

AET-5046
25 MARCS
REV'D

PROPOSAL FOR:

SOIL SAMPLING FOR NITRATE NITROGEN
Rapid City Water Reclamation Division
Rapid Valley South Dakota

16May05

✓ Sent 4/27/05

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**AMERICAN
ENGINEERING
TESTING, Inc.**

1745 Samco Road
Rapid City, South Dakota 57702

MR RON BACK
RAPID CITY WATER RECLAMATION
FACILITY
7903 SOUTH SIDE DRIVE
RAPID CITY SD 57703

SERVICE AGREEMENT – TERMS AND CONDITIONS

SECTION 1 – RESPONSIBILITIES & SCOPE OF WORK

1 The scope of work proposed by AET includes:

- mobilization of a two-person crew out of our Rapid City, South Dakota office;
- advancing nine soil borings to depths of 16 feet bgs using either a Geoprobe DP unit or a HAS drill rig;
- collecting five soil samples from each of the above soil borings at depths of 0.5 to 2 feet bgs, 2 to 4 feet bgs, 4 to 8 feet bgs, 8 to 12 feet bgs and 12 to 16 feet bgs;
- analyze the above soil samples for nitrate/nitrogen (by dry weight);
- plugging the soil borings; and
- submitting laboratory analytical results and soil boring logs to the client;
- Reference Attachment A for specific methodology

1.1 The party to whom the proposal/contract is addressed is considered the Client of American Engineering Testing, Inc. (AET). The terms and conditions stated are binding, upon acceptance, on the Client, its successors, assignees, joint ventures and third-party beneficiaries. **Oral proposal acceptance or authorizing purchase orders from the Client are considered formal acceptance of AET's terms and conditions.**

1.2 Prior to AET performing work, Client will provide AET with all information that may affect the cost, progress, safety and performance of the work. This includes, but is not limited to, information on proposed and existing construction, all pertinent sections of contracts between Client and property owner, site safety plans or other documents which may control or affect AET's work. If new information becomes available during AET's work, Client will provide such information to AET in a timely manner. Failure of Client to timely notify AET of changes to the project including, but not limited to, location, elevation, loading, or configuration of the structure or improvement will constitute a release of any liability of AET. Client will provide a representative for timely answers to project-related questions by AET.

1.3 Work by AET will not relieve other persons of their responsibility to perform work according to the contract documents or specifications, and AET will not be held responsible for work or omissions by Client and other persons. AET does not perform construction management, general contracting or surveying services and our presence on site does not constitute any assumption of those responsibilities. AET will not be responsible for directing or supervising the work of others, unless specifically authorized and agreed to in writing.

1.4 Work by AET often includes sampling at specific locations. Inherent with such sampling is variation of conditions between sampling locations. Client recognizes this uncertainty and the associated risk, and acknowledges that opinions developed by AET, based on the samples, are qualified to that extent.

1.5 AET is not responsible for interpretations or modifications of AET's recommendations by other person.

1.6 Should changed conditions be alleged, Client agrees to notify AET before evidence of alleged change is no longer accessible for evaluation.

SECTION 2 – SITE ACCESS AND RESTORATION

2.1 Client will furnish AET safe and legal site access.

2.2 It is understood by Client that in the normal course of the work, some damage to the site or materials may occur. AET will take reasonable precautions to minimize such damage. Restoration of the site is the responsibility of the Client.

SECTION 3 – SAFETY

- 3.1 Client shall inform AET of any known or suspected hazardous materials or unsafe conditions at the work site. If, during the course of AET's work, such materials or conditions are discovered, AET reserves the right to take measures to protect AET personnel and equipment or to immediately terminate services. Client shall be responsible for payment of such additional protection costs.
- 3.2 AET shall only be responsible for safety of AET employees at the work site. The Client or other persons shall be responsible for the safety of all other persons at the site.

SECTION 4 – SAMPLES

- 4.1 Client is responsible for informing AET of any known or suspected hazardous materials prior to submittal to AET. All samples obtained by, or submitted to, AET remain the property of the Client during and after the work. Any known or suspected hazardous material samples will be returned to the Client at AET's discretion.
- 4.2 Non-hazardous samples will be held for 30 days and then discarded unless, within 30 days' of the report date, the Client provides a written request that AET store or ship the samples, at the Client's expense.

SECTION 5 – PROJECT RECORDS

The original project records prepared by AET will remain the property of AET. AET shall retain these original records for a period of three years following submission of the report, during which period the project records can be made available to Client at AET's office at reasonable times.

SECTION 6 – STANDARD OF CARE

AET will perform services consistent with the level of care and skill normally performed by other firms in the profession at the time of this service in this geographic area, under similar budgetary constraints. No other warranty is implied or intended.

SECTION 7 – INSURANCE

AET carries Worker's Compensation, Comprehensive General Liability, Automobile Liability and Professional Liability insurance. AET will furnish certificates of insurance to Client upon request.

SECTION 8 – DELAYS

If AET work delays are caused by Client, work of others, strikes, natural causes, weather, or other items beyond AET's control, a reasonable time extension for performance of work shall be granted, and AET shall receive an equitable fee adjustment.

SECTION 9 – PAYMENT, INTEREST AND BREACH

9.1 Invoices are due on receipt. Client will inform AET of invoice questions or disagreements within 15 days of invoice date; unless so informed, invoices are deemed correct.

~~9.2 Client agrees to pay interest on unpaid invoice balances at a rate of 1.5% per month, or the maximum allowed by law, whichever is less, beginning 30 days after invoice date.~~

9.3 If any invoice remains unpaid for 60 days, such non-payment shall be a material breach of this agreement. As a result of such material breach, AET may, at its sole option, terminate all duties to the Client or other persons, without liability.

9.4 Client will pay all AET collection expenses and attorney fees relating to past due fees which the Client owes under this agreement.

SECTION 10 – MEDIATION

~~10.1 Client and AET agree that any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party.~~

PKH
5/19/05

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5/19/05

PKT
5/19/05

~~10.7 Unless Client and AET mutually agree otherwise, mediation shall be in accordance with the Construction Industry Mediation Rule of the American Arbitration Association. Request for mediation shall be in writing and the parties shall share the mediator's fee and any filing fees equitably. The mediator shall be acceptable to both parties and shall have experience in commercial construction matters.~~

PKT
5/19/05

~~**SECTION 11 - LITIGATION REIMBURSEMENT**~~

~~Payment of AET costs for Client lawsuits against AET which are dismissed or are judged substantially in AET's favor will be the Client's responsibility. Applicable costs include, but are not limited to, attorney and expert witness fees, court costs, and AET costs.~~

SECTION 12 - MUTUAL INDEMNIFICATION

12.1 AET agrees to hold harmless and indemnify Client from and against liability arising out of AET's negligent performance of the work, subject to Section 13 and any other limitations, other indemnifications or other provisions Client and AET have agreed to in writing.

12.2 Client agrees to hold harmless and indemnify AET from and against liability arising out of Client's negligent conduct, subject to any limitations, other indemnifications or other provisions Client and AET have agreed to in writing.

12.3 If Client has indemnity agreement with other persons, the Client shall include AET as a beneficiary.

SECTION 13 - LIMITATION OF LIABILITY

Client agrees to limit AET's liability to Client arising from negligent acts, errors or omissions, such that **the total liability of AET shall not exceed \$10,000 or shall not exceed the project fees, whichever is greater.**

AET's required limits of liability.

PKT 5/19/05

SECTION 14 - TERMINATION

After 7 days written notice, either party may elect to terminate work for justifiable reasons. In this event, the Client shall pay for all work performed, including demobilization and reporting costs to complete the file.

SECTION 15 - SEVERABILITY

Any provisions of this agreement later held to violate a law or regulation shall be deemed void, and all remaining provisions shall continue in force. However, Client and AET will in good faith attempt to replace an invalid or unenforceable provision with one that is valid and enforceable, and which comes as close as possible to expressing the intent of the original provision.

SECTION 16 - GOVERNING LAW

This agreement shall be construed, and the rights of the parties shall be determined, in accordance with the Laws of the State of ~~Minnesota~~ *South Dakota*.

PKT 5/19/05

SECTION 17 - ENTIRE AGREEMENT

This agreement, including attached appendices, is the entire agreement between AET and Client. This agreement nullifies any previous written or oral agreements, including purchase/work orders. Any modifications to this agreement must be in writing.

SECTION 18 - COST ESTIMATE

Please refer to cover letter dated March 25 and attachment B for cost estimate information

SUBSURFACE BORING SUPPLEMENT TO TERMS AND CONDITIONS

SECTION 1 – UNDERGROUND UTILITY AND STRUCTURE CLEARANCE

- 1.1 It is necessary that borings, excavations and other penetrations be located such that they maintain a minimum safe distance from underground utilities or other man-made objects. Client shall advise AET of all utilities that service or are located on the site, as well as any underground improvements located on the site. AET will contact state notification centers, where available, or individual utilities owners where a state notification center is not available prior to drilling.
- 1.2 Public utility owners may not provide the locating service on private property. In such situations, the Client is responsible for locations of such utilities prior to drilling.
- 1.3 The property owner may have private underground improvements which cannot be cleared through the state notification center or public utility owners. The Client is responsible for location of these improvements.
- 1.4 AET will not be responsible for any damages to “non-located” or incorrectly located underground utilities or other man-made improvements.
- 1.5 Locating underground utilities and structures is the responsibility of the client. If the locations of underground utilities cannot be determined, the placement of borings will be limited. If the client desires, AET will provide liaison with the utility companies.

SECTION 2 – SITE RESTORATION

- 2.1 Client accepts that in the normal course of field exploration work, certain types of damage to the site may occur which are inherent with this type of work, such as tire indentations to lawns and landscape areas. It is the responsibility of AET to take reasonable precautions to minimize such damage. It is also AET's responsibility to patch boreholes placed through pavement or slab areas after performance of borings. Otherwise, restoration of the site is the responsibility of the Client.

SECTION 3 – CONTAMINATION

- 3.1 Client acknowledges and accepts that unavoidable contamination risks may be associated with AET's subsurface drilling, sampling and installation of monitoring devices. Risks include, but are not limited to, cross contamination created by linking contaminated zones to uncontaminated zones during the drilling process; containment and proper disposal of known or suspected hazardous materials, drill cutting and drill fluids; and decontamination of equipment and disposal and replacement of contaminated consumables. Client and AET agree that the discovery of unanticipated actual or suspected hazardous materials may make it necessary for AET to take immediate measures, including regulatory notification, to protect human health and safety, and/or the environment. Client and AET also agree that the discovery of such materials constitutes a changed condition which may result in added costs to the Client, and may require a renegotiation of work scope or termination of services.
- 3.2 Pursuant to risks set forth in Section 3.1, which are inherent with AET's work performed on the Client's behalf, Client agrees to hold harmless and indemnify AET from and against liability associated with contamination resulting therefrom.

SECTION 4 – LOST EQUIPEMENT

Equipment lost in bore holes may be required to be retrieved or properly abandoned by government agencies. Client agrees to pay AET all costs related to retrieving and/or abandoning such equipment at AET fee schedule rates, unless agreed otherwise.

SECTION 5 – LIMITATIONS OF SUBSURFACE EXPLORATION

Client recognizes that unavoidable risks occur whenever engineering or related disciplines are applied to identify subsurface conditions. Variations in soil conditions usually occur between and beyond sampled/tested locations. Even a comprehensive sampling and testing program performed in accordance with a professional standard of care may fail to detect certain conditions, because the variability of conditions cannot be seen. For similar reasons, actual environmental, geologic and geotechnical conditions that AET characterizes to exist between sampling points may differ significantly from those that actually exist. The passage of time also must

be considered, and Client recognizes that, due to natural occurrences or direct or indirect human activities at the site or distant from it, actual conditions discovered may change. Client recognizes that nothing can be done to eliminate the risks associated with these limitations.

PROPOSAL FOR
SOIL SAMPLING FOR NITRATE/NITROGEN
RAPID CITY WATER RECLAMATION FACILITY
RAPID VALLEY, SOUTH DAKOTA

March 25, 2005

AUTHORIZATION

FOR THE CITY OF RAPID CITY, SOUTH DAKOTA:

Client: City of Rapid City, SD

Authorized Signature: _____

Typed Name: Jim Shaw, Mayor

ATTEST: _____
Jim Preston, Finance Officer

Date: _____ (Seal)

ACCEPTANCE

FOR AMERICAN ENGINEERING TESTING, INC:

Client: American Engineering Testing, Inc.

Authorized Signature: Roger B. Hodson

Typed Name: ROGER B. HODSON

Title: SR. Environmental Project Manager

Date: 4/27/05

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE

JEM
Attorney

6-2-05
Date

PROPOSAL FOR
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RAPID CITY WATER RECLAMATION FACILITY
RAPID VALLEY, SOUTH DAKOTA

March 25, 2005

AUTHORIZATION

FOR THE CITY OF RAPID CITY, SOUTH DAKOTA:

Client: City of Rapid City, SD

Authorized Signature: _____

Typed Name: Jim Shaw, Mayor

ATTEST: _____

Jim Preston, Finance Officer

Date: _____ (Seal)

ACCEPTANCE

FOR AMERICAN ENGINEERING TESTING, INC:

Client: American Engineering Testing, Inc.

Authorized Signature: Roger B. Hodson

Typed Name: ROGER B. Hodson

Title: Sr. Environmental Project Manager

Date: 4/27/05

ATTACHMENT A METHODOLOGIES

Soil Boring locations

The soil boring locations will be selected by the client.

Soil Borings

The soil borings will be performed in accordance with American Society for Testing Materials (ASTM):D1586-84. The soil samples to be analyzed will be collected in 4 ounce, glass, soil jars with Teflon-lined lids as appropriate.

Subsurface Soil Sampling

Soil sampling will be done in accordance with ASTM:D1586-84. Using this procedure, a two inch outer diameter split barrel sampler will be driven into the soil by a 140 pound weight falling 30 inches. Alternatively, the sampler will be advanced using drill rig hydraulics or a CME "CTCS" continuous sampling unit.

Soil Classification

As the samples are obtained in the field, they will be visually and manually classified by the crew chief or site engineer/geologist in accordance with ASTM:D2487-84 and ASTM:D2488. Representative portions of the samples will then be returned to the laboratory for further examination and verification of the field classification, as required.

Direct Push Soil Borings

The direct push borings are performed using a Geoprobe, Model 5400, using 1.25-inch outer diameter (5/8 inch inner diameter) by 4 foot probe rods.

Direct Push Soil Samplings

Soil samples are collected using a 2.0 inch OD by four-foot sample tube. For our work on this project, samplers will be collected on a continuous basis to the terminal depth of the borings. Soil samples are collected from the sample tube lined with a Geoprobe PVC sample liner which is inserted into the sample tube for each four-foot sampling interval.

Contamination Reduction

The Geoprobe probe rods and soil samplers are washed with Alkonox and rinsed with deionized water. The HAS augers and soil samplers are steam cleaned. Probe rods and augers are cleaned between boring locations and soil samplers are cleaned between samples. Wash and rinse water are disposed of on the site through infiltration and evaporation.

Boring Abandonment

Following completion of soil sampling, the soil borings will be abandoned by filling the annulus of the borehole with bentonite to within at least three feet of the ground surface and native soil to ground surface.

Chemical Analysis

The soil samples will be analyzed for the presence and concentration of nitrate/nitrogen (by dry weight) according to the appropriate environmental Protection Agency (EPA) and/or California/United States Geological Survey (USGS) methods. The actual analytical methods performed on the samples will be presented in the laboratory reports.

Chain of Custody

Upon collection of a sample to be analyzed in the laboratory, a chain of custody log is initiated. The chain of custody log includes the following information: project, work order number, shipped by, shipped to, project manager, sampling point, location, field identification number, date taken, sample type, number of containers, analysis required and sampler's signature.

The chain of custody log is delivered with the samples to the laboratory. Upon arrival at the laboratory, the samples are checked in and custody of the samples signed over to the appropriate laboratory personnel. A copy of the custody log is submitted to the project manager.

Quality Assurance/Quality Control (QA/QC)

QA/QC manuals are available at AET offices for your review.

Staffing

We anticipate that Roger Hodson will be the Project Manager for this project. The Project Manager will be assisted by the balance of the Rapid City office staff.

Reporting

Laboratory results and soil boring logs will be prepared and submitted.

ATTACHMENT B
COST ESTIMATE, TERMS OF PAYMENT AND CLOSING REMARKS

The scope of work listed in this proposal will be performed and compensated for on a time and materials basis and our "General Terms and Conditions." A copy of the Cost estimate and "General Terms and Conditions" is attached.

If conditions at the site require that AET provide services beyond the scope of this proposal or in excess of the above estimates, the additional services will require additional approval and will be charged according to the attached rates.

Our efforts will be directed at performing the work and accomplishing the objectives defined within the estimated cost and schedule proposed. The estimated cost and schedule are based on our judgment of the requirements known at the time of the proposal. The successful completion within cost and schedule limits can be influenced – favorably or adversely – by changes in work scope and schedules as indicated by your needs and presently unforeseen circumstances. We will notify you in advance if scheduled costs are expected to exceed the estimate. In such events, you may wish to 1) authorize additional funds to complete the work as originally defined, 2) re-defined the scope of work in order to fit the remaining funds, or 3) request that work be stopped at a specific expenditure level. If option 3 is chosen, we will turn over such data and results, and materials completed at the authorized level without further obligation or liability by either party except for payment for work performed.

**Cost Estimate - Direct Push Soil Sampling and analysis for Nitrate/Nitrogen (by dry weight)
9 Direct Push Borings to 16 Feet Below Grade**

Mobilization/Demobilization (Two-Man Crew)					
Project Preparation (loading/unloading)	1	hour	@	\$102.50	= \$ 102.50
Geoprobe Mileage (1 round trip, AET office to site)	25	miles	@	\$0.68	= \$ 17.00
Travel Time (1 round trip, AET office to site)	1.5	hours	@	\$102.50	= \$ 153.75
Sub Total - Mob/Demob					\$ 273.25
Advance, Sample and Abandon Direct Push Borings (9 DP's to 16 feet bgs)					
Geoprobe with Continuous Sampling	9	hours	@	\$150.00	= \$ 1,350.00
PVC Soil Sample Liners (4 per boring)	36	each	@	\$2.00	= \$ 72.00
Granular Bentonite	14	bags	@	\$6.10	= \$ 85.40
Sub Total - Advance Sample and Abandon DP Borings					\$ 1,507.40
Decontamination Between Boring Locations					
Clean Probe Rods/Samplers	2	hours	@	\$102.50	= \$ 205.00
SubTotal - Decontamination					\$ 205.00
Reporting and Project Management					
Letter Report (Lab Results and Soil Boring Logs)	4	hours	@	\$80.00	= \$ 320.00
Project Management	2	hours	@	\$80.00	= \$ 160.00
SubTotal - Reporting and Project Management					\$ 480.00
Laboratory Services					
Nitrate/Nitrogen (by dry weight)	45	each	@	\$41.00	= \$ 1,845.00
Sample Prep and Handling	1	hour	@	\$62.00	= \$ 62.00
SubTotal - Laboratory Services					\$ 1,907.00
TOTAL¹					\$ 4,372.65

¹ Total does not include state and local sales tax, if applicable.

Cost Estimate - Hollow Stem Auger (HSA) Soil Sampling and analysis for Nitrate/Nitrogen (by dry.wt.)
9 HSA borings to 16 Feet Below Grade

Mobilization/Demobilization (Two-Man Crew)						
Project Preparation (loading/unloading)	1	hour	@	\$102.50	=	\$ 102.50
Drill Rig Mileage (1 round trip, AET office to site)	25	miles	@	\$1.14	=	\$ 28.50
Pickup Mileage (1 round trip, AET office to site)	25	miles	@	\$0.68	=	\$ 17.00
Travel Time (1 round trip, AET office to site)	1.5	hours	@	\$102.50	=	\$ 153.75
Sub Total - Mob/Demob						\$ 301.75
Advance, Sample and Abandon Direct Push Borings (9 DP's to 16 feet bgs)						
4.25" HSA with Continuous Sampling	9	hours	@	\$150.00	=	\$ 1,350.00
Granular Bentonite (8 bags/boring)	72	bags	@	\$6.10	=	\$ 439.20
Sub Total - Advance Sample and Abandon DP Borings						\$ 1,789.20
Decontamination Between Boring Locations						
Steam Clean Auger/Samplers	2	hours	@	\$102.50	=	\$ 205.00
Decontamination Trailer/Steam Cleaner Rental	1	day	@	\$80.00	=	\$ 80.00
SubTotal - Decontamination						\$ 285.00
Reporting and Project Management						
Letter Report (Lab Results and Soil Boring Logs)	4	hours	@	\$80.00	=	\$ 320.00
Project Management	2	hours	@	\$80.00	=	\$ 160.00
SubTotal - Reporting and Project Management						\$ 480.00
Laboratory Services						
Nitrate/Nitrogen (by dry weight)	45	each	@	\$41.00	=	\$ 1,845.00
Sample Prep and Handling	1	hour	@	\$62.00	=	\$ 62.00
SubTotal - Laboratory Services						\$ 1,907.00
TOTAL¹						\$ 4,762.95

¹ Total does not include state and local sales tax, if applicable.

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RAPID CITY WATER RECLAMATION FACILITY
RAPID VALLEY, SOUTH DAKOTA**

March 25, 2005

AUTHORIZATION

FOR THE CLIENT:

Client: _____

Authorized Signature: _____

Typed Name: _____

Title: _____

Date: _____

ACCEPTANCE

FOR AMERICAN ENGINEERING TESTING, INC:

Authorized Signature: *Roger B. Hodson*

Typed Name: Roger B. Hodson

Title: Senior Environmental Project Manager

Date: 4/27/05

BLS

**PROPOSAL FOR
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March 25, 2005

AUTHORIZATION

FOR THE CLIENT:

Client: _____

Authorized Signature: _____

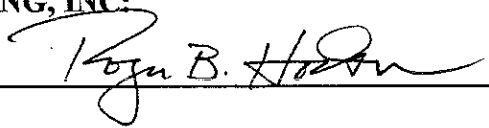
Typed Name: Roger B. Hodson

Title: Senior Environmental Project Manager

Date: _____

ACCEPTANCE

FOR AMERICAN ENGINEERING TESTING, INC:

Authorized Signature: 

Typed Name: Roger B. Hodson

Title: Project Manager

Date: 4/27/05

BLS