

**CONTRACT FOR CONSULTANT SERVICES BETWEEN
THE CITY OF WATSONVILLE AND MICHAEL K. NUNLEY & ASSOCIATES, INC.**

THIS CONTRACT, is made and entered into this _____, by and between the **City of Watsonville**, a municipal corporation, hereinafter called "City," and **Michael K. Nunley & Associates, Inc.**, 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 June 1, 2025 to June 30, 2027, 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

Michael K. Nunley & Associates, Inc.
P.O. Box 1604
Arroyo Grande, CA 93421
(805) 904-6530

SECTION 22. EXHIBITS:

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

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

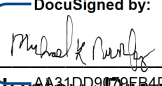
CITY

CONSULTANT

CITY OF WATSONVILLE

BY _____
Tamara Vides, City Manager

BY _____
Michael K. Nunley, President & CEO

DocuSigned by:

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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:

Collaborative Delivery Assistance for Hexavalent Chromium Project (Planning and Design Phase)

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: **June 1, 2025 to June 30, 2027**

EXHIBIT "C"

COMPENSATION

a. Total Compensation. The total obligation of City under this Contract shall not exceed \$137,505.

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.
r appropriate compensation.



May 15, 2025

Danielle Green, PE
Assistant Director of Public Works & Utilities
City of Watsonville
(Submitted Electronically)

RE: Proposal for City of Watsonville – Collaborative Delivery Assistance for Hexavalent Chromium Project (Planning and Design Phase)

Dear Danielle,

MKN & Associates, Inc., (MKN) is pleased to submit this proposal to provide professional services to support the City of Watsonville (City) with Collaborative Delivery on their Hexavalent Chromium Wellhead Treatment Projects.

Project Background

The City of Watsonville is undertaking a critical project to address the presence of Hexavalent Chromium (Cr6) in its groundwater supply, in response to emerging regulatory requirements aimed at significantly reducing Cr6 levels to protect public health. With the California State Water Resources Control Board expected to enforce a new Maximum Contaminant Level (MCL) for Cr6, municipalities must act swiftly to comply with these stringent standards.

Currently, the City is working closely with its design engineer, Carollo Engineers, who is advancing the preliminary design of a treatment system to meet the anticipated MCL. As this effort progresses, the City is seeking collaborative delivery assistance to streamline project implementation, manage risk, and ensure timely regulatory compliance.

Scope of Work

Task 100 – Project Management, Meetings and QC

The following meetings are assumed for this project to allow MKN to interface with the City to discuss progress, receive direction, and review project deliverables. It is assumed that the following will be required:

- Kickoff meeting (1 total, virtual)
- Peer Review Meeting (1 total, virtual)
- Project Delivery Methods Meeting (1 total, virtual)
- Project Phasing Scope Review Meeting (1 total, virtual)
- Collaborative Project Meetings (2 monthly, 12 assumed, virtual)



MKN will prepare and distribute meeting agendas prior to the scheduled meeting and will record and distribute meeting notes to all attendees. The meeting notes will document the discussions and decisions made.

All project deliverables will be subjected to internal quality control review by personnel who have the appropriate expertise and who were not involved directly in the development of the deliverables. MKN's Quality Control Reviewer is responsible for identifying technical issues as well as scope elements that have not been fully addressed. MKN's Quality Management System (QMS) will be implemented throughout the life of the project.

Deliverables: Meeting Agendas and Minutes (2 meetings)

Task 200 – Peer Review of Design Documents

Carollo Engineers is expected to submit a draft Technical Memorandum for their design assumptions by the end of May 2025. The City has requested MKN to complete a review of their findings, design assumptions/alternatives, and opinion of probable construction cost. MKN will review this Technical Memorandum and provide feedback to the City in a draft memorandum with an annotated PDF. It is assumed the Review Memorandum will address the following:

- Design criteria and assumptions
- Treatment process considered and either additional processes or modifications to be considered
- Consideration of ancillary facilities such as power, waste disposal, or access that may have not been considered
- Review of cost opinions and identification of additional contingencies or unknowns that could affect project cost.
- Review of overall project schedule, possible phasing, and implementation.

Deliverables: Annotated PDF of design TM

Task 300 – Development of Collaborative Delivery Strategy

MKN will assist the City with exploring and developing a collaborative delivery strategy to facilitate the timely implementation of this necessary project. MKN perform the following:

- 1) Present to City Staff with a detailed collaborative delivery meeting addressing the advantages and disadvantages of the several alternative delivery methods and potential timelines for each delivery method.
- 2) Coordinate with the City Attorney and Public Works staff to identify legal constraints associated with the City pursuing various forms of collaborative delivery.
- 3) Once a delivery method is selected by the City, MKN will develop an outline of potential project phases based off the peer review of the current design and the delivery method. This will include identification of roles and responsibilities, additional disciplines or specialty consultants, and confirmation of general scope of services for the City, Owner's Advisor, designer and/or contractor.



*Deliverables: Collaborative Delivery Method Presentation
Project phasing plan*

Task 400 – Implementation of Collaborative Delivery Strategy – Design Phase

Upon completion of selecting an alternative delivery method, MKN will perform the following tasks:

- 1) Develop a draft request for qualifications (RFQ) and assist the City administering the solicitation process to procure the necessary Project Team for the appropriate delivery method. It is assumed Construction Management at Risk (CMAR) will be pursued for purposes of developing this RFQ and selecting a Contractor/CMAR.
- 2) Assist with recommended contract language for design contract coordination with the selected Designer to complete the design of the project. (as-needed)
- 3) Assist the City/Designer with developing the compliance plan for Cr6 (as-needed).
- 4) Provide as-needed support tasks, which could include development of additional Request(s) for Proposal(s) if a two-stage selection process is implemented for selection of the collaborative delivery Design Consultant; support at City Council meetings during selection and initially contracting for Design Consultant contract coordination;

Deliverables: Draft RFQ, Contract language suggestions, Compliance plan

Assumptions and Exclusions

MKN will be entitled to reasonably rely on the accuracy of data and information provided by or through the City and will use good professional judgement in reviewing and evaluating such information. If MKN identifies any error or inaccuracy in data or information provided by the City or determines that additional data or information is required to perform the services, MKN shall promptly notify the City.

For budgeting purposes, it is assumed CMAR will be pursued and this initial authorization will proceed through review of a final design contract (no design RFQ process), advertising of RFQ and selection of a Contractor/CMAR, and some initial coordination. If a different method is preferred by City staff, a contract amendment or reallocation will be required. It is assumed future final design and construction activities will proceed under subsequent authorizations or contract amendments.



Schedule

The anticipated schedule for the project is included in **Table A**.

Table A. Anticipated Project Schedule	
Deliverable	Timeline
Kickoff Meeting	1 week from Notice to Proceed
Peer Review of Design Documents	5 weeks from Notice to Proceed
Collaborative Delivery Alternatives Assessment	5 weeks from Notice to Proceed
Project Phasing	2 weeks from confirming Collaborative Delivery approach with City staff
RFQ Package	2 weeks from confirming Collaborative Delivery approach with City staff
Contract Coordination	TBD
Compliance Plan Assistance	TBD

MKN assumes 2 weeks for City review of work deliverables with a progress meeting scheduled at the end of that review period.

Fee Estimate

MKN proposes to complete this work on a time and materials basis with a budget not to exceed \$137,505 as provided in the MKN Fee Estimate, included as Exhibit A, and based on MKN's fee schedule, included as Exhibit B. The fee estimate is based on the level of effort outlined in this proposal. If additional effort beyond the hours outlined is required, a budget revision will be requested. The budget will not be exceeded unless prior written authorization is granted by the City. Rates are attached but may be revised annually. Thank you for providing MKN with the opportunity to provide a proposal for this work. If you have any questions regarding this proposal, please contact me at abugielski@mknassociates.us.

Sincerely,

Adam Bugielski, PE
Principal Engineer

Enclosures:

Exhibit A – Budget Sheet
Exhibit B – Rate Schedule



City of Watsonville
Collaborative Delivery Assistance
for Hexavalent Chromium Project

	Project Director	Principal Engineer	Senior Project Manager	Senior Project Engineer I	Assistant Engineer II	Administrative Assistant	Total Hours (MKN)	Labor (MKN)	Total Fee
Hourly Rates	312	289	267	238	184	113			
Task 100 – Project Management, Meetings and QC									
Project Management		20	10			6	36	\$9,128	\$ 9,128
Meetings	19	24	24	20	34		121	\$30,288	\$ 30,288
Kick-off Meeting (1 total)	2	4	4	2	4		16	\$4,060	\$ 4,060
Peer Review Meeting (1 total)		2	2	2	4		10	\$2,324	\$ 2,324
Project Delivery Methods Meeting (1 total)	4	4	4	4	6		22	\$5,528	\$ 5,528
Project Phasing Scope Review Meeting (1 total)	1	2	2		2		7	\$1,792	\$ 1,792
Collaborative Project Meetings (2 monthly, 12 assumed)	12	12	12	12	18		66	\$16,584	\$ 16,584
Quality Assurance / Quality Control	2	6					8	\$2,358	\$ 2,358
Subtotal	2	26	10	0	0	6	44	\$ 11,486	\$ 41,774
Task 200 – Peer Review of Design Documents									
Peer Review of Design Technical Memorandum	8	12	8	30	12	2	72	\$10,534	\$ 10,534
Subtotal	8	12	8	30	12	2	72	\$ 10,534	\$ 10,534
Task 300 –Development of Collaborative Delivery Strategy									
Collaborative Delivery Alternatives Assessment	8	8	8	6	20	2	52	\$12,278	\$ 12,278
Project Phasing	8	8	8	8	20	2	58	\$13,434	\$ 13,434
Subtotal	16	16	16	14	40	4	110	\$ 25,712	\$ 25,712
Task 400 – Implementation of Collaborative Delivery Strategy- Design Phase									
RFQ Package	8	24	10	2	20	2	66	\$16,484	\$ 16,979
Contract Coordination	8	16	8	2	8	2	44	\$11,430	\$ 11,773
Compliance Plan Assistance	6	12	6	8	16	2	50	\$12,016	\$ 12,376
Allowance for Support Tasks	8	16	12	12	24	2	74	\$17,822	\$ 18,357
Subtotal	30	68	36	24	68	8	234	\$ 57,752	\$ 59,485
TOTAL BUDGET	56	122	70	68	120	20	460	\$105,484	\$ 137,505



2025 FEE SCHEDULE

CATEGORY	POSITION	HOURLY RATE
Communications and Administrative	Administrative Assistant	\$113
	Strategic Communications Coordinator	\$126
	Strategic Communications Specialist	\$168
Designers and Technicians	CAD Technician I	\$152
	CAD Design Technician II	\$173
	Senior Designer	\$185
Planning	Assistant Planner I	\$165
	Assistant Planner II	\$184
	GIS Specialist	\$184
	Planner I	\$203
	Planner II	\$218
	Senior Planner	\$246
Engineers	Engineering Technician	\$123
	Assistant Engineer I	\$165
	Assistant Engineer II	\$184
	Project Engineer I	\$203
	Project Engineer II	\$218
	Senior Engineer I	\$238
	Senior Engineer II	\$251
	Senior Engineer III	\$267
	Principal Engineer	\$289
Project Management	Project Manager	\$256
	Senior Project Manager	\$267
	Project Director	\$312
	Senior Project Director	\$329
Construction Management Services	Scheduler	\$179
	*** Construction Inspector	\$200
	Assistant Resident Engineer	\$200
	Resident Engineer	\$212
	Construction Manager	\$231
	Principal Construction Manager	\$272

The foregoing Billing Rate Schedule is effective through December 31, 2025 and will be adjusted each year after at a rate of 2 to 5%.

DIRECT PROJECT EXPENSES

Outside Reproduction	Cost + 10%
Subcontracted or Subconsultant Services	Cost + 10%
Travel & Subsistence (other than mileage)	Cost
Auto Mileage	Current IRS Rate

*** 40 hrs per week assumed; part-time rates can be provided upon request
Rates also subject to prevailing wage mandatory increases during a calendar year