplete mixing of the dye with well water over short injection intervals). Our Field Supervisor is experienced in making these calculations in the field and confers with the Project Manager by cell phone on his conclusions.

The data will be completely analyzed after the field work has been completed. Cumulative (well-bore) and incremental (strata-specific) flows will be calculated and represented graphically. The magnitude of the correction factor applied to the flows in order to obtain an exact match to the flow meter data will be assessed and reasons for any large correction factors will be considered. This information will be provided to the City in preparation for planning the concentration sampling.

Task 4 – Depth-Dependent Sampling

SGI will confer with City staff regarding the flow profiling results and plans for the depth-dependent sampling (concentration profiling). The issues to be addressed in the planning include:

- Pre-profiling purging
- Sampling points for concentration analysis
- Time elapsed since flow profiling was performed

Regarding pre-profiling purging, wells with long perforated intervals (i.e., hundreds of feet as described in the RFP such as Well 143) can act as conduits for preferential vertical flow¹². If water quality differs between the strata that are connected by a well that acts as a vertical flow conduit, then the depth-dependent samples may not be representative of actual strata water quality unless purging is performed before the sampling¹³. We often recommend that a well that has been off-line be purged before concentration profiling until concentrations of the constituents of interest stabilize. This stabilization can require hours to weeks. Based on our above-referenced meeting, SGI understands that seven of the wells are run daily, and that pumps will be installed in the remaining three wells and run for one to two weeks before project kickoff.

The well-bore water sample collection will be performed by BESST. The depths of the samples will be determined based primarily on the flow profile data¹⁴. Based on the RFP, five depth-discrete samples and one spigot sample will be collected. Issues related to well construction, pump intake configuration, lithology and expected measurement accuracy will be considered in SGI's recommended injection plan for each well¹⁵.

the well has been encountered. This will be apparent based on an extremely long wait for dye to return based upon recent travel times (dye won't return from a stagnant zone) and a low percentage of total flow calculated in the field from the immediately previous dye travel times.

¹² This is especially true in basins where significant hydrologic stresses (pumping and injection) occur and vertical hydraulic gradients, or head differentials, exist for some portion or all of the year. The issue is most pronounced when the wells are off-line for extended periods of time.

¹³ An obvious exception is when the well is run continuously.

¹⁴ The sample depths must coincide with dye injection points in order to accurately calculate strata-specific (incremental) concentrations.

¹⁵ The general plan will be to cover the entire perforated interval with the samples at a uniform spacing; however, some circumstances require that injections be spaced closer in specific areas (i.e., pump intake located a short distance below top of perforated interval in a highly conductive stratum).

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Because vertical concentration distributions may vary for different constituents, it is important to perform the concentration profiling for constituents that may exhibit concentrations over the Maximum Contaminant Level in some strata¹⁶. We understand that the analyte list may include arsenic, volatile organic compounds/tetrachloroethene, manganese, iron, nitrates, coliform, total dissolved solids, hardness and MTBE. We suggest that total suspended solids also be included on the list of analytes for wells where sand production is a concern. Sample volume is often a consideration when planning for multiple constituent sampling since anything in excess of five liters for the well-bore samples exceeds the standard subcontractor bid. For the purpose of this proposal, it is assumed that 1 liter per well-bore sample will be sufficient¹⁷.

The samples collected from the sampling spigot at the wellhead will be used to provide quality assurance/quality control information. We recommend that two samples be collected from the spigot at the same time that a sample is collected from near the pump intake in order to 1) provide information on precision associated with the sampling process (comparison of the two spigot samples)^{18, 19} and 2) verify reliability of the overall profiling approach (comparison of the spigot samples to the sample collected from near the pump intake)²⁰.

The sample collection plan will be presented to City staff for discussion before the final plan is set. We understand from the RFP that the City will supply the sample containers, provide for transport of the samples to the laboratory, and transmit the analytical results to SGI.

The third point mentioned above (time elapsed since flow profiling was performed) is potentially critical to the success of the project. Given that uncertainty in the flow profile results will directly affect the concentration data interpretation, it is best to perform the concentration profiling on the same day as the flow profiling. This is SGI's standard practice. The approach minimizes the potential for conditions that

¹⁶ The reason for this is that modifying the well perforation interval to deemphasize contributions from strata that contain high concentrations of one constituent may emphasize the contributions from strata that contain high concentrations of another constituent. An example of a situation in which this might occur is when seeking to modify a well to reduce concentrations of a constituent present in shallower groundwater, possibly nitrate or a volatile organic compound, when the deeper portion of the well contains other undesirable constituents, possibly chloride or total dissolved solids. Blocking off the shallower perforations in such a situation may increase wellhead concentrations of the deeper constituents. The way to avoid unknowingly trading one problem for another is to collect profile information on all the constituents that might be a concern.

¹⁷ The subcontractor charges additional fees for sampling in excess of five one-liter samples. Since the City has indicated for the purpose of the proposal that only five well-bore samples will be collected from each well, a 1-liter sample volume is available for each sample (5 liters/5 downhole samples).

¹⁸ It is quite important to quantify noise in the concentration results. This is true no matter what profiling method is used. This is especially so near the pump intake where relatively small variations in concentration can result in large changes in the calculations for incremental concentrations. The reason for this sensitivity to noise is that the mass balance calculations that form the basis of calculating the incremental concentrations from the well-bore concentrations constitute a flow weighted averaging of the concentrations. As a result, noise in the concentration data is amplified with proximity of the sampling location to the pump intake. Quantification of the noise is critical to interpreting the accuracy of the calculated incremental concentrations and, sometimes, preventing nonsensical results (i.e., calculated incremental concentrations that are negative).

¹⁹ Information on analytical precision and accuracy will be obtained from the laboratory reports.

²⁰ It is expected that the results for samples collected at the pump intake and from the sampling spigot will be comparable if no changes occur as a result of water passing through the production pump. There may be some concern in the case of VOCs, and this sampling approach provides a check on the sampling process. Also, in cases where the pump intake is located within the perforated interval, flow calculations are required to calculate the concentration entering the pump (because flows from the upper and lower portions of the screen combine at the pump intake), and the comparison of results from the spigot with the calculated concentration at the pump intake provides a check on the flow calculations. This relatively inexpensive form of duplicate sampling provides an effective check on the flow profiling results.

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affect the flow profile to change (e.g., well interference stemming from neighboring well operation) and produces the best project results. We assume that this approach will be acceptable to the City. As a result, SGI proposes to review the flow profiling results with City staff in the field on the same day that they are obtained. Any necessary modifications to the water sampling plan will be made at that time.

Task 5 – Report Preparation

Within two weeks of receiving laboratory results for the concentration profiling, SGI will prepare a report that contains the following information:

- Construction and pump configuration details of the well
- Work performed
- Flow profile results
- Water quality profile results
- Mass balance reporting
- Recommendations for improvements to well performance and water quality as appropriate
 - Approach for performing well screen rehabilitation
 - Initial options for well modification to improve water quality with recommendations for feasibility testing
 - No technical specifications or construction monitoring
- Suggestions for any additional data collection

Graphical and tabular presentation of the data and results will include:

- Diagram of the well and related details
 - Perforations (type and interval)
 - Pump configuration (bowl depth/diameter and intake depth/configuration)
 - Water levels (static and pumping)
 - Geology (lithologic and geophysical logs)
 - Discharge rate
 - Specific capacity
- Plot of pumping rate during profile
- Plot and table of corrected well-bore velocity (ft/min) and flow (gpm and ft³/min)
- Plot and table of zone-specific (incremental) flows (gpm, ft³/min and percent of total flow)
- Plot and table of sampling concentration results and laboratory QA/QC data
- Plot and table of depth-specific (incremental) concentrations
- Plot of tradeoff curve of quantity v. quality for modifications
- Graphical representation of potential well screen modification designs

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Task 6 – Post-Rehabilitation Dynamic Flow Profiling

SGI understands that, as appropriate, the City will perform rehabilitation on the well screens based upon the results of the above-described tasks. Once the rehabilitation work has been completed, specific capacity testing and flow profiling will be performed to 1) document the effectiveness of the rehabilitation work and 2) set a baseline for evaluating trends in hydraulic performance of the wells in the future. The flow profiling work performed will be the same as described in Task 3 above. Of course, information that is obtained during the rehabilitation and conveyed to SGI will also be factored into planning this second round of flow profiling work.

Task 7 – Post-Rehabilitation Report Preparation

Within two weeks of completing the flow profiling, SGI will prepare a report that contains the following information:

- Construction and pump configuration details of the well
- Information regarding rehabilitation work performed (i.e., methods used and intervals where work was performed)
- Work performed
- Flow profile results
- Comparison of flow profiles before and after the rehabilitation work
- Recommendations for monitoring well performance in the future

Graphical and tabular presentation of the data and results will include:

- Diagram of the well and related details
 - Perforations (type and interval)
 - Pump configuration (bowl depth/diameter and intake depth/configuration)
 - Rehabilitation work performed (intervals and type of work)
 - Water levels (static and pumping)
 - Geology (lithologic and geophysical logs)
 - Discharge rate
 - Specific capacity
- Plot of pumping rate during profile
- Plot and table of corrected well-bore velocity (ft/min) and flow (gpm and ft³/min)
- Plot and table of zone-specific (incremental) flows (gpm, ft³/min and percent of total flow)

PROJECT SCHEDULE

Based upon an anticipated project kickoff on February 28 and updated information on project completion requirements, SGI anticipates performing the phase 1 project work according to the schedule presented below. Final reports are expected to be delivered on April 22, 2011. Please note that this schedule assumes that 1) no delays in performing the fieldwork (i.e. problems with access) will occur, 2) the City will request expedited turnaround on the chemical analysis of the water samples and 3) all of the wells are profiled with out delay related to considerations such as rehabilitating the screens before profiling (see Task 2A for more details). As necessary, schedule adjustments will be made based upon how the project

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Mark Elliott
 February 5, 2011
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progresses. Also, subcontractors have been apprised of the schedule but will not be contracted until SGI receives notice to proceed and has evaluated site access as part of the kickoff meeting.

The phase 2 work will be performed when the rehabilitation work is completed. Depending upon City schedule requirements, the work may be performed serially. The first wells to be rehabilitated could be profiled while other wells are still in the rehabilitation process. SGI will address these details with the City when performance of the phase 2 work is closer at hand.

Prior to Project	WEEK STARTING							
	28-Feb	7-Mar	14-Mar	21-Mar	28-Mar	4-Apr	11-Apr	18-Apr
Pumps installed and tested	Kickoff meeting/ Site visits	Video logs (2 rigs)	Video reports	Options evaluation	Profiling (2 rigs)		Report preparation	Reports delivered
		Encrustation sampling	<ul style="list-style-type: none"> • Encrustation analysis • Well purging 	<ul style="list-style-type: none"> • Encrustation results • Well purging 		Water quality analysis	Water quality results	

Please do not hesitate to contact Rob Gailey at (415) 407-8407 if you need additional information. We look forward to working with you on this project.

Sincerely,



Robert M. Gailey, P.G., C.H.G.
 Principal Hydrogeologist



Andrew Zdon, P.G., C.H.G., C.E.G
 Principal Hydrogeologist
 Office Manager

The Source Group, Inc.

Table 1
Second Revised Estimated Costs - 2/2/11
Potable Well Condition Assessment and Flow Profiling
City of Sacramento Department of Utilities

The Source Group, Inc.
 3451-C Vincent Road
 Pleasant Hill, CA 94523
 Phone: (925) 944-2856
 Fax: (925) 944-2859

Client Contact: Mark Elliott, P.E.
 Department of Utilities
 City of Sacramento
 (916) 808-8894
melliott@cityofsacramento.org

Task 1	Kickoff Meeting, Site Visits and Data Collection	Units	Rate	Quantity	Total Cost	Note/Comments
Consulting Labor						
	Project Manager/ Hydrogeologist	hour	\$160	16	\$ 2,560	Meeting, data review and discussion with client
	Field Supervisor	hour	\$125	16	\$ 2,000	Meeting and specific capacity testing
	Field Scientist	hour	\$90	10	\$ 900	Specific capacity testing
	Administration	hour	\$70	4	\$ 280	Job setup
Expenses						
	Equipment rental	day	\$50	2	\$ 100	Water level sounder
	Mileage (prevailing IRS rate)	miles	0.51	200	\$ 102	
	Miscellaneous Expenses	lump	\$50	1	\$ 50	
	Subtotal - Task 1				\$ 5,992	
Task 2	Well Investigation	Units	Rate	Quantity	Total Cost	Note/Comments
Task 2A Video Log						
Consulting Labor						
	Project Manager/ Hydrogeologist	hour	\$160	30	\$ 4,800	Field support, video review, reports, discussion with client
	Field Supervisor	hour	\$125	50	\$ 6,250	Field work planning, scheduling and supervision
	Administration	hour	\$70	10	\$ 700	Reports
Expenses						
	Subcontractor	lump	\$1,890	10	\$ 18,900	Does not include cleaning fee for oil lubricated wells
	Equipment rental	day			\$ -	
	Mileage (prevailing IRS rate)	miles	0.51	500	\$ 255	
	Miscellaneous Expenses	lump	\$50	3	\$ 150	
	Subtotal - Task 2A				\$ 31,055	
Task 2B Encrustation Sampling and Options Evaluation						
Consulting Labor						
	Project Manager/ Hydrogeologist	hour	\$160	30	\$ 4,800	Field support, chemistry review, options analysis, reports, discussion
	Field Supervisor	hour	\$125	50	\$ 6,250	Field work planning, scheduling and supervision
	Administration	hour	\$70	10	\$ 700	Reports
Expenses						
	Subcontractor	lump	\$1,575	10	\$ 15,750	Does not include cleaning fee for oil lubricated wells
	Chemical analysis	lump	\$735	10	\$ 7,350	
	Equipment rental	day			\$ -	
	Mileage (prevailing IRS rate)	miles	0.51		\$ -	
	Miscellaneous Expenses	lump	\$50	5	\$ 250	
	Subtotal - Task 2B				\$ 35,100	

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 Department of Utilities
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melliott@cityofsacramento.org

Task	Description	Units	Rate	Quantity	Total Cost	Note/Comments
Task 3	Dynamic Flow Profiling					
	<i>Consulting Labor</i>					
	Project Manager/ Hydrogeologist	hour	\$160	20	\$ 3,200	Purging evaluation, data collection design, field support, data review and discussion with client
	Field Supervisor	hour	\$125	30	\$ 3,750	Field work planning, scheduling and supervision
	Field Scientist	hour	\$90	25	\$ 2,250	Field support
	Administration	hour	\$70		\$ -	
	<i>Expenses</i>					
	Subcontractor	lump	\$6,930	10	\$ 69,300	15 injection points
	Equipment rental	day	\$50	10	\$ 500	Water level sounder
	Mileage (prevailing IRS rate)	miles	0.51	1000	\$ 510	Does not include cleaning fee for oil lubricated wells
	Miscellaneous Expenses	lump	\$50	6	\$ 300	
	Subtotal - Task 3				\$ 79,810	
Task 4	Depth-Dependent Sampling					
	<i>Consulting Labor</i>					
	Project Manager/ Hydrogeologist	hour	\$160	10	\$ 1,600	Data collection design, field support, data review and discussion with client
	Field Supervisor	hour	\$125	30	\$ 3,750	Field work planning, scheduling and supervision
	Field Scientist	hour	\$90	25	\$ 2,250	Concentration profile analysis
	Administration	hour	\$70		\$ -	5 1-liter samples per well
	<i>Expenses</i>					
	Subcontractor	lump	\$5,850	10	\$ 58,500	Assumes sampled when flow profiling profiling is conducted. Assumes that 1 liter well-bore samples will be sufficient. Does not include cleaning fee for oil-lubricated wells
	Equipment rental	day	\$50		\$ -	
	Mileage (prevailing IRS rate)	miles	0.51		\$ -	
	Miscellaneous Expenses	lump	\$50		\$ -	
	Subtotal - Task 4				\$ 66,100	
Task 5	Report Preparation					
	<i>Consulting Labor</i>					
	Project Manager/ Hydrogeologist	hour	\$160	40	\$ 6,400	Data analysis supervision, and report review and certification
	Field Supervisor	hour	\$125	150	\$ 18,750	Data analysis and report preparation
	Principal Engineer	hour	\$160	10	\$ 1,600	Well modifications
	Administration	hour	\$70	24	\$ 1,680	Mass balance reporting Reports
	<i>Expenses</i>					
	Subcontractor	lump			\$ -	
	Equipment rental	day			\$ -	
	Mileage (prevailing IRS rate)	miles			\$ -	
	Miscellaneous Expenses	lump	\$50	2	\$ 100	
	Subtotal - Task 5				\$ 28,530	

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 Second Revised Estimated Costs - 2/2/11
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Client Contact: Mark Elliott, P.E.
 Department of Utilities
 City of Sacramento
 (916) 808-8894
melliott@cityofsacramento.org

Task 6	Post-Rehabilitation Dynamic Flow Profiling	Units	Rate	Quantity	Total Cost	Note/Comments
Consulting Labor						
	Project Manager/ Hydrogeologist	hour	\$160	10	\$ 1,600	Data collection design, field support, data review and discussion with client
	Field Supervisor	hour	\$125	30	\$ 3,750	Field work planning, access survey, scheduling and supervision
	Field Scientist	hour	\$90	30	\$ 2,700	Field support
	Administration	hour	\$70		\$ -	
Expenses						
	Subcontractor	lump	\$4,148	10	\$ 41,475	15 injection points
	Equipment rental	day	\$50	10	\$ 500	Water level sounder
	Mileage (prevailing IRS rate)	miles	0.51	1000	\$ 510	Does not include cleaning fee for oil lubricated wells
	Miscellaneous Expenses	lump	\$50	6	\$ 300	
	Subtotal - Task 6				\$ 50,835	
Task 7	Post-Rehabilitation Report Preparation	Units	Rate	Quantity	Total Cost	Note/Comments
Consulting Labor						
	Project Manager/ Hydrogeologist	hour	\$160	25	\$ 4,000	Data analysis supervision, and report review and certification
	Field Supervisor	hour	\$125	50	\$ 6,250	Data analysis and report preparation
	Principal Engineer	hour	\$160		\$ -	Well modifications
	Administration	hour	\$70	16	\$ 1,120	Mass balance reporting Reports
Expenses						
	Subcontractor	lump			\$ -	
	Equipment rental	day			\$ -	
	Mileage (prevailing IRS rate)	miles			\$ -	
	Miscellaneous Expenses	lump	\$50	2	\$ 100	
	Subtotal - Task 7				\$ 11,470	
Estimated Cost for 10 Wells					\$ 308,892	
Contingency (15%)					\$ 46,334	Cleaning fees for oil lubricated wells; Extra injections, samples and sample volume; Subcontractor standby time; Additional consulting as needed
Total Estimated Cost for 10 wells					\$ 355,226	
Estimated Per Well Cost					\$ 30,889	
Contingency Per Well (15%)					\$ 4,633	
Total Per Well Cost					\$ 35,523	

The Consultant shall request and receive written approval from City prior to the performance of any activities associated with Tasks 2B, 3, 4, 6, and any services that will be paid via available project contingency funds.

ATTACHMENT 1 TO EXHIBIT B
FEE SCHEDULE

2011 STANDARD RATE SCHEDULE	
<u>Labor Classifications</u>	<u>Unit Price</u>
Senior Professionals	
Principal*	\$160/hr
Senior*	\$125/hr
Project*	\$120/hr
Mid-Level Professionals	
Senior Staff*	\$125/hr
Staff*	\$90/hr
Assistant*	\$85/hr
Support Staff	
Technician.....	\$70/hr
CAD Operator	\$80/hr
Word Processor	\$70/hr
Administrator.....	\$70/hr
Unit Price and Lump Sum Programs	
The Source Group, Inc. will gladly supply quotations for unit priced or lump sum / fixed fee programs. These quotations can be specific to a given task or a comprehensive and detailed scope of work.	
Notes	
*Professional Positions include the following disciplines: Air Quality Scientists; Chemist; Engineer; Environmental Scientist; Geochemist; Geologist; Hydrogeologist; Microbiologists; and Toxicologist.	
Other Direct Charges	
Unit Price	
Personal Vehicle – Mileage	Prevailing IRS Rate
Field Service Vehicle	\$85/day
.....	\$300/week
Rental Vehicle.....	Actual Cost + 15%
Routine Telecommunications, Facsimile, Postage and Duplication	No Charge
Color Copies	\$1.10 each
Subcontract Services	Actual Cost + 5%
Expendable Materials	Actual Cost + 5%
Per Diem.....	Actual Cost + 5%
Capital Equipment.....	Purchase/Rental Agreement Basis**
Overtime (> 8 hours).....	140% Standard Rate**
** Requires Company's prior approval	

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FEE SCHEDULE 2011.doc