

**CONTRACT FOR CONSULTANT SERVICES BETWEEN  
THE CITY OF WATSONVILLE AND WALLACE GROUP, CALIFORNIA  
CORPORATION**

**THIS CONTRACT**, is made and entered into this \_\_\_\_\_, by and between the **City of Watsonville**, a municipal corporation, hereinafter called "City," and **Wallace Group, a California Corporation**, hereinafter called "Consultant."

**WITNESSETH**

**WHEREAS**, the City needs to obtain certain professional, technical and/or specialized services of an independent contractor to assist the City in the most economical manner; and

**WHEREAS**, Consultant has the requisite skill, training, qualifications, and experience to render such services called for under this Contract to City.

**THE PARTIES HEREBY AGREE AS FOLLOWS:**

**SECTION 1. SCOPE OF SERVICES.** Consultant shall perform those services as specified in detail in Exhibit "A," entitled "SCOPE OF SERVICES" which is attached hereto and incorporated herein.

**SECTION 2. TERM OF CONTRACT.** The term of this Contract shall be from the execution date of this contract to June 30, 2026, inclusive.

**SECTION 3. SCHEDULE OF PERFORMANCE.** The services of Consultant are to be completed according to the schedule set out in Exhibit "B," entitled "SCHEDULE OF PERFORMANCE," which is attached hereto and incorporated herein. Consultant will diligently proceed with the agreed Scope of Services and will provide such services in a timely manner in accordance with the "SCHEDULE OF PERFORMANCE."

**SECTION 4. COMPENSATION.** The compensation to be paid to Consultant including both payment for professional services and reimbursable expenses as well as the rate and schedule of payment are set out in Exhibit "C" entitled "COMPENSATION," which is attached hereto and incorporated herein.

**SECTION 5. METHOD OF PAYMENT.** Except as otherwise provided in Exhibit "C," each month, Consultant shall furnish to the City a statement of the work performed for compensation during the preceding month. Such statement shall also include a detailed record of the month's actual reimbursable expenditures.

**SECTION 6. INDEPENDENT CONSULTANT.** It is understood and agreed that Consultant, in the performance of the work and services agreed to be performed by Consultant, shall act as and be an independent Consultant and not an agent or employee of City, and as an independent Consultant, shall obtain no rights to retirement

benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

**SECTION 7. ASSIGNABILITY.** Consultant shall not assign or transfer any interest in this Contract nor the performance of any of Consultant's obligations hereunder, without the prior written consent of City, and any attempt by Consultant to so assign this Contract or any rights, duties or obligations arising hereunder shall be void and of no effect.

**SECTION 8. INDEMNIFICATION.**

To the full extent permitted by law (subject to the limitations of Civil Code section 2782.8 for any "design professional services" performed under this Contract), Consultant will indemnify, hold harmless, release and defend the City (including its officers, elected or appointed officials, employees, volunteers or agents) from and against any and all liability or claims (including actions, demands, damages, injuries, settlements, losses or costs [including legal costs and attorney's fees])(collectively "Liability") of any nature, to the extent arising out of, pertaining to, or relating to Consultant's negligence, recklessness, or willful misconduct in the performance of this Contract. In no event shall the cost to defend charged to the Consultant exceed the Consultant's proportionate percentage of fault. Consultant's indemnification obligations under this Contract are not limited by any limitations of any insurance held by Consultant, including, but not limited to, workers compensation insurance.

**SECTION 9. INSURANCE.**

A. Errors and Omissions Insurance. Consultant shall obtain and maintain in full force throughout the term of this Contract a professional liability insurance policy (Errors and Omissions), in a company authorized to issue such insurance in the State of California, with limits of liability of not less than One Million Dollars (\$1,000,000.00) to cover all professional services rendered pursuant to this Contract.

B. Auto and Commercial General Liability Insurance. Consultant shall also maintain in full force and effect for the term of this Contract, automobile insurance and commercial general liability insurance with an insurance carrier satisfactory to City, which insurance shall include protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from any actual occurrence arising out of the performance of this Contract. The amounts of insurance shall not be less than the following:

(1) Commercial general liability insurance, or equivalent form, with a combined single limit of not less than \$500,000.00 per occurrence. If such insurance contains a general aggregate limit, such limit shall apply separately to each project Consultant performs for City. Such insurance shall (a) name City, its appointed and elected officials, and its employees as insureds; and (b) be primary with respect to insurance or self-insurance programs maintained by City and (c) contain standard separation of insured's provisions.

(2) Business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$500,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

C. Workers' Compensation Insurance. In accordance with the provisions of Section 3700 of the Labor Code, Consultant shall be insured against liability for Workers' Compensation or undertake self-insurance. Consultant agrees to comply with such provisions before commencing performance of any work under this Contract.

D. Proof of Insurance to City before Notice to Proceed to Work. Consultant shall satisfactorily provide certificates and endorsements of insurance to the City Clerk before Notice to Proceed to Work of this Contract will be issued. Certificates and policies shall state that the policy shall not be canceled or reduced in coverage without thirty (30) days written notice to City. Approval of insurance by City shall not relieve or decrease the extent to which Consultant may be held responsible for payment of damages resulting from services or operations performed pursuant to this Contract. Consultant shall not perform any work under this Contract until Consultant has obtained the required insurance and until the required certificates have been submitted to the City and approved by the City Attorney. If Consultant fails or refuses to produce or maintain the insurance required by these provisions, or fails or refuses to furnish City required proof that insurance has been procured and is in force and paid for, City shall have the right at City's election to forthwith terminate this Contract immediately without any financial or contractual obligation to the City. As a result of such termination, the City reserves the right to employ another consultant to complete the project.

E. Written notice. Contractor shall provide immediate written notice if (1) any insurance policy required by this Contract is terminated; (2) any policy limit is reduced; (3) or any deductible or self insured retention is increased.

**SECTION 10. NON-DISCRIMINATION.** Consultant shall not discriminate, in any way, against any person on the basis of age, sex, race, color, creed, national origin or disability in connection with or related to the performance of this Contract.

**SECTION 11. TERMINATION.**

A. City and Consultant shall have the right to terminate this Contract, without cause, by giving not less than ten (10) days written notice of termination.

B. If Consultant fails to perform any of its material obligations under this Contract, in addition to all other remedies provided by law, City may terminate this Contract immediately upon written notice.

C. The City Manager is empowered to terminate this Contract on behalf of City.

D. In the event of termination, Consultant shall deliver to City copies of all work papers, schedules, reports and other work performed by Consultant and upon receipt thereof, Consultant shall be paid in full for services performed and reimbursable expenses incurred to the date of termination.

**SECTION 12. COMPLIANCE WITH LAWS.** Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments. Consultant shall obtain and maintain a City of Watsonville business license during the term of this Contract.

**SECTION 13. GOVERNING LAW.** City and Consultant agree that the law governing this Contract shall be that of the State of California. Any suit brought by either party against the other arising out of the performance of this Contract shall be filed and maintained in the Municipal or Superior Court of the County of Santa Cruz.

**SECTION 14. PRIOR CONTRACTS AND AMENDMENTS.** This Contract represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Contract may only be modified by a written amendment.

**SECTION 15. CONFIDENTIAL INFORMATION.** All data, documents, discussions or other information developed or received by or for Consultant in performance of this Contract are confidential and not to be disclosed to any person except as authorized by the City Manager or his designee, or as required by law.

**SECTION 16. OWNERSHIP OF MATERIALS.** All reports, documents or other materials developed or received by Consultant or any other person engaged directly by Consultant to perform the services required hereunder shall be and remain the property of City without restriction or limitation upon their use.

**SECTION 17. COVENANT AGAINST CONTINGENT FEES.** The Consultant covenants that Consultant has not employed or retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure the Contract, and that Consultant has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fees, commissions, percentage, brokerage fee, gift, or any other consideration contingent on or resulting from the award or making of this Contract, for breach or violation of this covenant, the City shall have the right to annul this Contract without liability, or in its discretion, to deduct from the Contract price or consideration or otherwise recover, the full amount of such fee, commission, percentage fee, gift, or contingency.

**SECTION 18. WAIVER.** Consultant agrees that waiver by City or any one or more of the conditions of performance under this Contract shall not be construed as waiver of any other condition of performance under this Contract.

**SECTION 19. CONFLICT OF INTEREST.**

A. A Consultant shall avoid all conflict of interest or appearance of conflict of interest in performance of this Contract. Consultant shall file a disclosure statement, if required by City Council Resolution, which shall be filed within thirty (30) days from the effective date of this Contract or such Resolution, as applicable.

B. No member, officer, or employee of the City, during their tenure, or for one (1) year thereafter, shall have any interest, direct or indirect, in this Contract or the

proceeds thereof and Consultant agrees not to allow, permit, grant, transfer, or otherwise do anything which will result in such member, officer, or employee of the City from having such interest.

**SECTION 20. AUDIT BOOKS AND RECORDS.** Consultant shall make available to City, its authorized agents, officers and employees, for examination any and all ledgers and books of account, invoices, vouchers, canceled checks and other records or documents evidencing or related to the expenditures and disbursements charged to the City, and shall furnish to City, its authorized agents and employees, such other evidence or information as City may require with respect to any such expense or disbursement charged by Consultant.

**SECTION 21. NOTICES.** All notices shall be personally served or mailed, postage prepaid, to the following addresses, or to such other address as may be designated by written notice by the parties:

**CITY**

City Clerk's Office  
275 Main Street, Suite 400  
Watsonville, CA 95076  
(831) 768-3040

**CONSULTANT**

Wallace Group,  
a California Corporation  
612 Clarion Ct.  
San Luis Obispo, CA 93401  
(805) 544-4011

**SECTION 22. EXHIBITS:**

- Exhibit A: Scope of Services
- Exhibit B: Schedule of Performance
- Exhibit C: Compensation

///

///

///

///

**WITNESS THE EXECUTION HEREOF**, on the day and year first hereinabove written.

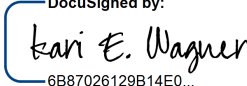
**CITY**

**CONSULTANT**

**CITY OF WATSONVILLE**

**WALLACE GROUP,  
A CALIFORNIA CORPORATION**

BY \_\_\_\_\_  
Rene Mendez, City Manager

BY  \_\_\_\_\_  
Kari E. Wagner, P.E.

**ATTEST:**

BY \_\_\_\_\_  
Irwin I. Ortiz, City Clerk

**APPROVED AS TO FORM:**

BY \_\_\_\_\_  
Samantha W. Zutler, City Attorney

## **EXHIBIT "A"**

### **SCOPE OF SERVICES**

The scope of services is as follows:

As described in the April 5, 2024, letter from Kari Wagner to Robert Schneider concerning a proposal for Construction Management Services for the Well No. 4 Pump Station Project.

See attachment labeled **EXHIBIT "A"**.

## **EXHIBIT "B"**

### **SCHEDULE OF PERFORMANCE**

Services shall commence immediately upon execution of this Contract. All services performed under the provisions of this Contract shall be completed in accordance with the following schedule:

From the execution date of this Contract to June 30, 2026.



## **EXHIBIT "C"**

### **COMPENSATION**

a. Total Compensation. The total obligation of City under this Contract shall not exceed Four Hundred Twenty Thousand One Eighty Seven Dollars (\$420,187).

b. Basis for Payment. Payment(s) to Consultant for services performed under this Contract shall be made as follows and shall [not] include payment for reimbursable expenses:

c. Payment Request. Consultant shall submit a request for payment for services on a monthly basis by letter to Director, or said Director's designated representative. Such request for payment shall cover the preceding monthly period during the term hereof, shall note the City's purchase order number for this Contract, shall contain a detailed listing of the total number of items or tasks or hours for which payment is requested, the individual dates on which such services were rendered, and invoices for reimbursable expenses, if any. Upon receipt in the Office of Director of said payment request, Director shall cause payment to be initiated to Consultant for appropriate compensation.

April 5, 2024

Robert Schneider  
City of Watsonville  
250 Main St.  
Watsonville, California 95076

**Subject: Construction Management Services for the City of Watsonville - Well No. 4 Pump Station Project**

Dear Mr. Schneider,

Wallace Group appreciates the opportunity to provide you with our proposal for construction management and inspection services for the *Well No.4 Pump Station* project. Based on our phone discussions and our review of the plans and specifications, the following Scope of Services has been prepared for your consideration.

**PROJECT UNDERSTANDING**

The project generally includes construction of a new well pump station and associated site improvements capable of pumping at approximately 1,825 gallons per minute (gpm). The pump station structure will be CMU and will include a pump, electrical, and chemical rooms. A vertical turbine line-shaft pump will be installed along with station piping of valves, meters, and other appurtenances. The structure will be built with a removable portion of the metal roof to allow for well and pump access. The project will include installation of a chlorine gas disinfection systems and include necessary piping and provisions for future liquid chlorine disinfection system and hexavalent chrome treatment system. Note that the construction occurs near the airport and there may be restrictions on crane locations or other safety measures.

Site utilities will be constructed and connected to existing utility mains located in Roach Rd for storm drain, sanitary sewer, and domestic water. Approximately 300 LF of 14-inch water pipe and 500 LF of 8-inch water main will be replaced or upsized as part of the project. A portion of the waterline tie in occurs on Airport Blvd and traffic impacts will need to be mitigated, which may include night work to perform the tie in. A new site electrical service will be brought to the site and the installation of an emergency backup diesel generator. Fiber optic conduit will be extended north along Airport Blvd and connect to an existing City installed pull box.

As part of a bid alternate, a new covered stockpile area will be installed to the north of the pump station structure. The site will be paved with asphalt and the entire paved area slurry-coated. A new curb and sidewalk constructed along Roach Rd including installing two streetlights. The project site will be restored following construction with new chain link fencing, motorized access gate, and landscaping.



CIVIL AND  
TRANSPORTATION  
ENGINEERING

CONSTRUCTION  
MANAGEMENT

LANDSCAPE  
ARCHITECTURE

MECHANICAL  
ENGINEERING

PLANNING

PUBLIC WORKS  
ADMINISTRATION

SURVEYING /  
GIS SOLUTIONS

WATER RESOURCES

WALLACE GROUP  
A California Corporation

612 CLARION CT  
SAN LUIS OBISPO  
CALIFORNIA 93401

T 805 544-4011  
F 805 544-4294

[www.wallacegroup.us](http://www.wallacegroup.us)

PP22-7635  
City of Watsonville - Roach Rd Well No. 4  
April 5, 2024  
Page 2 of 7



## PROJECT TEAM

Proposed staff work out of the Salinas and San Luis Obispo offices. Jorge Avila will be assigned as the inspector from our Salinas office. Zach Teske will act as the Project Manager/Resident Engineer with office assistance and back up inspection provided by Anthony Lehman.



### **ZACH TESKE, PE, QSD/P - Project Manager**

Zach brings extensive experience in project management and civil engineering. Prior to joining Wallace Group, he worked in the heavy civil construction field where he spent time as a civil project engineer performing environmental compliance and constructing utilities and temporary roadway detours for a large bridge replacement project. He has also been the project manager on many roadway and utility infrastructure construction and planning projects. Zach has a demonstrated record of delivering projects from conception through completion and excels at managing and coordinating projects with many moving parts.



### **ANTHONY LEHMAN, QSD/P - Assistant Resident Engineer / Construction Inspector**

Anthony Lehman is an Assistant Resident Engineer his background includes inspections, construction management, and design work in the field during construction. His experience includes inspecting public works projects, including but not limited to roadways, utilities, retaining walls, and other structures. Anthony has extensive experience working on lift stations and has completed multiple for the County of San Luis Obispo and the City of Guadalupe.



### **Jorge Avila - Senior Construction Inspector**

Jorge has 20 years of experience in construction and specializes in underground construction. Jorge's experience includes managing a broad range of projects with emphasis on installation of storm drain, sanitary sewer, and domestic/recycled water systems. Before joining Wallace Group, Jorge worked for a large contractor in the field as a field foreman. Jorge's prior field construction experience gives him a firm understanding of solution oriented options on how to approach the work and makes him a strong asset to his projects.

## SCOPE OF SERVICES

Listed below are the services we will provide:

### **Task 1: Pre-Construction Phase Services**

#### **Preconstruction Conference**

- Thoroughly review plans, specifications, environmental documents, Engineer's Estimate, and the Contractor's completed bid form
- Pre-Construction Conference - Prepare agenda, schedule, and facilitate the meeting and issue minutes, with input from the City's Representative
- Review, comment, and accept the Contractor's baseline project schedule
- Review existing conditions and site constraints
- Collect pre-construction photos and videos of project site and adjacent areas

PP22-7635  
City of Watsonville - Roach Rd Well No. 4  
April 5, 2024  
Page 3 of 7



#### **Procure: Construction Management Software**

- Utilize Procure software for the project to handle all project documentation (RFIs, Submittals, Inspector Logs, Progress Payments, Photos, etc.) in a single, easy to use location
- Provide introduction to project team staff if unfamiliar with the software
- Distribute project information via Procure to the Project Team

#### **Submittal and Request for Information (RFI) Management**

- Utilize Procure to track and review submittals and RFI's from Contractor in coordination with the Engineer of Record (Ludhorff & Scalmanini) and the City
- Process submittals and RFIs in a timely manner and make available to project team
- We have budgeted for 40 submittals and 15 RFIs
- Maintain electronic copies within Procure and hard copies as requested

#### **Project Communication and Coordination**

- Facilitate project communication and coordination with the City, the design engineer, emergency services, utility providers, property owners, the Contractor, and other stakeholders
- Act as the point of contact for community members to contact with project concerns and work with the stakeholders to address these concerns in a timely manner
- Review contractors proposed notifications to property owners and other stakeholders effected
- Distribute project information via Procure to the Project Team

#### **Task 2: Construction Phase**

The contract documents present a total of 730 calendar days for the Contractor to complete the work. We understand that a majority of this time will be spent on long lead item material procurement, such as pumps and other electrical equipment. For the actual in-field construction phase, we have assumed a schedule of 190 working days (~39 weeks).

Based on this 190 working days/39 weeks, we have budgeted for 16 hours/week required for project management from our assigned Construction Manager/Resident Engineer and have budgeted for field observations at an average of 5 hours/day. Construction phase support will be dependent on construction activity and adjusted as required, with any unused budget being returned to the City.

#### **Project Schedule & Weekly Construction Meeting**

- Monitor project schedule
- Keep stakeholders informed of the construction schedule
- Weekly Progress Meetings - Schedule, develop agenda, and minutes for meeting with Contractor, City staff, EOR, and other necessary entities
- Review Contractors 3-Week Look Ahead Schedule and assist with forecasting and coordinate scheduling of testing and inspections

#### **Change Order Management**

- Review and qualify Contractor requested change orders
- Investigate proposed change orders, obtaining the City's approval prior to work taking place

PP22-7635  
City of Watsonville - Roach Rd Well No. 4  
April 5, 2024  
Page 4 of 7



- Establish and maintain files and documentation for use in change negotiations or potential claims

#### **Quantity Calculations and Progress Estimates**

- Maintain quantity calculations throughout the project
- Coordinate daily reports and quantities with the Contractor, identify and record potential disputes for future reference
- Review monthly Request for Payment, sign, and recommend approval for payment to the City
- Collect delivery and materials tickets for project record

#### **Construction Observation/Inspection**

- Provide onsite inspection and oversight during construction, hours/level of inspection to depend on construction activity phase
- Prepare inspection reports, including tracking labor, equipment, weather, observations/notes, quantities, and photos. Daily reports to be made available to the City's Designated Representative via Procore or in PDF format
- Wallace Group Inspections and oversight include:
  - Traffic control implementation
  - Review of Contractors BMPs for general stormwater compliance
  - Site improvements including grading, flat work, paving, stockpile area, fencing, and landscaping
  - Utilities - storm drain, water, sewer, conduits,
- Coordination with our subconsultant, EarthSystems, for material testing:
  - Material & Compaction Testing - subgrade, base rock, asphalt, concrete cylinders
  - Special Inspection - rebar, engineered wood products, welding
- Assist with coordination of the EOR and their subconsultants for site visits observations and commissioning
  - Responsibility of accepting of contractor's start up and commissioning activities will be supported by EOR Luhdorff & Scalmanini based on scope of work in proposal dated 2/20/2020
- Report to the City when work is performed that is unsatisfactory, faulty, or does not conform to the Contract documents and advise on how the work should be remedied
- Inspector will help to coordinate notification of local agencies or other City Departments
- Review compliance with contract documents
- Record and report design modifications
- Review Contractor's survey work and layout for general conformance

#### **Site Documentation**

- Maintain photographic and written documentation throughout the project in Procore and available to the entire team at all times
- 

#### **Stormwater Compliance and Permits**

- Monitor stormwater protection measures throughout the project

#### **Safety**

- Monitor Contractor's safety practices for compliance with safety program
- Utilize the following documents during field safety monitoring program:
  - CAL-OSHA Construction safety orders

PP22-7635  
City of Watsonville - Roach Rd Well No. 4  
April 5, 2024  
Page 5 of 7



- Traffic Control Plan
- Contractor's safety plan
- Work with the Contractor to resolve safety concerns on site
- Advise City of observed or unresolved deficiencies

#### **Final Inspection and Punch List**

- Inspect complete and near complete work for deficiencies
- Establish and maintain punch list and track items to resolution
- Recommend and approve final payment to the Contractor

#### **Task 3: Post-Construction Phase Services**

##### **As-Built Drawings**

- Review as-built drawings with the Contractor throughout the project
- Review O&M Manuals provided by Contractor for project records
- Assist City and Design Engineer in review and completion of final certified record drawings

##### **Project Closeout**

- Assemble and deliver all records, reports, certificates, pictures upon project completion
- Assist with the preparation and signing of the Acknowledgement of Construction Closeout and Release of Claims form
- Prepare Notice of Completion and send to City's Designated Representative
- Files can be delivered in hard copy and/or electronic format, as requested

#### **Task 4: Earth Systems - Material and Special Inspection Services**

Earth Systems will act as a subconsultant to Wallace Group and will perform material testing and provide special inspection services. Testing and special inspection will be performed on subgrade, base rock, asphalt, concrete, reinforcing steel, and welding. Earth Systems proposal is included as an attachment to the Budget Summary table.

#### **SCHEDULE**

Project bids are expected in April 2024. We anticipate reviewing initial submittals in Summer 2024. Depending on material procurement and availability, this project may not start until 2025. We have assumed construction observation support for a period of 190 working days.

#### **TO BE PROVIDED BY THE CLIENT**

Client shall provide the DIR Project Number for this project. To do so, the Client will need to complete the PWC-100 form and submit to the DIR prior to the commencement of the field survey. This is required to be in compliance with State of California Prevailing Wage laws.

PP22-7635  
City of Watsonville - Roach Rd Well No. 4  
April 5, 2024  
Page 6 of 7



### **ITEMS NOT INCLUDED IN SCOPE OF SERVICES**

Only services and deliverables specifically detailed and listed are to be considered as included in this proposal. Project schedule extensions may require additional work authorization.

Assumptions include:

- City of Watsonville will perform inspection of all electrical and building systems
- Commissioning will be the responsibility of and performed by the Contractor and acceptance and review/acceptance support will be provided by the Engineer of Record
- Quality Assurance Construction Staking will be performed under separate contract through the City's on-call
- Labor compliance monitoring services will be performed by City staff

### **PROJECT BUDGET**

Wallace Group will perform the services denoted in Scope of Services in accordance with the attached Standard Billing Rates (Exhibit A). These services will be invoiced monthly on an accrued cost basis, and our total budget, including reimbursables will not exceed our estimated budget of \$420,187 without receiving written authorization from the City. Invoices will be formatted to match the formatting style contained within this fee proposal. Reimbursables are included in the time and materials estimated budget amount stated above.

The estimated budget for on-site construction inspections are based on prevailing wage rates. If the Client and the California Department of Labor determines that prevailing wage payments are not required, the fees can be adjusted and billed according to the per hour rate of the Standard Wage column on the Standard Billing Rates provided.

PP22-7635  
City of Watsonville - Roach Rd Well No. 4  
April 5, 2024  
Page 7 of 7



**TERMS AND CONDITIONS**

In order to convey a clear understanding of the matters related to our mutual responsibilities regarding this proposal, the attached Standard Terms and Conditions (Exhibit B) are considered a part of our proposal agreement. If this proposal meets with your approval, please sign where indicated and return to our office, which will serve as our notice-to-proceed. Or, please provide the City's Professional Services Agreement for our review and signature.

We want to thank you for this opportunity to present our proposal for construction management services. If you would like to discuss this proposal in greater detail, please feel free to contact Zach Teske at zacharyt@wallacegroup.us or at 831-226-9132.

Sincerely,

**WALLACE GROUP**, a California Corporation  
Kari Wagner  
Principal  
612 Clarion Court  
San Luis Obispo  
California 93401  
T 805 544-4011  
F 805 544-4294  
www.wallacegroup.us

**TERMS AND CONDITIONS ACCEPTED:**

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

**Attachments**  
Budget Summary  
Earth System's Proposal - dated 3/27/24  
GGM: PP22-7635

Exhibit A - 2024 Rate Sheet  
Exhibit B - Terms and Conditions

THIS PROPOSAL IS VALID FOR 60 DAYS FROM THE DATE OF THIS DOCUMENT.



## Wallace Group Team Resource Estimate for the PP22-7635 - City of Watsonville - Well No. 4 Pump Station

| Wallace Group Team Resource Estimate for the<br>PP22-7635 - City of Watsonville - Well No. 4 Pump Station |   |  |  |                                |   |                  |                    |                   |           |                  |
|---|---|--|--|--------------------------------|---|------------------|--------------------|-------------------|-----------|------------------|
| PHASE/TASK  | TASK DESCRIPTION                              | DIRECTOR OF WATER RESOURCES<br>(Kari Wagner) | PROJECT MANAGER/RESIDENT<br>ENGINEER<br>(Zach Teske) | ASSISTANT RESIDENT ENGINEER II | CONSTRUCTION INSPECTOR<br>(PREVAILING WAGE) | EarthSystems     | Misc. Direct Costs | TOTAL LABOR HOURS | LABOR     | TOTAL            |
|   |   | HRS  | HRS  |                                | HRS   | COST             | COST               | HRS               | \$        | \$               |
|   |   | RATE   | \$270  | \$220                          | \$170                                       | \$180            |                    |                   |           |                  |
| 1   | PRE-CONSTRUCTION                              | 4  | 80   | 60                             |   |                  | \$161              | 144               | \$28,880  | \$29,041         |
| 2   | CONSTRUCTION                                  | 12   | 456  | 152                            | 950   |                  | \$7,002            | 1,570             | \$300,400 | \$307,402        |
| 3   | POST-CONSTRUCTION                             |  | 50   | 24                             |   |                  | \$80               | 74                | \$15,080  | \$15,160         |
| 4   | EARTHSYSTEMS - MATERIALS & SPECIAL INSPECTION |  |  |                                |   | \$ 58,694        |                    |                   |           |                  |
|   | <b>SUB-TOTALS</b>                             | 16   | 586  | 236                            | 950   | <b>\$ 58,694</b> | <b>\$7,243</b>     | <b>1,788</b>      |           |                  |
|   | <b>WALLACE GROUP LABOR COSTS</b>              | \$4,320                                      | \$128,920  | \$40,120                       | \$171,000                                   |                  |                    |                   |           | <b>\$344,360</b> |
|   | <b>WALLACE GROUP DIRECT COSTS</b>             |  |  |                                |   |                  |                    |                   |           | <b>\$7,243</b>   |
|   | <b>SUBCONSULTANT DIRECT COSTS</b>             |  |  |                                |   | <b>\$58,694</b>  |                    |                   |           | <b>\$58,694</b>  |
|   | <b>DIRECT COSTS OVERHEAD @</b>                |  |  |                                |   |                  |                    |                   | 15%       | <b>\$9,891</b>   |
|   | <b>TOTAL</b>                                  |  |  |                                |   |                  |                    |                   |           | <b>\$420,187</b> |

Task Budgets may fluctuate within Overall Budget



August 25, 2022  
(Revised March 27, 2024)

Proposal No.: SAL-22-08-010

Mr. Zachary Teske  
Wallace Group  
612 Clarion Court  
San Luis Obispo, CA 93401

**PROJECT:** CITY OF WATSONVILLE WELL NO. 4 PUMP STATION  
ROACHE ROAD AND AIRPORT BOULEVARD  
WATSONVILLE, CALIFORNIA

**SUBJECT:** Proposal for Geotechnical Observation and Construction Inspection and  
Testing Services

Dear Mr. Teske:

Per your request, Earth Systems Pacific (Earth Systems) has prepared this proposal for providing construction quality assurance services for the subject project. This proposal is based upon the review of geotechnical investigation report prepared by Pacific Crest Engineering, Inc., the plans and specifications provided by you, and our experience with similar projects. A review of the plans indicates that the new construction will include additions of a foundation slab for the generator, storage bunkers, well and pump station, associated utilities, and new pavements.

A construction schedule was not available during the preparation of this estimate. Based on our review of the drawings prepared for the project and our experience with projects of a similar nature, our anticipated scope of work will include:

- Review of concrete mix design submittal
- Attendance of preconstruction meetings
- Observe the placement of soil fill and evaluation of in-place compaction of the engineered fill
- Visual inspection of foundation trenches
- Laboratory testing of native and import soil to generate reference compaction curves
- Reinforcing steel and concrete placement inspection sampling and testing
- Conformance testing of concrete samples
- CMU wall and grout placement inspection and grout sampling
- Conformance testing of grout samples
- Testing of anchors post installation
- Review of submitted welding procedures and welder certifications



City of Watsonville Well No. 4 Pump Station

August 25, 2022  
*(Revised March 27, 2024)*

- Material ID and shop welding inspection
- Field welding inspection
- Project management and supervision
- Preparation of final verified reports

The total cost of these services is dependent upon a number of factors, many of which are beyond our control. Among the cost determining factors are:

- The number of working days required by the contractor to complete each element of work.
- The number of different soil types to be utilized during site grading.
- The amount of difficulty encountered by the grading contractor in obtaining the specified compaction of materials.
- Weather and subsurface conditions encountered during grading operations.
- The amount of time our inspection services will be required each day of operations.

**ESTIMATED FEES**

We propose to perform the above-described services on a time and materials basis.

Estimated Fees (Not to Exceed) .....\$58,694.00

Our "Scope of Anticipated Services and Cost Estimate" worksheet is attached for your information and review.

The fee estimates for reinforcing steel identification and sampling were based on the assumption that the rebar fabricator shop will be within 20 miles of one of Earth Systems' offices.

**SCHEDULE AND CONDITIONS**

The fees and conditions of this proposal will remain in effect for a period of 180 days. As the presence of our personnel at the site will depend upon the contractor's schedule and the progress of the work, the fees presented above are to be considered as estimates only and should not be construed as guaranteed maximum fees. The invoices will reflect the actual charged based on our fee schedule for the amount of time spent and service performed and may be greater or less than the estimated amounts.



City of Watsonville Well No. 4 Pump Station

August 25, 2022  
(Revised March 27, 2024)

Fees for overtime, weekend, and holiday work will be adjusted, and minimum work hours will be applied, in accordance with the State requirements. Night work (before 7:00 AM and after 5:00 PM) and overtime work will be invoiced at a rate of 1.5 times the appropriate rate. Field time will be subject to a two-hour minimum charge. Hourly fees for field work and travel time will be charged on a portal-to-portal basis from our office in Salinas.

It is our understanding that the project is subject to California Prevailing Wage Law. For your convenience in setting up the project, we have included our DIR registration numbers below.

#### DIR Public Works Registration Numbers

| Legal Name            | Registration Number | License Type* | Registration Date | Expiration Date |
|-----------------------|---------------------|---------------|-------------------|-----------------|
| Earth Systems Pacific | 1000003643          | N100143       | 06/07/2018        | 6/30/2024       |

\*Professional Corporation License Number assigned by DIR March 27, 2015

Please note that effective August 1, 2016, we are required to submit certified payrolls for all Prevailing Wage projects via eCPR. In order to upload certified payrolls to the State's website, the project's DIR number is necessary. Please complete the attached Prevailing Wage and Accounts Payable Information Request form and return to our office at your earliest convenience.

If you find the proposed scope of work and fees satisfactory, it is our understanding that you will issue a professional services agreement for our execution and a purchase order as an authorization to proceed.

We thank you for your consideration of Earth Systems for this project. Please feel free to contact the office at your convenience if you have any questions or require additional information.

Sincerely,

Earth Systems Pacific

Ajay Singh, GE 3057  
Principal Engineer



Antonio Hernandez-Abrego  
Staff Engineer

Attachments: Anticipated Scope of Services & Cost Estimate  
Prevailing Wage & Accounts Payable Information Request  
January 1, 2024 Fee Schedule



## Anticipated Scope of Services & Cost Estimate

Project: WELL NO. 4 PUMP STATION, City of Watsonville

Date: 3/27/2024

Proposal No.: SAL-22-08-010

Client: Wallace Group

(This will be a "Prevailing Wage" Project)

|                                    |          |                                   |
|------------------------------------|----------|-----------------------------------|
| PW Hourly Rate (Group 1 & 2)       | \$153.00 | minimum 2 hour billing increments |
| PW Hourly Rate (Group 3 & 4)       | \$148.00 | minimum 2 hour billing increments |
| Hourly Rate--CWI Special Inspector | \$125.00 | minimum 2 hour billing increments |
| Hourly Rate--Special Inspector     | \$120.00 | minimum 2 hour billing increments |
| Hourly Rate--Technician            | \$110.00 | minimum 2 hour billing increments |
| Mileage (per mile)                 | \$0.95   |                                   |

| Geotechnical Inspections and Testing          | Number of Trips | Hours or Units | Total time | Rate     | Unit | Fee                |
|---|-----------------|----------------|------------|----------|------|--------------------|
| Building Pad/Parking Lot Compaction Testing   | 14              | 4              | 56         | \$148.00 |      | \$8,288.00         |
| Utility Trench Backfill Testing               | 10              | 4              | 40         | \$148.00 |      | \$5,920.00         |
| Pavement Installation Observation and Testing | 3               | 8              | 24         | \$148.00 |      | \$3,552.00         |
| Nuclear Gauge                                 |                 |                | 96         | \$15.00  |      | \$1,440.00         |
| Footing Foundation Inspection                 | 3               | 4              | 28         | \$148.00 |      | \$4,144.00         |
| Slab-on-grade Inspection                      | 3               | 4              | 24         | \$148.00 |      | \$3,552.00         |
| Mileage                                       | 33              | 50             |            | \$0.95   |      | \$1,567.50         |
| <b>Subtotal Geotechnical</b>                  |                 |                |            |          |      | <b>\$28,463.50</b> |

| Special Inspection                                   | Number of Trips | Hours or Units | Total time | Rate     | Unit     | Fee                |
|--|-----------------|----------------|------------|----------|----------|--------------------|
| Reinforcing Steel Placement Inspections              | 4               | 4              | 16         | \$153.00 | hr.      | \$2,448.00         |
| Concrete Placement and Sampling                      | 4               | 8              | 32         | \$153.00 | hr.      | \$4,896.00         |
| Masonry Wall Placement inspection                    | 3               | 4              | 12         | \$153.00 | hr.      | \$1,836.00         |
| Masonry Wall Grout Placement inspection and Sampling | 3               | 6              | 18         | \$153.00 | hr.      | \$2,754.00         |
| Shop Welding and Material ID                         | 8               | 4              | 32         | \$125.00 | hr.      | \$4,000.00         |
| Field Welding  | 4               | 4              | 16         | \$125.00 | hr.      | \$2,000.00         |
| Post Installed Anchor Inspection a2d Testing         | 2               | 4              | 8          | \$148.00 | hr.      | \$1,184.00         |
| Concrete Sample Pick-up                              | 7               | 2              | 14         | \$110.00 | hr.      | \$1,540.00         |
| Mileage Charges                                      | 35              | 50             | ----       | \$0.95   | Per mile | \$1,662.50         |
| <b>Subtotal Special Inspections</b>                  |                 |                |            |          |          | <b>\$22,320.50</b> |

| Laboratory Testing                    | Sets | Samples | Rate     | Unit | Fee               |
|---------------------------------------|------|---------|----------|------|-------------------|
| Concrete Cylinder Testing             | 4    | 20      | \$45.00  | ea.  | \$900.00          |
| Compression Test on Grout             | 3    | 12      | \$65.00  | ea.  | \$780.00          |
| Laboratory Maximum Density Curve (4") | 3    | 2       | \$300.00 | ea.  | \$600.00          |
| Laboratory Maximum Density Curve (6") | 1    | 1       | \$340.00 | ea.  | \$340.00          |
| <b>Subtotal Laboratory Hours</b>      |      |         |          |      | <b>\$2,620.00</b> |

| Reports and Project Management  | Units | Rate     | Unit | Fee        |
|---|-------|----------|------|------------|
| Project Management and Supervision (in hours) for grading work            | 4     | \$220.00 | hr.  | \$880.00   |
| Project Management and Supervision (in hours) for special inspection work | 12    | \$220.00 | hr.  | \$2,640.00 |
| Engineering Mix Design, WPS Reviews                                       | 4     | \$220.00 | hr.  | \$880.00   |
| Final Report of Grading Inspections and Testing                           | 1     | \$450.00 | each | \$450.00   |
| Final Report of Special Inspections and Testing                           | 1     | \$440.00 | each | \$440.00   |

**Subtotal of Reports and Project Management**      **\$5,290.00**
**Estimated Project Total**      **\$58,694.00**



**Prevailing Wage and Accounts Payable Information Request**

Thank you for this opportunity to be of service on your public works project. Please complete and return this form to allow us to comply with California's prevailing wage requirements, and to prepare Earth Systems' invoices in accordance with your organization's billing requirements in a timely manner. Thank you!

|                             |                              |
|-----------------------------|------------------------------|
| Legal Name of Earth Systems | <b>Earth Systems Pacific</b> |
| PWC Registration No.        | <b>1000003643</b>            |
| Earth Systems Project No.   |                              |

**PUBLIC WORKS PROJECT REGISTRATION INFORMATION:**

|   |  |
|---|--|
| <b>CLIENT'S PROJECT NAME</b>  | City Of Watsonville Well No. 4 Pump Station  |
| <b>DIR PROJECT ID (PWC-100)</b>   |  |
| <b>APPLICABLE BID<br/>ADVERTISEMENT DATE</b>                              |  |
| <b>CLIENT'S REPRESENTATIVE FOR<br/>DIR PROJECT ID INFORMATION</b>         | Name:<br>E-mail:<br>Phone No.:   |
| <b>LABOR COMPLIANCE<br/>PROGRAM (LCP) APPLICABLE<br/>TO THIS PROJECT?</b> | Yes or No<br>If yes, please confirm if Earth Systems will be subject to the LCP<br>and provide a copy of the LCP manual to Earth Systems before<br>start of project. |

**CLIENT'S BILLING REQUIREMENTS:**

|   |                                 |
|---|---------------------------------|
| <b>PURCHASE ORDER NO.<br/>(if applicable)</b>   |                                 |
| <b>ADDITIONAL INFORMATION<br/>REQUIRED ON INVOICES</b>  |                                 |
| <b>SPECIFY ANY ADDITIONAL<br/>FORMS OR BILLING FORMATS<br/>REQUIRED TO BE SUBMITTED<br/>WITH INVOICES<br/>(please attach example)</b> |                                 |
| <b>ACCOUNTS PAYABLE CONTACT<br/>INFORMATION</b>   | Name:<br>E-mail:<br>Phone No.:  |
| <b>INVOICE DELIVERY METHOD</b>  | E-mail:<br><br>Mailing Address: |
| <b>Date</b>   | March 27, 2024                  |



# EARTH SYSTEMS

Northern California | Fremont | Hollister | Salinas | www.earthsystems.com

## FEE SCHEDULE – DSA/OSHPD

(Effective January 1, 2024)

This schedule presents rates for professional and technical services in the fields of geotechnical engineering, engineering geology, environmental consulting, construction observation and testing, and special inspection. Listed are charges for services most frequently performed by Earth Systems. Additional services not listed are available and can be discussed upon request; fixed-fee quotes for some services can also be provided upon request. To discuss a scope of work and fees for a specific project, please contact our office.

| <b><u>PERSONNEL</u></b>                                      | <b><u>Hourly Rate</u></b> |
|--|---------------------------|
| Principal Professional.....                                  | \$250.00                  |
| Associate Professional .....                                 | \$220.00                  |
| Senior Professional .....                                    | \$200.00                  |
| Project Professional.....                                    | \$180.00                  |
| Staff Professional .....                                     | \$155.00                  |
| DSA Masonry, Shotcrete and NDT .....                         | \$150.00                  |
| CWI & Special Inspector, Prevailing Wage* .....              | \$153.00                  |
| Technician, Prevailing Wage* .....                           | \$148.00                  |
| Special Services/Caltrans Technician, Prevailing Wage* ..... | \$148.00                  |
| Special Services Technician.....                             | \$130.00                  |
| CWI Inspector .....  | \$120.00                  |
| Special Inspector.....                                       | \$120.00                  |
| Technical Assistant.....                                     | \$110.00                  |
| Technician .....   | \$110.00                  |
| Clerical/Administrative .....                                | \$110.00                  |

\* Technician/Inspector Classifications as defined by the State of California Department of Industrial Relations.

## **BASIS OF CHARGES**

1. The prevailing wage (PW) rates presented herein are based on current rates established by the Department of Industrial Relations (DIR). If, during the course of the project, prevailing wage rates are increased by DIR, rates are subject to adjustment.
2. Field services for regular work days are subject to a 4-hour minimum charge, and billed in 4-hour increments.
3. Work performed on Saturdays, night work, and for premium hours (before 7 a.m., after 5 p.m. or more than 8 hours in one day) for personnel are at time and one-half; Sundays and holidays are at double time. Also, please note requirements concerning overtime, shift work, travel time, holidays, and other factors can vary for different classifications of work under prevailing wage regulations.
4. A 2-hour cancellation charge applies if scheduled inspection or testing is cancelled after 4 p.m. the day prior to the scheduled work.
5. Mileage is invoiced at a rate of \$0.95/mile (portal-to-portal).
6. Nuclear density gauge charge: \$15.00/hour.
7. Weekly special inspection report charge: \$110.00.
8. Subcontracted services, materials, rental equipment, out of town travel, and expenses are charged at cost plus 20 percent. Fixed per diem rates for specific projects can be provided upon request.
9. Report copies: \$30.00 each (minimum). Posting of electronic documents to project websites will be charged at clerical/administrative services rate.
10. Projects where State regulations require electronic submittal of Certified Payroll to DIR for prevailing wage will be assessed a fee of \$110.00/week. Additional time required to address specific requests related to DIR/Labor Compliance will be charged at the clerical/administrative services rates.
11. Invoices are payable upon presentation. Invoices thirty days past due are subject to a service charge of one and one-half percent per month. Payments using a credit card will be assigned a 3% surcharge.
12. Rates are effective through June 30, 2024.

**FEE SCHEDULE – DSA/OSHPD – MATERIALS TESTING**

(Effective January 1, 2024)

**BASIS OF CHARGES**

Rates for field work such as materials sampling, construction inspection, and field evaluation will be in accordance with the Personnel Rates listed in the basic Fee Schedule. The below listed rates apply to standard ASTM test methods. An additional hourly charge (\$110.00/hr.) will be applied for cutting, capping, or other preparation of non-standard samples and, where noted, for steel samples.

**SOILS**

All prices are based on California and Modified California sample sizes (2" – 2.5" diameter) unless noted otherwise. Preparation of 3" diameter samples add \$20.00. Testing of contaminated soil will be per quote. Samples will be returned to sender for proper disposal.

|   |           |
|---|-----------|
| Atterberg Limits: Liquid Limit or Plastic Limit.....                  | \$130.00  |
| Atterberg Limits: Plasticity Index .....                              | \$265.00  |
| California Bearing Ratio, 3 points; incl. ref maximum density .....   | \$655.00  |
| California Bearing Ratio, 9 points; incl. ref maximum density .....   | \$950.00  |
| Consolidation, one dimensional .....                                  | \$230.00  |
| Consolidation, timed, per point .....                                 | \$105.00  |
| Basic Corrosivity w/out Rpt (pH, Sulfate, Chl., Resistivity).....     | Per Quote |
| Direct Shear, 3 points minimum .....                                  | \$320.00  |
| Expansion Index Test.....   | \$210.00  |
| Maximum Density and Optimum Moisture: 4" Mold .....                   | \$305.00  |
| Maximum Density and Optimum Moisture: 6" Mold .....                   | \$345.00  |
| Maximum Density and Optimum Moisture: California Impact .....         | \$310.00  |
| Moisture and Unit Weight Determination, from Ring Samples .....       | \$50.00   |
| Moisture Only.....  | \$45.00   |
| Permeability Tests, constant head or falling head .....               | Per Quote |
| R-Value .....   | \$330.00  |
| R-Value, CA State Hwy/set of 3, Cement, Lime, Other addts.....        | \$380.00  |
| Hydro Collapse Potential .....  | \$170.00  |
| Sieve/Hydrometer Analysis, Assumed specific gravity, w/200 wash ..... | \$255.00  |
| Sieve Analysis, Aggregate Base/Subbase .....                          | \$160.00  |
| Sieve Analysis 200 wash only .....                                    | \$140.00  |
| Sieve Analysis with wash .....  | \$165.00  |
| Sieve Analysis, Oversize Material .....                               | \$220.00  |
| Specific Gravity.....   | \$155.00  |
| Swell Test, undisturbed.....  | \$210.00  |
| Swell Test, remolded .....  | \$235.00  |
| Unconfined Compressive Strength, untreated.....                       | \$155.00  |
| Unconfined Compressive Strength, lime or cement treated mtrl.....     | \$495.00  |

**THERMAL RESISTIVITY TESTS**

|   |           |
|---|-----------|
| Concrete, 1 pt w/moisture content (req spcl collection proc)..... | Per Quote |
| Field Testing using Thermal Resistivity Meter.....                | Per Quote |
| Soil, per moisture point, per sample.....                         | Per Quote |
| Soil, 3 moisture points with dry-out curve, per sample.....       | Per Quote |

**CONCRETE AGGREGATE**

|   |          |
|---|----------|
| Abrasion, L.A. Rattler, 100 and 500 revolutions, ASTM C131 (Small Size Aggregate).....  | \$305.00 |
| Abrasion, L.A. Rattler, 100 and 500 Revolutions, ASTM C535 (Large Size Aggregate) ..... | \$565.00 |
| Absorption, Coarse Aggregate .....  | \$105.00 |
| Absorption, Fine Aggregate.....   | \$155.00 |
| Clay Lumps and Friable Particles in Aggregate.....                                      | \$130.00 |
| Cleanness Value of Coarse Aggregate .....   | \$180.00 |
| Crushed Particles, each size .....  | \$155.00 |



**FEE SCHEDULE – DSA/OSHPD – MATERIALS TESTING**

(Effective January 1, 2024)

**CONCRETE AGGREGATE (Cont.)**

|  |           |
|--|-----------|
| Durability Index, Coarse or Fine Aggregate .....                   | \$205.00  |
| Flat and Elongated Particles in Aggregate .....                    | \$130.00  |
| Organic Impurities in Fine Aggregate .....                         | \$105.00  |
| Potential Reactivity of Aggr by Chemical Method, ea size .....     | Per Quote |
| Sand Equivalent .....  | \$175.00  |
| Sieve Analysis, washed .....                                       | \$205.00  |
| Soundness, Sodium Sulfate, 5 cycles .....                          | \$455.00  |
| Specific Gravity, Coarse Aggregate .....                           | \$155.00  |
| Specific Gravity, Fine Aggregate .....                             | \$155.00  |
| Uncompacted Void Cntnt of Fine Agg Angularity, w/fine Agg SG ..... | \$290.00  |
| Unit Weight of Aggregate .....                                     | \$155.00  |

**CONCRETE CYLINDERS, BEAMS AND CORES**

|  |          |
|--|----------|
| Compression Test of Cast Cylinders per cylinder .....              | \$50.00* |
| Compression Test of Cored Samples, cored at laboratory .....       | \$125.00 |
| Compression Test of cores delivered by others .....                | \$105.00 |
| Compression Test of Lightweight Concrete .....                     | \$55.00* |
| Density of Concrete Cylinders .....                                | \$85.00  |
| Density of Hardened Concrete .....                                 | \$110.00 |
| Flexural Strength, Simple Beam with Third Point Loading .....      | \$185.00 |
| Grading of Shotcrete Cores .....                                   | \$490.00 |
| Sample Storage, monthly per sample .....                           | \$50.00  |
| Shrinkage, set of 3 .....  | \$405.00 |
| Unit Weight of Lightweight Concrete .....                          | \$135.00 |
| Enviro. Recycling Fee, per cylinder, core or beam .....            | \$2.00   |
| Enviro. Recycling Fee, per flex beam .....                         | \$5.00   |
| Enviro. Recycle Fee/Form Stripping, per Shotcrete Panel/Beam ..... | \$70.00  |

**MASONRY**

|  |            |
|--|------------|
| Absorption of Block, set of 3 .....                        | \$170.00   |
| Compression Test, 2" x 4" Mortar Cylinders .....           | \$45.00*   |
| Compression Test, 3" x 3" x 6" Grout Samples .....         | \$65.00*   |
| Compression Test on Block, set of 3 .....                  | \$170.00   |
| Compression Test on Grouted Prisms, includes cutting ..... | \$170.00*  |
| Compression Test on Masonry Cores .....                    | \$90.00    |
| Coring of Grouted Masonry by Subcontractor .....           | cost + 20% |
| Masonry Shrinkage, set of 3 .....                          | \$250.00   |
| Moisture Content of Block as received, set of 3 .....      | \$110.00   |
| Shear Test on Masonry Cores, 2 faces .....                 | \$155.00   |
| Specific Gravity and Unit Weight of Block, set of 3 .....  | \$175.00   |
| Enviro. Recycling Fee, per masonry prism .....             | \$5.00     |
| Enviro. Recycling Fee, per mortar or grout sample .....    | \$7.00     |

\* Includes formal report of test results following 28-Day tests.

**FIREPROOFING**

|                                     |           |
|-------------------------------------|-----------|
| Fireproof Bond Test .....           | Per Quote |
| Fireproofing Density Test (1) ..... | \$85.00   |

**ASPHALT CONCRETE**

|   |          |
|---|----------|
| Bulk Specific Gravity of Compacted Specimens and Core Samples ..... | \$85.00  |
| Compaction of Lab Samples, CA Kneading Compactor, set of 3 .....    | \$245.00 |
| Compaction of Lab Samples, CA Kneading Compactor, set of 5 .....    | \$405.00 |

**FEE SCHEDULE – DSA/OSHPD – MATERIALS TESTING**

(Effective January 1, 2024)

**ASPHALT CONCRETE (Cont.)**

|   |           |
|---|-----------|
| Compaction of Lab Spls, Mrshl Mthd set of 3 –(50 blows/side)..... | \$250.00  |
| Compaction of Lab Spls, Mrshl Mthd set of 3 –(75 blows/side)..... | \$265.00  |
| Extraction of Oil from A.C. Mixtures.....                         | Per Quote |
| Extraction of Oil from Rubberized Mixtures.....                   | Per Quote |
| Gyratory Compactor, per set of field mixed asphalt .....          | \$500.00  |
| Hamburg Wheel Tracker Test, per set of field mixed asphalt .....  | \$895.00  |
| Ignition Oven Binder Cntnt, after initial corr value is det.....  | \$280.00  |
| Ignition Oven Binder Cntnt Corr Value /mix design, ave of 3.....  | \$855.00  |
| Ignition Oven Gradation Correction Value, per mix design.....     | Per Quote |
| Moisture Content .....  | \$55.00   |
| Sieve Analysis of Extracted Aggregate.....                        | \$290.00  |
| Sieve Analysis of Ignition Oven Residue .....                     | \$275.00  |
| Specific Gravity, Theoretical Maximum, Rice Method .....          | \$175.00  |
| Stability and Flow, Marshall Apparatus, set of 3.....             | \$245.00  |
| Stabilometer, Hveem S-Value, set of 3.....                        | \$355.00  |
| Enviro. Recycling Fee, per sample .....                           | \$2.00    |
| Enviro. Recycling Fee for Extracted Oils .....                    | \$50.00   |

**REINFORCING AND STRUCTURAL STEEL**

|   |            |
|---|------------|
| Bend Test of Welded Specimen, sample preparation not incl .....   | \$85.00    |
| Pipe Flattening Test, sample preparation not included .....       | \$80.00    |
| Reinforcing Steel Coupler Tensile and Slip Tests.....             | \$255.00   |
| Structural Steel Bend Test, sample preparation not included ..... | \$85.00    |
| Structural Steel Machining/Sample Preparation.....                | cost + 20% |
| Structural Steel Tensile Test, sample prep not included .....     | \$85.00    |
| Tensile and Bend Tests of Reinforcing Bar, #2 through #9.....     | \$175.00   |
| Tensile and Bend Tests of Reinforcing Bar, #10 through #18.....   | Per Quote  |
| Enviro. Recycling Fee, per sample .....                           | \$2.00     |

**BOLT TESTS**

|  |            |
|--|------------|
| Bolt Tests, chemical or mechanical ..... | cost + 20% |
|--|------------|

**WELDER QUALIFICATION**

|  |           |
|--|-----------|
| AWS D1.1: 3/8" Plate, per position ..... | Per Quote |
| AWS D1.1: 1" Plate, per position.....    | Per Quote |
| AWS D1.3: Sheet Steel.....               | Per Quote |
| AWS D1.4: Reinforcing Bar .....          | Per Quote |
| ASME/API Pipe Sections .....             | Per Quote |

**EQUIPMENT/CHARGES (Does Not Include Personnel)**

|   |              |
|---|--------------|
| 110-volt Portable Electric Generator .....          | \$120.00/day |
| Anchor Pull Test Equipment .....                    | \$50.00/hr.  |
| Bailer (disposable) w/dedicated rope .....          | \$40.00/ea.  |
| Concrete and Asphalt Concrete Coring Equipment..... | cost + 20%   |
| Concrete Slab Moisture Transmission Kit.....        | \$50.00/ea.  |
| Conductivity Meter.....                             | cost + 20%   |
| Cut-Off Saw .....                                   | \$95.00/day  |
| Double Ring Infiltrometer (per set).....            | \$170.00/day |
| Drum Dolly.....                                     | \$45.00/day  |
| Drums .....   | \$95.00/ea.  |
| Dynamometer, In-line Scale .....                    | Per Quote    |
| Hammer Drill .....                                  | cost + 20%   |
| Hand Auger/Sampler Equipment .....                  | \$70.00/day  |
| Lock n, Load VOC Sample Pres. Sys. ....             | \$40.00/ea.  |

**FEE SCHEDULE – DSA/OSHPD – MATERIALS TESTING**

(Effective January 1, 2024)

**EQUIPMENT/CHARGES (Cont.) (Does Not Include Personnel)**

|   |               |
|---|---------------|
| Magnetic Particle Equipment .....                     | \$200.00/day. |
| Non-Destructive Testing Equipment .....               | \$50.00/hr.   |
| Manometer .....                                       | \$160.00/day  |
| Mini-Troll Groundwater Level Transducer .....         | \$120.00/day  |
| Mobile Laboratory .....                               | Per Quote     |
| Nuclear Density Equipment.....                        | \$15.00/hr.   |
| Paint Thickness Meter .....                           | Per Quote     |
| Vehicle with Percolation Tank System .....            | \$265.00/day  |
| Personal Protective Equipment Level C.....            | Per Quote     |
| Pile Driving Equipment (for pile load testing) .....  | Per Quote     |
| Pile Load Testing Equipment .....                     | Per Quote     |
| Pulse Velocity Meter .....                            | Per Quote     |
| Rebound Hammer (Schmidt Hammer).....                  | \$85.00/day   |
| Reinforcing Steel Locating Equipment (DR-Meter) ..... | \$220.00/day  |
| Relative Humidity Meter .....                         | \$100.00/day  |
| Off Road Vehicle .....                                | Per Quote     |
| Safety and Specialty Equipment.....                   | Per Quote     |
| Sampling Consumables .....                            | Per Quote     |
| Skidmore Bolting Calibration Equipment .....          | \$255.00/day  |
| Slope Inclinator Equipment, per hole .....            | Per Quote     |
| Soil Sampling Containers (metal) .....                | \$30.00/ea.   |
| Soil Sampling Containers (glass).....                 | \$15.00/ea.   |
| Tape Extensometer .....                               | Per Quote     |
| Tension Equipment .....                               | \$215.00/day  |
| Torque Wrench .....                                   | \$100.00/day  |
| Water Level Indicator .....                           | \$60.00/day   |
| Windsor Probe, set of 3.....                          | Per Quote     |
| Per Diem .....  | Per Quote     |
| DIR Compliance/eCPR, per week.....                    | \$110.00      |
| DSA Box Posting, ea .....                             | \$110.00      |
| DSA Lab Compliance, per week .....                    | \$110.00      |
| Vehicle Mileage Charge.....                           | \$0.95        |



**EXPERT WITNESS SERVICES**

(Effective January 1, 2024)

The following rates apply to deposition testimony, arbitration testimony, hearings and court appearances.

**HOURLY CHARGES FOR PERSONNEL**

|                               |          |
|-------------------------------|----------|
| Principal Professional .....  | \$400.00 |
| Associate Professional .....  | \$300.00 |
| Senior Professional .....     | \$250.00 |
| Clerical/Admin Services ..... | \$100.00 |

**SPECIAL SERVICES**

|                                 |                                  |
|---------------------------------|----------------------------------|
| Deposition .....                | \$400.00/hr. <sup>2</sup>        |
| Arbitration .....               | \$400.00/hr.                     |
| Court Appearance/Hearings ..... | \$1,500.00/half day <sup>3</sup> |
| Standby to Appear .....         | \$750.00/day <sup>4</sup>        |

**BASIS OF CHARGES**

1. Hourly rates are charged during investigation, analysis, consultation, and preparation services.
2. Estimated deposition fee payable in advance by party requesting deposition. The difference between advance payment and final fee to be billed or refunded in accordance with the fee and billing information in this schedule. Fee for reviewing deposition transcript will be billed at hourly rates to the party requesting the review.
3. Minimum half day charge will apply to court appearances and hearings. Time extending through the noon hour will be subject to the full day charge of \$3,000.00.
4. Days, or portions thereof, reserved for appearances at hearings, court, or arbitrations, during which we are not required to be away from our offices will be subject to a standby charge of \$750.00. Standby at other locations will be charged at the general hourly rates.

Exhibit A  
**Standard Billing Rates**

**Construction Management / Field Inspection Services:**

|   |                   |
|---|-------------------|
| Construction Inspector I - II.....              | \$140/\$155       |
| Senior Construction Inspector.....              | \$160             |
| Construction Inspector (*Prevailing Wage) ..... | \$180             |
| Construction Office Tech I-III.....             | \$115/\$125/\$135 |
| Assistant Resident Engineer I - II.....         | \$165/\$170       |
| Resident Engineer I - III .....                 | \$175/\$180/\$185 |
| Senior Resident Engineer .....                  | \$195             |
| Director .....                                  | \$220             |
| Principal Construction Manager .....            | \$245             |
| Principal.....                                  | \$270             |

**Public Works Administration Services:**

|  |                         |
|--|-------------------------|
| Project Analyst I - IV .....                             | \$120/\$130/\$140/\$150 |
| Senior Project Analyst I - III .....                     | \$155/\$160/\$165       |
| Senior Environmental Compliance Specialist I - III ..... | \$170/\$175/\$185       |

**Support Services:**

|                                |                   |
|--------------------------------|-------------------|
| Office Assistant .....         | \$110             |
| Project Assistant I - III..... | \$120/\$125/\$135 |

**\*Prevailing Wage:**

State established prevailing wage rates will apply to some services based on state law, prevailing wage rates are subject to change over time and geographic location.

**Right to Revisions:**

Wallace Group reserves the right to revise our standard billing rates on an annual basis, personnel classifications may be added as necessary.

**Additional Professional Services:**

Fees for expert witness preparation, testimony, court appearances, or depositions will be billed at the rate of \$400 an hour. If required to meet schedule requests, overtime on a project will be billed at 1.5 times the employee's typical hourly rate.

**Direct Expenses:**

Direct expenses will be invoiced to the client and a handling charge of 15% may be added. Sample direct expenses include, but are not limited to the following:

- travel expenses
- delivery/copy services
- sub-consultant services
- mileage (per IRS rates)
- agency fees
- other direct expenses

**Invoicing and Interest Charges:**

Invoices are submitted monthly on an accrued cost basis. A finance charge of 1.5% per month may be assessed on all balances that are thirty days past due.

**Exhibit B**  
**Standard Terms and Conditions**  
**Wallace Group Proposal No. PP24-**  
**Contract Agreement Date:**

**CLIENT:**           **CLIENT NAME**  
Street, City, California Zip

**CONSULTANT:**   **WALLACE GROUP, A CALIFORNIA CORPORATION**  
612 Clarion Court, San Luis Obispo, California 93401

CLIENT and CONSULTANT agree that these Standard Terms and Conditions, comprised of pages 1 through 6, and the associated written Scope of Services and budget constitute the entire Agreement between the CLIENT and the CONSULTANT. It supersedes all prior communications, understandings and agreements, whether oral or written. Amendments to this Agreement must be in writing and signed by both the CLIENT and the CONSULTANT.

**ARTICLE 1. GENERAL PROVISIONS**

**1.1 Preamble**

This Agreement is based upon a mutual obligation of good faith and fair dealing between the parties in its performance and enforcement. Accordingly, the CLIENT and the CONSULTANT, with a positive commitment to honesty and integrity, agree to the following:

That each will function within the laws and statutes that apply to its duties and responsibilities; that each will assist in the other's performance; that each will avoid hindering the other's performance; that each will work diligently to fulfill its obligations; and each will cooperate in the common endeavor of the contract.

**1.2 Governing Law and Jurisdiction**

The CLIENT and the CONSULTANT agree that this Agreement and any legal actions concerning its validity, interpretation and performance shall be governed by the laws of the State of California. It is further agreed that any legal action between the CLIENT and the CONSULTANT arising out of this Agreement or the performance of the services shall be brought in a court of competent jurisdiction in San Luis Obispo, California.

**1.3 Precedence of Conditions**

Should any conflict exist between the terms herein and the form of any purchase order or confirmation issued, the Terms and Conditions herein shall prevail in the absence of CONSULTANT'S express written consent of others conditions.

**1.4 Standard of Care**

In providing services under this Agreement, the CONSULTANT will endeavor to perform said services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

**1.5 Corporate Protection**

It is intended by the parties to this Agreement that the CONSULTANT'S services in connection with the Project shall not subject the CONSULTANT'S individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, the CLIENT agrees that as the CLIENT'S sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against the CONSULTANT, a California corporation, and not against any of the CONSULTANT'S individual employees, officers or directors.

**1.6 Confidentiality**

The CONSULTANT agrees to keep confidential and not to disclose to any person or entity, other than the CONSULTANT'S employees, Subconsultants and the general Contractor and Subcontractors, if appropriate, any data or information not previously known to and generated by the CONSULTANT or furnished to the CONSULTANT and marked CONFIDENTIAL by the CLIENT. These provisions shall not apply to information in whatever form that is in the public domain, nor shall it restrict the CONSULTANT from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other legitimate authority, or if disclosure is reasonably necessary for the CONSULTANT to defend itself from any legal action or claim.

**1.7 Third-Party Beneficiaries**

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or the CONSULTANT. The CONSULTANT'S services under this Agreement are being performed solely for the CLIENT'S benefit, and no other party or entity shall have any claim against the CONSULTANT because of this Agreement or the performance or nonperformance of services hereunder. The CLIENT and CONSULTANT agree to require a similar provision in all contracts with Contractors, Subcontractors, Subconsultants, vendors and other entities involved in this Project to carry out the intent of this provision.

**1.8 Timeliness of Performance**

The CLIENT and CONSULTANT are aware that many factors outside the CONSULTANT'S control may affect the CONSULTANT'S ability to complete the services to be provided under this Agreement. The CONSULTANT will perform these services with reasonable diligence and expediency consistent with sound professional practices.

**1.9 Severability**

Any term or provision of this Agreement found to be invalid under any applicable statute or rule of law shall be deemed omitted and the remainder of this Agreement shall remain in full force and effect.

**1.10 Survival**

Notwithstanding completion or termination of this Agreement for any reason, all rights, duties and obligations of the parties to this Agreement shall survive such completion or termination and remain in full force and effect until fulfilled.

**1.11 Statutes of Repose and Limitation**

All legal causes of action between the parties to this Agreement shall accrue and any applicable statutes of repose or limitation shall begin to run not later than the date of Substantial Completion. If the act or failure to act complained of occurs after the date of Substantial Completion, then the date of final completion shall be used, but in no event shall any statute of repose or limitation begin to run any later than the date the CONSULTANT'S services are completed or terminated.

**1.12 Defects in Service**

The CLIENT shall promptly report to the CONSULTANT any defects or suspected defects in the CONSULTANT'S services of which the CLIENT becomes aware, so that the CONSULTANT may take measures to minimize the consequences of such a defect. The CLIENT further agrees to impose a similar notification requirement on all Contractors in its CLIENT/Contractor contract and shall require all subcontracts at any level to contain a like requirement. Failure by the CLIENT and the CLIENT'S Contractors or Subcontractors to notify the CONSULTANT shall relieve the CONSULTANT of the costs or remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.

**1.13 Jobsite Safety**

Neither the professional activities of the CONSULTANT, nor the presence of the CONSULTANT or its employees or Subconsultants at a construction/project site, shall relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, constructions means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with contract documents and any health or safety precautions required by any regulatory agencies. The CONSULTANT and its personnel have no authority to exercise any control over any construction Contractor or its employees in connection with their work or any health or safety programs or procedures. The CLIENT agrees that the General Contractor shall be solely responsible for jobsite safety, and warrants that this intent shall be carried out in the CLIENT'S contract with the General Contractor. The CLIENT also agrees that the CLIENT, the CONSULTANT and the CONSULTANT'S Subconsultants shall be indemnified by the General Contractor and shall be made additional insured under the General Contractor's policies of general liability insurance.

**1.14 Assignment: Subcontracting**

Neither CLIENT nor CONSULTANT shall assign its interest in this agreement without the written consent of the other. CONSULTANT may not subcontract any portion of the work to be performed hereunder without such consent.

**1.15 Force Majeure**

Any delay or default in the performance of any obligation of CONSULTANT under this agreement resulting from any cause(s) beyond CONSULTANT'S reasonable control shall not be deemed a breach of this agreement. The occurrence of any such event shall suspend the obligations of CONSULTANT as long as performance is delayed or prevented thereby, and the fees due hereunder shall be equitably adjusted.

**1.16 Disputes**

(a) Notwithstanding any other provision of this Agreement and except for the provisions of (b) and (c), if a dispute arises regarding CONSULTANT'S fees pursuant to this contract, and if the fee dispute cannot be settled by discussions between CLIENT and CONSULTANT, both the CLIENT and CONSULTANT agree to attempt to settle the fee dispute by mediation through the American Arbitration Association (or other mediation service) before recourse to arbitration. If mediation does not resolve the fee dispute, such dispute shall be settled by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

(b) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to file an action for collection of fees if the amount in dispute is within the jurisdiction of the small claims court.

(c) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to perfect or enforce applicable mechanics lien remedies.

**1.17 Attorneys' Fees**

In the event of any litigation arising from or related to this Agreement or the services provided under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred, including staff time, court costs, attorneys' fees and all other related expenses in such litigation.

**1.18 Services by CLIENT**

CLIENT shall pay all other charges not specifically covered by the terms of this agreement, unless specifically included in the Scope of Services. The CLIENT shall furnish, at the CLIENT'S expense, all information required by this Agreement. The CONSULTANT may use such information, requirements, reports, data, surveys and instructions in performing its services and is entitled to rely upon the accuracy and completeness thereof.

**1.19 Retention**

If any portion of CONSULTANT'S fee is held in retention, such amount shall be released within thirty days after invoicing for completion of corresponding services. Interest shall be paid at the rate of 1.5% per month on any retention amounts not paid within this thirty-day period.

**ARTICLE 2. DEFINITIONS****2.1 Burdened Labor Costs**

Burdened labor costs shown on the Standard Billing Rates include payroll taxes, worker's compensation insurance, and other overhead costs applicable to the typical standard of care.

**2.2 Direct Expenses**

Expenditures made by the CONSULTANT, its employees or its Subconsultants in the interest of the Project. Applicable reimbursable direct expenses are defined on the Standard Billing Rates.

**ARTICLE 3. COMPENSATION****3.1 Payment Due**

Invoices shall be submitted by the CONSULTANT monthly, are due upon presentation and shall be considered past due if not paid in full within thirty (30) days of the invoice date.

**3.2 Interest**

If payment in full is not received by the CONSULTANT within thirty (30) calendar days of the invoice date, the invoices shall bear interest at one-and-one-half (1.5) percent (or the maximum rate allowable by law, whichever is less) of the past due amount per month, which shall be calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal.

**3.3 Collection Costs**

If the CLIENT fails to make payments when due and the CONSULTANT incurs any costs in order to collect overdue sums from the CLIENT, the CLIENT agrees that all such collection costs incurred shall immediately become due and payable to the CONSULTANT. Collection costs shall include, without limitation, legal fees, collection agency fees and expenses, court costs, collection bonds and reasonable CONSULTANT staff costs at Standard Billing Rates for the CONSULTANT'S time spent in efforts to collect. This obligation of the CLIENT to pay the CONSULTANT'S collection costs shall survive the term of this Agreement or any earlier termination by either party.

**3.4 Termination or Suspension of Services**

This agreement may be terminated or suspended by either party effective seven (7) days from the date of written notice, or if the CLIENT suspends the work for three (3) months. Upon receipt of a notice of termination or suspension, CONSULTANT will stop or suspend its work and provide same direction for the work of all its Subcontractors and suppliers. Failure of CLIENT to make payments when due shall be cause for suspension of services or ultimately, termination, unless and until CONSULTANT has been paid in full all amounts due for services, expenses and other approved related charges. CONSULTANT shall have no liability whatsoever to the CLIENT for any costs or damages as a result of such suspension or termination caused by any breach of this Agreement by the CLIENT. Upon payment-in-full by the CLIENT, CONSULTANT shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any reasonable time and expense necessary for the CONSULTANT to resume performance.

**3.5 Retention Discounts**

Payment of invoices shall not be subject to any discounts or retention by the CLIENT, unless agreed to in writing by the CONSULTANT. Payment to the CONSULTANT for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party.

**3.6 Satisfaction with Services**

Payment of any invoice by the CLIENT to the CONSULTANT shall be taken to mean that the CLIENT is satisfied with the CONSULTANT'S services to the date of payment and is not aware of any deficiencies in those services.

**3.7 Disputed Invoices**

If the CLIENT objects to any portion of any invoice, the CLIENT shall so notify the CONSULTANT in writing within ten (10) days of receipt of the invoice. The CLIENT shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with the other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within thirty (30) calendar days after presentation of invoice by direct negotiation between the parties shall be resolved within forty-five (45) calendar days in



accordance with the Dispute Resolution provision of this Agreement. Interest as stated above shall be paid by the CLIENT on all disputed invoice amounts that are subsequently resolved in the CONSULTANT'S favor and shall be calculated on the unpaid balance from the invoice date.

### **3.8 Payments to the CONSULTANT**

Payments to the CONSULTANT shall not be withheld, postponed or made contingent on the construction, completion or success of the project or upon receipt by the CLIENT of offsetting reimbursement or credit from other parties who may have caused additional services or expenses. No withholdings, deductions or offsets shall be made from the CONSULTANT'S compensation for any reason unless the CONSULTANT has been found to be legally liable for such amounts.

### **3.9 Advance Payment: Withholding Work Product**

CONSULTANT reserves the right to require payment in advance for work estimated to be done during a given billing period. CONSULTANT, without any liability to CLIENT, reserves the right to withhold any services and work products herein contemplated pending payment of CLIENT'S outstanding indebtedness or advance payment as required by CONSULTANT. Where work is performed on a reimbursable basis, budget may be increased by amendment to complete the Scope of Services. CONSULTANT is not obligated to provide services in excess of the authorized budget.

## **ARTICLE 4. SERVICES, ADDITIONAL SERVICES, AND AMENDMENTS**

### **4.1 Definitions**

Services and work products not expressly included with those specified in this agreement, as determined by CONSULTANT, are not covered by this agreement. Such services and work products will be provided only upon compliance with the procedures set forth in Article 4.5 of this Agreement.

### **4.2 Services During Construction**

Any construction inspection or testing provided by CONSULTANT is for the purpose of determining the Contractor's compliance with the functional provisions of the project specifications only. CONSULTANT in no way guarantees or insures Contractor's work nor assumes responsibility for methods or appliances used by the Contractor for job site safety or for Contractor's compliance with laws and regulations. CLIENT agrees that in accordance with generally accepted construction practices the construction Contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project including safety of all persons and property and that this responsibility shall be continuous and not be limited to normal working hours.

### **4.3 Soil Testing**

CONSULTANT makes no representations concerning soil conditions, and is not responsible for any liability that may arise out of the making or failure to make soil surveys, or sub-surface soil tests, or general soil testing. It is the CLIENT'S responsibility to obtain a soils report upon which report CONSULTANT can rely.

### **4.4 Opinion of Probable Construction Costs**

In providing opinions of probable construction cost, the CLIENT understands that the CONSULTANT has no control over cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the CONSULTANT'S opinions of probable construction costs are made on the basis of the CONSULTANT'S professional judgment and experience. CONSULTANT makes no warranty, express or implied, that bids or negotiated cost of the Work will not vary from the CONSULTANT'S opinion of probable construction cost.

### **4.5 Additional Services**

Additional services or work products requiring an adjustment of CONSULTANT'S original estimated budget or fixed fee will be provided at CLIENT'S request upon execution of a written amendment to this agreement expressly referring to the same and signed by both parties.

## **ARTICLE 5. TERMINATION OF AGREEMENT**

### **5.1 Due to Default**

This agreement may be terminated by either party upon seven (7) days written notice should the other party fail to substantially perform in accordance with this agreement through no fault of the party initiating the termination.

### **5.2 Without Cause**

This agreement may be terminated by CLIENT upon at least fourteen (14) days written notice to CONSULTANT in the event that the project is abandoned.

### **5.3 Termination Adjustment: Payment**

If this agreement is terminated through no fault of the CONSULTANT, CONSULTANT shall be paid for services performed and costs incurred to the termination notice date, including reimbursable expenses due, plus an additional amount not to exceed ten percent (10%) of charges incurred to the termination notice date to cover services to orderly close the work and prepare project files and documentation, plus any additional direct expenses incurred by CONSULTANT including but limited to cancellation fees or charges. CONSULTANT will use reasonable efforts to minimize such additional charges.

**ARTICLE 6. LIMITATION OF LIABILITY: WAIVER: WARRANTY****6.1 Limitation of Liability**

In recognition of the relative risks and benefits of the project to both the CLIENT and the CONSULTANT, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT to the CLIENT for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert-witness fees and costs, so that the total aggregate liability of the CONSULTANT to the CLIENT shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

**6.2 Contractor and Subcontractor Claims**

The CLIENT further agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT and the CONSULTANT'S officers, directors, partners, employees and Subconsultants to all construction Contractors and Subcontractors on the Project for any and all claims, losses, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of the CONSULTANT and the CONSULTANT'S Subconsultants to all those named shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this Project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

**6.3 Warranty**

CONSULTANT makes no warranty, either express or implied, as to CONSULTANT'S findings, recommendations, specifications, or professional advice, except that the work was performed pursuant to generally accepted standards of practice in effect at the time of performance.

If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the CONSULTANT are revealed, to the extent that they affect the Scope of Services, compensation, schedule, allocation of risks or other material terms of this Agreement, the CONSULTANT may call for renegotiation of appropriate portions of this Agreement. The CONSULTANT shall notify the CLIENT of the changed conditions necessitating renegotiation, and the CONSULTANT and the CLIENT shall promptly and in good faith enter into renegotiations of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement, in accordance with the Termination Provision hereof.

If the Scope of Services pursuant to this agreement does not include on-site construction review, construction management, or other construction supervision for this project, or if subsequent to this agreement CLIENT retains other persons or entities to provide such services, CLIENT acknowledges that such services will be performed by others and CLIENT will defend, indemnify and hold CONSULTANT harmless from any and all claims arising from or resulting from the performance of such services by other persons or entities except claims caused by the sole negligence or willful misconduct of CONSULTANT; and from any and all claims arising from or resulting from clarifications, adjustments, modifications, discrepancies or other changes necessary to reflect changed field or other conditions, except claims caused by the sole negligence or willful misconduct of CONSULTANT.

**6.4 Interpretation**

Limitations on liability, waivers and indemnities in this Agreement are business understandings between the parties and shall apply to all legal theories of recovery, including breach of contract or warranty, breach of fiduciary responsibility, tort (including negligence), strict or statutory liability, or any other cause of action, provided that these limitations on liability, waivers and indemnities will not apply to any losses or damages that may be found by a trier of fact to have been caused by the CONSULTANT'S sole or gross negligence or the CONSULTANT'S willful misconduct. The parties also agree that the CLIENT will not seek damages in excess of the contractually agreed-upon limitations directly or indirectly through suites against other parties who may join the CONSULTANT as a third-party defendant. "Parties" means the CLIENT and the CONSULTANT, and their officers, directors, partners, employees, Subcontractors and Subconsultants.

**6.5 Delays**

The CLIENT agrees that the CONSULTANT is not responsible for damages arising directly or indirectly from any delays for causes beyond the CONSULTANT'S control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters; fires, riots, war or other emergencies or acts of God; failure of any government agency to act in a timely manner; failure of performance by the CLIENT of the CLIENT'S Contractors or CONSULTANT'S; or discovery of any hazardous substances or differing site conditions.

**ARTICLE 7. HAZARDOUS WASTE MATERIALS****7.1 Liability**

CONSULTANT hereby states and CLIENT hereby acknowledges that CONSULTANT has no professional liability insurance for claims arising out of the performance of or failure to perform professional services, including, but not limited to the preparation of reports, designs, drawings and specifications, related to the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing substances including, but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gases and materials, petroleum or radioactive materials (as each of these is defined in applicable federal statutes) or any other substances under any conditions and in such quantities as

would pose a substantial danger to persons or property exposed to such substances at or near the Project site. Accordingly, the CLIENT hereby agrees to bring no claim for negligence, breach of contract indemnity or otherwise against the CONSULTANT, its principals, employees, and agents if such claim, in any way, would involve the CONSULTANT'S services for the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing asbestos, asbestos cement pipe, and/or hazardous waste materials. CLIENT further agrees to defend, indemnify and hold harmless CONSULTANT, its officers, directors, principals, employees and agents from any asbestos and/or hazardous waste material related claims that may be brought by third parties as a result of the services provided by the CONSULTANT pursuant to this agreement except claims caused by the sole negligence or willful misconduct of the CONSULTANT.

## **ARTICLE 8. OWNERSHIP AND REUSE OF DOCUMENTS**

### **8.1 CONSULTANT Ownership**

All original papers, documents, drawings, electronic media and other work product of CONSULTANT, and copies thereof, produced by CONSULTANT pursuant to this agreement shall remain the property of CONSULTANT and may be used by CONSULTANT without the consent of CLIENT. Upon request and payment of the costs involved, CLIENT is entitled to a copy of all papers, documents and drawings provided CLIENT'S account is paid current.

### **8.2 Document Reuse**

In the event the CLIENT, the CLIENT'S Contractors or Subcontractors, or anyone for whom the CLIENT is legally liable makes or permits to be made any changes to any reports, plans specifications or other construction documents prepared by the CONSULTANT without obtaining the CONSULTANT'S prior written consent, the CLIENT shall assume full responsibility for the results of such changes. Therefore the CLIENT agrees to waive any claim against the CONSULTANT and to release the CONSULTANT from any liability arising directly or indirectly from such changes. In addition, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless the CONSULTANT from any damages, liabilities or costs, including reasonable attorneys' fees and costs of defense, arising from such changes. In addition, the CLIENT agrees to include in any contracts for construction appropriate language that prohibits the Contractor or any Subcontractors of any tier from making any changes or modifications to the CONSULTANT'S construction documents without the prior written approval of the CONSULTANT and further requires the Contractor to indemnify both the CONSULTANT and the CLIENT from any liability or cost arising from such changes made without proper authorization.

### **8.3 Electronic Media Alteration and Reuse**

Because CADD information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, CONSULTANT reserves the right to remove all indicia of its ownership and/or involvement in the material from each electronic medium not held in its possession. CLIENT shall retain copies of the work performed by CONSULTANT in CADD form only for information and use by CLIENT for the specific purpose for which CONSULTANT was engaged. Said materials shall not be used by CLIENT, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended by CONSULTANT without CONSULTANT'S express written permission. Unauthorized modification or reuse of the materials shall be at CLIENT'S sole risk, and CLIENT agrees to defend, indemnify, and hold CONSULTANT harmless, from all claims, injuries, damages, losses, expenses, and attorney's fees arising out of the unauthorized modification or use of these materials.