



## City of Sacramento City Council

915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date:** 3/13/2012

**Report Type:** Consent

**Title:** Agreements/Supplemental Agreements: Review of Water Treatment Plants Rehabilitation Project Design

**Report ID:** 2012-00110

**Location:** District 3

**Recommendation:** Pass a motion: 1) authorizing the City Manager or the City Manager's designee to sign a Professional Services Agreement with HDR Engineers, to provide Value Engineering Support Service and Design Document QAQC for the Water Treatment Plants Rehabilitation Project (Z14006000), for an amount not to exceed \$211,841; 2) authorizing the City Manager or the City Manager's designee to sign Supplemental Agreement #4 to City Agreement Number 2010-0266 with Carollo Engineers, to authorize the design changes identified in the Value Engineering process, for an amount not to exceed \$237,000; and 3) ratifying Supplemental Agreements No. 2 and No. 3 to City Agreement Number 2010-0266 with Carollo Engineers, previously issued by the City Manager for amounts not-to-exceed \$35,000 and \$63,000, respectively, in order to reset the City Manager's supplemental agreement authority.

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

**Presenter:** Dan Sherry, Supervising Engineer, (916) 808-1419, Department of Utilities

**Department:** Department Of Utilities

**Division:** Cip Engineering

**Dept ID:** 14001321

**Attachments:**

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- 1- Description/Analysis
- 2- Background
- 3- Location Map
- 4- Exhibit A - Agreement with HDR
- 5- Supplemental Agreement #2 with Carollo
- 6- Supplemental Agreement #3 with Carollo
- 7- Supplemental Agreement #4 with Carollo

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**City Attorney Review**

Approved as to Form  
Joe Robinson  
3/5/2012 10:58:20 AM

**City Treasurer Review**

Reviewed for Impact on Cash and Debt  
Russell Fehr  
2/28/2012 10:33:46 AM

**Approvals/Acknowledgements**

Department Director or Designee: Dave Brent - 3/2/2012 3:51:54 PM

## Description/Analysis

**Issue:** The City's surface water treatment plants, the Sacramento River Water Treatment Plant (SRWTP) and the EA Fairbairn Water Treatment Plant (EAFWTP), were constructed in the 1920's and 1960's, respectively. Critical infrastructure and equipment at the SRWTP are over 90 years old and have exceeded their service life, and need to be replaced. Improvements also are needed at the EAFWTP to maintain reliable capacity. In order to provide a safe and reliable water supply today and in the future for the citizens of Sacramento, it is imperative that the treatment plants be rehabilitated.

Currently the final design for the rehabilitation project is being performed by Carollo Engineers, under a Professional Services Agreement previously approved by the City Council (City Agreement No. 2010-0266), and is on schedule to be completed in fall 2012. City staff recommend obtaining an independent peer review of this design to identify cost saving alternatives and perform a quality control review of the plans, specifications and cost estimate. A Request for Qualifications for Value Engineering Support Services and Design Document QA/QC was issued and nine firms submitted Statements of Qualifications. HDR Engineers was selected as the firm most qualified to perform these services. This report recommends approval of a Professional Services Agreement with HDR to authorize performance of the independent peer review of the rehabilitation project design for an amount not to exceed \$211,841.

Incorporating anticipated cost savings alternatives identified by HDR into the project design also will require additional work from Carollo Engineers. This report recommends approval of Supplemental Agreement No. 4 to Carollo Engineers' Professional Services Agreement, to authorize performance of the anticipated design alteration work, for an amount not to exceed \$237,000. Two previous Supplemental Agreements to Carollo Engineers' Professional Services Agreement, Supplemental Agreements No. 2 and No. 3, were approved under the City Manager's approval authority. This report requests that the City Council ratify these two prior Supplemental Agreements in order to restore the City Manager's Supplemental Agreement approval authority, as allowed under section 3.64.040(D) of the Sacramento City Code.

**Policy Considerations:** This project, which provides the infrastructure for a safe and reliable water supply, is consistent with the City Council focus areas of public safety, economic development, and sustainability and livability. An independent peer review of the project design will assure that the project is as cost effective as possible.

**Environmental Considerations:** California Environmental Quality Act (CEQA) review is not required for approval of the proposed agreement, because conducting an independent peer review of the project design will not have any significant effects on the environment [CEQA Guidelines § 15061(b)(3)]. CEQA review has been

conducted for the Water Treatment Plants Rehabilitation Project, and staff anticipates bringing the mitigated negative declaration and mitigation reporting program for the Project to the City Council for adoption at the Council's March 20 meeting.

**Sustainability:** This project is consistent with the City's Sustainability Master Plan by providing a safe and reliable water supply for the Sacramento Region. While the LEED certification process was not developed for the types of facilities proposed in this project, it is the intent of the DOU to incorporate LEED principles into the facilities to the maximum extent that it is feasible.

**Commission/Committee Action:** Not applicable

**Rationale for Recommendation:** Approval of a Professional Services Agreement with HDR, and Supplemental Agreement No. 4 with Carollo Engineers, will allow the City to proceed with value engineering support services and an independent quality assurance and control program. The goal is to provide a high quality water treatment plant upgrade project at a reduced construction cost. It is anticipated that the final design will be completed in the fall of 2012.

**Financial Considerations:** The agreement with HDR Engineering is for the amount not to exceed \$211,841. Supplemental Agreement No. 4 with Carollo Engineers is for the amount not to exceed \$237,000. The total not-to-exceed amount for both is \$448,841. As of February 22, 2012, there is an unobligated amount of \$760,797 available in Z14006000. There is sufficient funding available in the Z14006000 project budget.

Previously approved Supplemental Agreements No. 2 and No. 3 with Carollo Engineers were for \$35,000, and 63,000, respectively. These funds are already obligated under Z14006000.

The current cost estimate for construction and related administration of the treatment plants rehabilitation project is approximately \$150 million. Based on analysis of possible funding options, it is DOU's intent to recommend that construction of the project be financed through the sale of revenue bonds.

**Emerging Small Business Development (ESBD):** HDR is not an emerging or small business enterprise.

## **BACKGROUND**

Much of the existing infrastructure at the City's water treatment plants has exceeded its service life and is at risk of failing. The Sacramento River Water Treatment Plant (SRWTP) and E. A. Fairbairn Water Treatment Plant (EAFWTP) were constructed in 1923 and 1964 respectively. Plant expansions at both of these facilities were completed in 2005, but much of the existing infrastructure was not rehabilitated or replaced as part of the projects.

In 2007, the Department of Utilities (DOU) had a Condition Assessment Study conducted to evaluate the condition and performance of the City's surface water treatment facilities. The study assessed the existing facility conditions, conducted operational tests to evaluate plant performance, assessed the reliability of the facilities, and developed a capital improvement program for rehabilitation and/or replacement of existing facilities. The study was completed in February 2009, and concluded that both treatment facilities require substantial rehabilitation work in order to provide reliable water treatment facilities. The major components of work include:

- Replace or decommission SRWTP Sedimentation Basin 1
- Replace or rehabilitate SRWTP Sedimentation Basin 2
- Replace or decommission SRWTP Filters 1 thru 16
- Replace SRWTP High Service Pump Station
- Install Solids Handling Facilities at SRWTP and EAFWTP
  
- Install miscellaneous yard piping at SRWTP

## **PROJECT DESIGN PROCESS**

On April 13, 2010, after Carollo Engineers was selected through a Request for Qualifications process, the City Council approved a Professional Service Agreement with Carollo that provides for three phases of engineering services for the replacement of the aged facilities at the treatment plants. The three phases of the agreement include Phase 1 – Preliminary Design, Phase 2 – Final Design, and Phase 3 – Engineering Support During Bidding and Construction.

Phase 1 was authorized when the Professional Services Agreement (City Agreement Number 2010-0266) was approved, and was completed in March 2011. The Phase 1 services analyzed facility options and prepared preliminary design drawings and cost estimates for all facilities needing replacement, as identified in the prior Condition Assessment Study.

The project cost estimate developed during Phase 1 Preliminary Design established an estimated project cost of \$157,400,000, including final design, administration and construction of the rehabilitation project.

Phase 2 - Final Design of the Professional Service Agreement was authorized April 21<sup>st</sup>, 2011 and is estimated to take approximately 15 months to perform. This work entails preparing the detailed design culminating in the bid documents used to bid and construct the proposed Water Treatment Plants Rehabilitation Project.

As a supplemental effort to Phase 2 Design, City staff recommends an independent peer review to determine if all cost saving alternatives have been considered. A Request for Qualifications for Value Engineering Support Services and Design Document QA/QC was issued and nine firms submitted Statements of Qualifications.

HDR Engineering, Inc., (HDR) was selected as the most qualified firm to provide value engineering (VE) consultation services, design document quality assurance/quality control (QA/QC), and cost estimating services for upgrades to the Sacramento River Water Treatment Plant and the E.A. Fairbairn Water Treatment Plant.

A scope of work has been developed for HDR and its subconsultants to perform this phase of work for a not-to-exceed amount of \$211,841.

Revisions to the plans, specifications and cost estimate may be required by the design engineer, Carollo Engineers, based on the VE's recommendations. A scope of work has been developed with Carollo Engineers for this portion of work, for an amount not to exceed \$237,000, which is described in Supplemental Agreement No. 4 that is being recommended for approval.

Two previous Supplemental Agreements, No. 2 and No. 3, were approved under the City Manager's approval authority. Supplemental Agreement No. 2, for \$35,000, provided for environmental support activities, such as the preparation of biological surveys, and Supplemental Agreement No. 3, for \$63,000, provided for necessary environmental support in the removal of Elderberry bushes, and provided for public outreach materials. Staff is requesting that the City Council ratify these two Supplemental Agreements issued under the City Manager's approval authority, which will reset the City Manager's authority in accordance with the City Code provisions governing the approval of supplemental agreements.



PROJECT #: Z14006000  
PROJECT NAME: Water Treatment Plant Rehabilitation Project, Value Engineering Support and Design Document QAQC  
DEPARTMENT: Utilities  
DIVISION: Engineering Services

CITY OF SACRAMENTO

PROFESSIONAL SERVICES AGREEMENT FOR DESIGN SERVICES

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

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**THIS AGREEMENT** is made at Sacramento, California, as of \_\_\_\_\_, by and between the **CITY OF SACRAMENTO**, a municipal corporation ("CITY"), and

*HDR Engineering, Inc.  
2365 Iron Point Road, Suite 300  
Folsom, California 95630  
Phone, (916) 817-4700/Fax (916) 817-4747*

("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

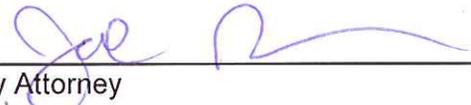
By: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

For: John F. Shirey, Interim City Manager

APPROVED TO AS FORM:

  
\_\_\_\_\_  
City Attorney

ATTEST:

\_\_\_\_\_  
City Clerk

- 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

**CONTRACTOR:**

HDR Engineering, Inc.

NAME OF FIRM

47-0680568

Federal I.D. No.

326-3780-3

State I.D. No.

93696

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: \_\_\_\_\_*)

 2/27/12  
Signature of Authorized Person

Craig A. Olson, Vice President  
Print Name and Title

 2/27/12  
Additional Signature (*if required*)

William F. Ettlich, Senior Vice President  
Print Name and Title

**DECLARATION OF COMPLIANCE  
Equal Benefits Ordinance**

Name of Contractor: HDR Engineering, Inc.

Address: 2365 Iron Point Road, Suite 300, Folsom California 95630

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 AOrdinance@).
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

02/27/12  
\_\_\_\_\_  
Date

Craig A. Olson  
\_\_\_\_\_  
Print Name

Vice President  
\_\_\_\_\_  
Title

**EXHIBIT A**

**PROFESSIONAL SERVICES AGREEMENT FOR DESIGN SERVICES**

**SCOPE OF SERVICES**

**1. Representatives.**

The CITY Representative for this Agreement is:

*Bill Zehnder, Senior Engineer  
City of Sacramento, Department of Utilities  
1395 35<sup>th</sup> Ave, Sacramento, CA 95822  
Phone (916) 808-1910/Fax (916) 808-1497  
E-mail bzehnder@cityofsacramento.org*

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:

*Rich Stratton  
HDR Engineering, Inc.  
2365 Iron Point Road, Suite 300, Folsom, California 95630  
Phone (916) 817-4819/Fax (916) 817-4747*

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 3 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 X 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.

## Scope of Services

HDR Engineering, Inc., (HDR) will provide value engineering (VE) consultation services, design document quality assurance/quality control (QA/QC), and cost estimating services for upgrades to the City of Sacramento's (CITY's) two surface water treatment plants: the Sacramento River Water Treatment Plant (SRWTP) and the E.A. Fairbairn Water Treatment Plant (EAFWTP). The services provided shall include the following:

### Task 1 - Value Engineering (50 Percent Design)

A VE will be provided at the 50 percent design document phase for both water treatment plants.

#### Subtask 1.1 - Project Initiation and Data Gathering

HDR's team will meet with CITY staff and the Design Engineer (Carollo) to kick-off the project, which includes scheduling the VE workshop, identifying a meeting room (either within CITY facilities or either HDR's or the Design Engineer's office), and identifying the items and information that will be needed for the VE workshop. This meeting provides the opportunity to establish a positive relationship with the Design Engineer. This meeting can be used to continue gathering available information, and list the information that will be needed for the workshop.

*Deliverables: Meeting agenda and minutes.*

#### Subtask 1.2 - Cost Model

HDR will review the most recent cost estimate provided by the CITY, and develop a cost model that identifies categories of the project that contribute to most of the costs and identify where costs may be higher than expected, indicating where costs may be saved. The high cost items will provide an indicator of those areas of the project where the VE should be focused.

*Deliverables: Cost category model.*

#### Subtask 1.3 - VE Team Preparation and Arrangements

After HDR's team has received all of the available materials to be used in the VE workshop, information will be distributed to the VE team members.

The team members will perform a review of the available materials prior to starting the workshop. HDR's team will review the design assumptions, design documents, and cost estimates. Team members will come to the workshop understanding the project and having developed a few general VE ideas to add value while saving costs. It is anticipated that each team member will need about eight hours to review and consider the project. This review will occur the week before the actual VE workshop.

### Subtask 1.4 - VE Workshop

The actual VE workshop will be conducted during this subtask, using the tentative agenda shown on Table 1. The team members will spend a total of 40 hours to participate in the VE workshop. During the workshop, it is anticipated that the Design Engineer and CITY engineering and/or operations and maintenance (O&M) representatives will meet with the VE team for up to two hours each day to monitor progress, and provide responses to VE team questions.

<b>Table 1 - Suggested Workshop Agenda</b>	
<b>Day One</b>	<p><b>Information Phase</b>                      Introduction by VE team leader.                      Project description and presentation by Design Engineer.                      Plant tours.                      Comments by the CITY (Engineering and Operations).                      Comments by regulatory agencies, if present.                      Set boundary conditions for VE ideas to define scope and depth of alternatives to current design concepts.</p> <p><b>Information and Speculative Phases</b>                      Review cost model.                      Prepare graphical presentation of cost model.                      Identify areas for speculative phase.                      Begin speculative/creative phase by starting to list ideas.</p>
<b>Day Two</b>	<p><b>Evaluation Phase</b>                      Select best ideas for further development based on advantages and disadvantages and ranking of ideas (subjective ranking).                      Number each idea evaluated to easily locate information in the preliminary report.</p>
<b>Day Three</b>	<p><b>Evaluation and Investigation Phases</b>                      Begin investigation phase.                      Develop conceptual alternatives based on the highest-ranked ideas selected during the evaluation phase.                      Compute life-cycle cost comparisons.                      Prepare suitable sketches of ideas.</p>
<b>Day Four</b>	<p><b>Evaluation Phase</b>                      Continue evaluation phase.</p>
<b>Day Five</b>	<p><b>Recommendation and Presentation Phases</b>                      Prepare recommendations and cost summaries for each of the ideas evaluated.                      Informal presentation of VE workshop results to representatives from the Design Engineer and the CITY.</p>

Team members that attend the workshop will be selected to cover the following disciplines:

- VE leader (Gordon Culp)

- Civil/Site/Process (Rich Stratton)
- Structural (Omid Tavangar)
- Mechanical/HVAC (Michael Blomquist)
- Electrical/Instrumentation/Controls (Bill Ettlich)
- Geotechnical (Chris Trumbull)

HDR will have access to other experts (e.g., architecture, roadway, and water quality) not attending the workshop, if needed, to obtain critical information.

The timing of the VE workshop will be coordinated with the CITY's review of the 50 percent design submittal. To minimize project delay, the VE workshop will be scheduled to be concurrent with the CITY's review and tentatively set for the week of March 26, 2012.

Detailed worksheets will be provided, along with the VE summary report. Each workshop will follow the proven five-phase VE job plan, as follows:

- **Information Phase:** The purpose of this phase is to assist the VE team in understanding the project's background and decisions that have influenced the development of the proposed design. The Design Engineer will give an oral overview of the project, and provide a brief history of the current design documents. We will also tour the plants.
- **Speculative/Creative Phase:** During this step, HDR's team will develop creative or alternative VE recommendations for the proposed design, without evaluating or criticizing the idea. The VE team will record conceivable methods of providing the necessary functions at a lower cost to the project, or with an improvement to the project quality. HDR's team will comply with restraints defined by the CITY.
- **Evaluation/Investigation Phase:** In the evaluation/investigation phase, HDR's team subjectively rate each of the ideas listed in the speculative/creative phase based on the advantages and disadvantages of the idea. The ratings are based on the collective experience of the VE team and ranked on a scale of 1 to 10.
- **Development/Recommendation Phase:** At this point, each of the ideas that received a rating of eight or above will be developed in detail and comparative costs prepared. Costs will include estimated redesign costs if a significant change is involved. After completing the detailed analysis for each of the top rated ideas, the VE team will discuss each of the ideas with the CITY and Design Engineer, and reach a consensus as to which ideas would be recommended and which are suggestions only.
- **Report Phase:** The report phase consists of both oral and written presentations of the results from the VE workshop. The design team will have the opportunity to ask the VE team for additional information on each of the recommended ideas.

## **Subtask 1.5 - Review and Check Detailed Worksheets**

Following the workshop, the VE team leader will collect detailed worksheets, and will review and check each worksheet. The intent of this task is to avoid unnecessary arithmetic errors or incorrect concepts. The worksheets will be reviewed for consistency of the costs included, and needed changes will be made. HDR has developed a spreadsheet that follows the VE format that essentially eliminates arithmetic errors.

## **Subtask 1.6 - Draft VE Report Preparation**

HDR will submit a draft VE report for review and comment by the CITY within a week after the VE workshop. A tentative outline of the VE report is shown as follows:

### **TENTATIVE VE REPORT OUTLINE**

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Notes to Design Engineer

Process Observations

#### **5. Recommendations**

#### **Appendices**

VE Workshop Agenda

Evaluation Forms

VE Recommendation Worksheets

VE Analysis Worksheets

Preliminary Cost Estimates

In addition, the report will include:

- Summary of the VE process, as conducted.
- Verification that VE was carried out in accordance with accepted practices.
- Description of the VE recommendations. The ideas that are developed in some detail (costs estimated) are provided with an identifying number that can be used to locate all the worksheets relating to that idea.

For each of the VE recommendations, the report will discuss the following issues:

- Design/construction costs and design/construction schedule impacts for implementing the accepted recommendations.
- Construction coordination and sequencing issues.
- Potential design/construction scheduling issues.
- Potential site constraints and impacts on construction staging.
- Net savings from the VE recommendations over the useful life of the project.

Rejected recommendations and reasons for rejections (must be valid and specific) will be an attachment to the final VE report. The City will be responsible for adding the recommendations and rejections to the final report.

Each cost saving proposal will include a description of the proposed change, complete calculations documenting construction and O&M cost savings, and other notes to the Design Engineer.

A summary of the workshop findings, including the worksheets, will be provided to the CITY on the last day of the workshop so the Design Engineer and the CITY can begin working on their response to the VE ideas immediately after the workshop. The Design Engineer should be encouraged to complete their review and prepare a response within one or two weeks of receiving the draft report to avoid impacts to the schedule.

*Deliverables: One PDF copy of the draft report.*

## **Task 2 - Document Coordination (90 Percent Design)**

HDR will review the construction documents at the 90 percent design phase to identify the following:

- Errors and omissions, including information critical to design.
- Conflicts.
- Potential claims and constructability issues - Prioritize based on exposure and risk.

- Verify coordination between drawings and specifications through the disciplines.

*Deliverables: Technical memorandum summarizing design review comments and suggested additions to the bid schedule to minimize change orders.*

### **Task 3 - Estimating**

#### **Subtask 3.1 - Independent Cost Estimate Check 50 Percent Design**

HDR will complete an independent spot check and QA/QC of the construction cost estimate using HDR's in-house unit cost database and other cost estimating sources such as Means. Quantity take-offs checks will be based on the 50 percent design documents.

For the SRWTP, HDR will prepare an independent estimate of the cast-in-place concrete for the conventional new flocculation/sedimentation basin, setting of the equipment in the conventional flocculation/sedimentation and high-service pumping station, and the electrical upgrades in flocculation/sedimentation basins and high-service pumping station.

At EAFWTP, HDR will prepare an independent estimate of the setting of equipment in the solids handling improvements and the electrical improvement in the solids handling area.

After completing the estimate spot check and QA/QC review, and independent estimate described above, HDR will meet with the Design Engineer and CITY to reconcile any differences with the Design Engineer's estimator. HDR's budget assumes this meeting be via video conferencing or net meeting.

*Deliverables: Cost estimate in PDF and Excel, and backup calculations, which will be primarily print screen shots of an assembly take showing cost estimating methodology.*

#### **Subtask 3.2 - Independent Cost Estimate Check 90 Percent Design**

HDR will complete an independent spot check and QA/QC of any new items in the construction cost estimate after the 50 percent design review. The spot checks will be done using HDR's in-house unit cost database and other cost estimating sources such as Means. Quantity take-offs checks will be based on the 90 percent design documents.

After completing the estimate spot check and QA/QC review, HDR will meet with the Design Engineer and CITY to reconcile any differences with the Design Engineer's estimator. HDR's budget assumes this meeting be via video conferencing or net meeting.

*Deliverables: Cost estimate in PDF and Excel, and backup calculations, which will be primarily print screen shots of an assembly take off showing cost estimating methodology. It is anticipated that the spot checks will be for electrical wiring and equipment that may not have been detailed in the 50 percent cost estimate.*

## 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 \$ 211,841.
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. *[Attach list of billable rates that apply, labeled "Attachment 1 to Exhibit B".]*
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:

*Bill Zehnder, Senior Engineer  
City of Sacramento, Department of Utilities  
1395 35<sup>th</sup> Ave, Sacramento, CA 95822  
Phone (916) 808-1910/Fax (916) 808-1497  
E-mail bzehnder@cityofsacramento.org*

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.

## ATTACHMENT 1 TO EXHIBIT B

### BILLABLE RATES HDR Engineering, Inc.

Architect II	\$157
Architect I	\$151
CADD Manager	\$155
CAD Technician IV	\$141
CAD Technician III	\$133
CAD Technician II	\$122
CAD Technician I	\$118
Civil Engineer V	\$156
Civil Engineer IV	\$153
Civil Engineer III	\$148
Civil Engineer II	\$129
Civil Engineer I	\$127
Clerical	\$69
Cost Estimating Specialist II	\$223
Cost Estimating Specialist I	\$127
Drafter III	\$113
Drafter II	\$90
Drafter I	\$87
Electrical Engineer IV Electrical	\$236
Electrical Engineer III	\$211
Electrical Engineer II	\$169
Electrical Engineer I	\$151
Engineer-in-Training	\$62
Geotechnical Engineer II	\$189
Geotechnical Engineer I	\$99
Mechanical Engineer III	\$185
Mechanical Engineer II	\$158
Mechanical Engineer I	\$127
Principal	\$275
Process Specialist II	\$255
Process Specialist I	\$166

Project Controller II	\$122
Project Controller I	\$116
Project Coordinator II	\$90
Project Coordinator I	\$81
Project Manager	\$260
Roadway Engineer	\$155
Staff Engineer IV	\$117
Staff Engineer III	\$111
Staff Engineer II	\$106
Staff Engineer I	\$97
Structural Engineer II	\$217
Structural Engineer I	\$146
Technical Specialist	\$209
Water Quality Regulations Specialist	\$267

*Please Note: Rates include current overhead rate plus profit and are adjusted annually.*

## **EXPENSES**

### **In-House Expenses**

Technology Charge per Direct Labor Hour	\$3.70
Vehicle Mileage (per mile)	Current Federal Travel Regulation (FTR)
Color Copy (per copy)	\$0.75 to \$1.50
Photocopies (per copy)	\$0.10 to \$0.20
Bond Plotting - Black & White (per square foot)	\$0.135
Bond Plotting - Color (per square foot)	\$0.50
Vellum - Black & White (per square foot)	\$0.50
Mylar - Black & White (per square foot)	\$0.90

*Please Note: Technology charges include computer, CADD, network, software, and other related technology services. Expenses and subconsultants are charged with a five percent markup.*

## ATTACHMENT 2 TO EXHIBIT B ALLOCATION OF SERVICES

Task No.	Task Description	PMI Process	Tech Special	Cost Est I	Cost Est II	Cost Est III	Civil/ Site	Road	Struct Engr	Mech Engr	Elect Engr	Geotech	Project Control	Project Coord.	Total HDR Labor Hours	Sub Hours	Total HDR Labor (\$)	Total HDR Expense (\$)	Subs (\$)	Total Cost (\$)
<b>Task 1 - Value Engineering (50 Percent Design)</b>																				
1.1	Project Initiation and Data Gathering	2					4						6		12	24	\$1,759	\$176	\$7,455	\$9,389
1.2	Cost Model	2				8							4		14	16	\$1,897	\$190	\$4,620	\$6,708
1.3	VE Team Preparation and Arrangements	8						8	8	8	8				40	32	\$6,475	\$848	\$9,240	\$18,563
1.4	VE Workshop	40	4			6	2	40	40	40	40				212	40	\$44,438	\$4,444	\$14,175	\$63,057
1.5	Review and Check Detailed Worksheets														0	4	\$0	\$0	\$1,155	\$1,155
1.6	Draft VE Report Preparation	8				2		2	2	2	2		2	8	26	8	\$4,518	\$452	\$2,310	\$7,280
	Subtotal Task 1	60	4	0	0	0	20	2	50	50	50	48	8	12	304	124	\$61,087	\$8,109	\$38,965	\$106,150
<b>Task 2 - Document Coordination (90 Percent Design)</b>																				
2	Document Coordination	40	8				70	2	64	48	44	12	2	8	208		\$56,640	\$5,664	\$0	\$62,304
	Subtotal Task 2	40	8	0	0	0	70	2	64	48	44	12	2	8	208	0	\$56,640	\$5,664	\$0	\$62,304
<b>Task 3 - Estimating</b>																				
3.1	Independent Check of Cost Estimate - 50% Design Subtotal	6		4	8	81	38	2					9	3	151		\$27,324	\$3,101	\$0	\$30,425
3.2	Independent Check of Cost Estimate - 90% Design Subtotal	4				32	19	1					6	2	84		\$11,447	\$1,514	\$0	\$12,961
	Subtotal Task 3	10	0	4	8	113	57	3	0	0	0	0	15	5	235	0	\$38,771	\$4,615	\$0	\$43,386
<b>COLUMN TOTALS</b>		110	12	4	8	113	147	7	114	96	94	60	25	25	817	124	\$156,498	\$18,388	\$38,965	\$211,841

Team Member: Stratton   Fuller   Bishop   Lathrop   Gassen   Beck   Fung   Tavangar   Blomquist   Ebllich   Trumbull   Mellon   Wagy



## 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, photostatting, 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 directing 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 24<sup>th</sup> 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 24<sup>th</sup> 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.



# City of Sacramento

Tax ID # if applicable:

Requires Council Approval:  No  YES Meeting:

Real Estate

Other Party Signature Needed

Recording Requested

## General Information

Type: Professional Services Agreement PO Type: Formal	Attachment: Supplemental No.: 2 Original Doc Number: 2010-0266
\$ Not to Exceed: \$35,000.00	
Other Party: Carollo Engineers, Inc.	Certified Copies of Document:
Project Name: Water Treatment Plants Rehabilitation	Deed: <input type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate
Project Number: Z14006000 Bid Transaction #: Q103351007	E/SBE-DBE-MWBE:

## Department Information

Department: **Utilities** Division: **Eng Svcs Division**  
 Project Mgr: **Bill Zehnder** Supervisor:  
 Contract Services: Date: Division Mgr: **Bill Busath**  
 Phone Number: **916-808-1910** Org Number: **14001311**  
 Comment:

## Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	—	—
Contract Services:	AA	7/12/11
Supervisor:	—	—
Division Manager:	<i>[Signature]</i>	7/18/11
City Attorney	Signature or Initial	Date
City Attorney:	<i>[Signature]</i>	7-13-11

Send Interoffice Mail TO: Annette Atkins, 13600  Notify for Pick Up

Authorization	Signature or Initial	Date
Marty Hanneman Department Director:	<i>[Signature]</i>	7-19-11
City Mgr: yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-09)

**For City Clerk Processing**

**Finalized:**  
 Initial: *ORB*  
 Date: *8-7-27-11*  
 Imaged:  
 Initial:  
 Date:

**Received:**  
 (City Clerk Standing here) JUL 27 2011  
 CITY CLERK'S OFFICE  
 CITY OF SACRAMENTO  
 RECEIVED

Title: Water Treatment Plants Rehabilitation  
 With: Carollo Engineers, Inc  
 Authorization:

\*2010-0266-2

**SUPPLEMENTAL AGREEMENT**

**Project Title and Job Number: Water Treatment Plants Rehabilitation / Z14006000**  
**Purchase Order #: 0000010129**

**Date: 6-30-11**  
**Supplemental Agreement No.:2**

The City of Sacramento ("City") and Carollo ("Contractor"), as parties to that certain Professional Services Agreement designated as Agreement Number 2010-0266, including any and all prior supplemental agreements modifying said agreement (said agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows: *for the Phase 2 work and services*

*JAR*

Contractor shall perform work, as directed in writing, to assist with the City's performance of environmental work for the project. This work shall include, but not limited to, biological surveys, project exhibits and technical support.

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is **increased** by \$35,000, and said maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>\$825,494</u>
Net change by previous supplemental agreements:	<u>\$ 7,400,000</u>
Not-to-exceed amount prior to this supplemental agreement:	<u>\$8,225,494</u>
<b>Increase</b> by this supplemental agreement:	<u>\$35,000</u>
New not-to exceed amount including all supplemental agreements:	<u>\$8,260,494</u>

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.

4. Contractor warrants and represents that the person or persons executing this supplemental agreement on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental agreement and bind Contractor to the terms hereof.

5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

**Approval Recommended By:**

**Approved As To Form By:**

*[Signature]*  
Project Manager

*[Signature]*  
City Attorney

**Approved By:**

*[Signature]*  
Contractor

**Attested To By:**

**Approved By:**

*[Signature]*  
City of Sacramento

*[Signature]*  
City Clerk  
*and* 7-27-11

**\*2010-0266-2**  
 Title: Water Treatment Plants Rehabilitation  
 With: Carollo Engineers, Inc  
 Authorization:

Requires Council Approval:  No  YES Meeting:

Real Estate  Other Party Signature Needed  Recording Requested

### General Information

Type: Professional Svcs Agreement PO Type: Formal \$ Not to Exceed: \$61,000.00	Attachment: Supplemental No.: 3 Original Doc Number: 2010-0266
Other Party: Carollo Engineers	Certified Copies of Document: 2
Project Name: Water Treatment Plants Rehabilitation	Deed: <input type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate
Project Number: Z14006000 Bid Transaction #: Q103351007	E/SBE-DBE-M/WBE:

### Department Information

Department: **Utilities** Division: **Eng Svcs Division**  
 Project Mgr: **Bill Zehnder** Div Mgr: **Dave Brent**  
 Phone Number: **916-808-1910** Org Number: **14001311**  
 Comment:

### Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	—	—
Contract Services:	AA	12/20/11
Supervisor:	—	—
Division Manager:	[Signature]	1/3/12
City Attorney	Signature or Initial	Date
City Attorney:	[Signature]	12-21-11

Send Interoffice Mail TO: Annette Atkins, 13600  Notify for Pick Up

Authorization	Signature or Initial	Date
Dave Brent, Interim Department Director:	[Signature]	1/4/12
City Mgr: yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-09)

**For City Clerk Processing Finalized:**

Initial: *DRB*  
 Date: *1-10-12*  
 Imaged: *VE*  
 Date: *1/11/12*

**Received:**  
 (City Clerk Stamp Here)  
 04:08 PM - 5 JAN 2012  
 RECEIVED - CITY CLERK'S OFFICE - CITY OF SACRAMENTO

Title: Water Treatment Plants Rehab  
 Other Party: Carollo Engineers

\*2010-0266-3

# SUPPLEMENTAL AGREEMENT

Project Title and Job Number: **Water Treatment Plants Rehabilitation Project / Z14006000** Date: **12-5-11**  
Purchase Order #: **000010129** Supplemental Agreement No.: **3**

The City of Sacramento ("City") and Carollo Engineers ("Contractor"), as parties to that certain Professional Services Agreement designated as Agreement Number 2010-0266, including any and all prior supplemental agreements modifying said agreement (said agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended by adding the following work and services:

Contractor shall perform the additional work and services specified in "Attachment 3 to Exhibit A", which is attached hereto and incorporated herein by this reference.

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses are **increased by \$61,000**, and said maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>\$825,494</u>
Net change by previous supplemental agreements:	<u>\$7,435,000</u>
Not-to-exceed amount prior to this supplemental agreement:	<u>\$8,260,494</u>
<b>Increase</b> by this supplemental agreement:	<u>\$61,000</u>
New not-to exceed amount including all supplemental agreements:	<u>\$8,321,494</u>

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.
4. Contractor warrants and represents that the person or persons executing this supplemental agreement on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental agreement and bind Contractor to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

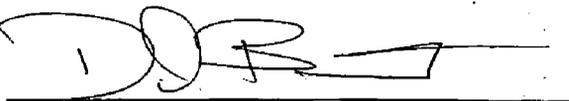
Approval Recommended By:

  
Project Manager

Approved By:

  
Contractor

Approved By:

  
City of Sacramento

Approved As To Form By:

  
City Attorney

Attested To By:

  
City Clerk 1-10-12



# SUPPLEMENTAL AGREEMENT

## ATTACHMENT 3 to EXHIBIT A

### Task 1 - Preparation of a Habitat Conservation Plan (HCP) and Obtain Permit from USFWS

The Valley Elderberry Longhorn Beetle (VELB) is listed as an endangered species by the Federal Government. Habitat for the VELB has been identified on the treatment plant sites, and this habitat will be impacted by the Water Treatment Plants Rehabilitation Project. According to U.S. Fish and Wildlife Service USFWS, all elderberry shrubs in the Central Valley with stems more than 1 inch in diameter at ground level must be considered potential habitat for VELB. The federal Endangered Species Act (ESA) prohibits the take of any fish or wildlife species that is federally listed as threatened or endangered without prior approval pursuant to either Section 7 or Section 10(a)(1)(B) of the Act.

USFWS has established a special category of HCP, called a low-effect HCP, for projects with relatively minor or negligible impacts. The scope of work includes the preparation of a low-effect HCP as part of the Section 10(a) process.

This task assumes that VELB is the only federally listed species that would be addressed.

The Contractor will prepare an HCP that integrates the proposed project with the protection of VELB. The HCP will include the following information:

1. Effect of the proposed project on VELB;
2. Conservation strategy that describes measures to avoid, minimize and compensate for impacts, including description of the conservation area, relocation plans, replacement plantings, irrigation, and maintenance requirements;
3. Implementation plan that will describe monitoring requirements, including performance and success criteria; funding for implementation of the HCP; and procedures to deal with unforeseen circumstances;
4. Alternative actions considered that would not result in take; and
5. Additional measures USFWS may require as necessary or appropriate for purposes of the plan.

The HCP, along with a permit application package, will be submitted to USFWS for processing. A Section 10 incidental take permit is granted upon a determination by USFWS that all requirements for permit issuance have been met. As part of this process, USFWS must (1) publish a Notice of Receipt of a Permit Application in the Federal Register; (2) prepare a Set of Findings, which evaluates the Section 10(a)(1)(B) permit application in the context of permit issuance criteria; and (3) prepare an Environmental Action Statement, a brief document that serves as USFWS's record of compliance with the National Environmental Policy Act (NEPA) for categorically excluded actions. An implementing agreement is not required for a low-effect HCP. This scope of work includes a preliminary meeting with the City and USFWS prior to development of the HCP. This scope of work also includes a meeting with USFWS to review the conservation strategy prior to submission of the draft HCP. Contractor will submit a draft HCP to the City for review and comment and will make necessary revisions prior to submittal to USFWS. This scope of work assumes a single round of revisions after USFWS reviews and provides comment on the draft HCP. This scope of work does not include negotiations with USFWS after the draft HCP is submitted; however, the Contractor is available to help the City with this process upon request.

#### Deliverables

- ▲ Two (2) meetings with USFWS.
- ▲ HCP and permit application package.

Total Cost for this task is based on hourly rates with a not to exceed amount of \$ 41,000

### Task 2 - Preparation of a Sacramento River Water Treatment Plant Video for Use in Public Outreach

In general this task includes preparation of a video that will be used to educate the public about the problems with the existing 80 and 90 year old facilities at the Sacramento River Water Treatment Plant (SRWTP) and the proposed improvements to correct these problems.

The Contractor will provide a start-to-finish program to create this video including:

- Planning and facilitation of one (1) kick of meeting.

## SUPPLEMENTAL AGREEMENT

- A site visit to review facilities
- Assistance with script development based on City-provided details
- Organization and management of on-location video shoot in coordination with City staff
- One (1) day of on-site video in one (1) location
- Video editing
- Integration of existing Google SketchUp file of proposed improvements into final video
- One (1) internal draft review of video (not final production quality)
- One (1) team meeting to review internal draft
- Final standard definition video of no more than five minutes in length provided in digital format for use on web-based mediums
- Detailed schedule development and management – to be provided after Friday's kick-off meeting
- Ongoing communications

As part of this task, the City will contribute as follows:

- Assist with further defining goal of the video and confirm target audience
- Determine if interviews should be part of the video, and if so, who will coordinate attendance on on-site filming day.
- Provide access to the SRWTP site on day of filming
- Review draft video and provide editing type comments to be incorporated into final video
- Meet deadlines as defined in the detailed schedule to be developed after kickoff meeting

Final delivery of the video will be by January 4, 2012. In order for the Contractor to meet this deadline, the City must provide input at designated times.

Cost for this task is based on hourly rates with a not to exceed amount of **\$ 20,000**



# SUPPLEMENTAL AGREEMENT

## ATTACHMENT 4 to EXHIBIT A Carollo

### Task 7.1 Design Engineer Assistance with Value Engineering

- T7.1.1 Project Initiation.** Carollo Engineers, Inc. (Contractor) will attend kickoff meeting with CITY and Value Engineering team (VE), per the VE contract. Topics will include scheduling the VE workshop, identifying items and information needed to perform the VE, and reviewing final coordination items for the week of the workshop between the City, VE team, and Contractor.
- T7.1.2 VE Workshop Preparation.** Under this subtask Contractor shall prepare information as identified in subtask 7.1.1 for VE team. Information shall be delivered to the VE team prior to the workshop for City and VE team review. Contractor shall prepare for the VE workshop under this subtask. Preparation of the Design Team project overview presentation for Day 1 of the workshop shall be performed.
- T7.1.3 VE Workshop Attendance and Participation.** CONTRACTOR's project manager and project engineer will attend Day 1 of the VE Workshop. This will include providing an overview presentation of the project as well as attending the plant tours. Contractor's project manager shall attend the workshop each day for up to two hours per day to answer questions, comment on ideas, and provide support to the VE team, in general. Contractor's project manager shall attend Day 5 of the Workshop to review findings of the VE team and cost summaries for each of the ideas evaluated.
- T7.1.4 Draft Report Review and Response.** Contractor will receive and review the VE team draft report. Each alternative in the report will be reviewed and a response provided to the City. In some cases the response may indicate that further effort may be required to fully evaluate and refine the potential cost savings. The City may, at its option, direct the Contractor to perform the detailed, thorough evaluation to determine the impact to the project and the estimated cost savings calculated by the Design Team. The Contractor will also review estimate of design effort provided for each alternative by the VE team and provide comments. A draft Technical Memorandum will be provided to the City in pdf format with Contractor's responses.
- T7.1.5 Cost Estimate VE Team Review Comments.** Under this subtask Contractor shall review comments made by the VE Team on the Contractor's 50% Cost Estimate. It is estimated that a maximum of 40 comments will be reviewed and a maximum effort of 2 hours each will be required to review, investigate, and respond.
- T7.1.6 Value Engineering Design.** Within the Draft Report prepared under subtask 7.1.4, the Contractor shall identify the impact of the change on the design effort to complete the final design documents. Under this subtask Contractor shall implement VE concepts developed by the VE team and approved by the City. It is estimated that a maximum of 10 percent of the approximately 300 drawings will be impacted by changes identified by the VE process and approved for implementation by the City. Each drawing impacted will require a maximum of 25 hours of engineering and drafting for modification from the 50% level of completion.

# SUPPLEMENTAL AGREEMENT

## ATTACHMENT 4 to EXHIBIT A Carollo

### **Task 7.2 Review and Response to VE Team 90% Design and Cost Estimate Review Comments**

**T7.2.1** Under this task Contractor shall review and respond to comments received from VE Team regarding the 90% design package and 90% cost estimate. It is assumed that a maximum of 50 comments will be received and a maximum effort of 4 hours will be required for each comment to review, respond, and implement any changes required. This task also includes one meeting with the City and VE Team to reconcile any differences between the cost estimating suggested values.

### **SCHEDULE**

Efforts under these tasks will match the Value Engineering effort as defined by the City and the VE Team. It is anticipated that the VE Workshop will be held the week of March 26<sup>th</sup>.

