



AUTHORIZATION AND AGREEMENT FOR SERVICES

Date: _____

CLIENT-OWNER-INFORMATION

Name: City of Rapid City

Billing Address: 300 6th Street City/State: Rapid City, South Dakota Zip Code: 57701-2724

Contact Person/Title: Dave LaFrance, Proj Mgr Phone: 394-4154 Fax: 394-6636

Project Date: _____ Project Title: Low Level Water Reservoir Interconnection
City of Rapid City Project W04-1374

Scope of Services: Engineering design services for interconnecting piping between these two
water tanks (refer to the more detailed Scope of Work).

Job Location - City: Rapid City, S.D. County: Pennington
Estimated/Firm Completion Date: April 15, 2004 (approximate completion date for the Design
Phase -- see Agreement)

Contract Amount: Maximum Limiting Fee of \$9975.00

CLIENT AGREES TO THE GENERAL TERMS AND CONDITIONS ATTACHED WHICH ARE APART OF THIS AGREEMENT. PLEASE READ, SIGN AND RETURN TWO COPIES TO THE ABOVE ADDRESS. WORK WILL NOT COMMENCE OR BE SCHEDULED UNTIL SIGNED AND COPIES RETURNED. THIS INSTRUMENT SHALL NOT CONSTITUTE AN AGREEMENT OR CONTRACT BETWEEN THE PARTIES UNTIL EXECUTED BY HKM ENGINEERING INC.

I HEREBY APPROVE AND ACCEPT THIS AGREEMENT AND HAVE RECEIVED COPY OF SAME.

Accepted: City of Rapid City, South Dakota

By: _____
Mayor

Date: _____

Attested: _____
City Finance Officer

Date: _____

Accepted: Engineering Division

By: D.A. LaFrance
Project Manager

Date: 4 MARCH 2004

Accepted by HKM Engineering:

By: Jeff B. Fuller
Jeff B. Fuller, P.E., Region Manager

Date: 4 MARCH 2004

HKM ENGINEERING INC. Sheridan, Wyoming

STANDARD AGREEMENT FOR PROFESSIONAL SERVICES

ATTACHMENT 1

HKM Office Address 16 West 8th Street, P.O. Box 7010, Sheridan, WY 81802
 Project Name Low Level Water Reservoir Interconnection (W04-1372) Project Number _____
 Client The City of Rapid City
 Address 300 6th Street, Rapid City, South Dakota 57701-2724

CLIENT Requests and authorizes HKM to perform the following services:

SCOPE: As per Attachment 2 -- Scope of Services

COMPENSATION by the CLIENT to HKM to be on the basis of a not to exceed lump sum amount, including all
time and materials, of \$9975 without written authorization from the City,
Copies of HKM Engineering insurance coverages were previously provided.

Services covered by this AGREEMENT will be performed in accordance with the attached PROVISIONS and any attachments or schedules. This AGREEMENT supersedes all prior agreements and understandings and may only be changed by written amendment executed by both parties.

PROVISIONS

1. AUTHORIZATION TO PROCEED

Execution of this **AGREEMENT** by the **CLIENT** will be authorization for **HKM** to proceed with the work, unless otherwise provided for in this **AGREEMENT**.

2. SALARY COSTS

HKM'S SALARY COSTS, when the basis of compensation, are the amount of wages or salaries paid **HKM** employees for work directly performed on **CLIENT'S** project plus a percentage of all such wages or salaries to cover all payroll related taxes, payments, premiums, and benefits.

3. DIRECT EXPENSES

HKM DIRECT EXPENSES, when part of the basis of compensation, are those costs incurred on, or directly for the **CLIENT'S PROJECT**, including, but not limited to, necessary transportation costs, including current rates for **HKM** vehicles, meals and lodging, laboratory test and analyses; computer services, word processing services; telephone; printing; binding, and reproduction charges; all costs associated with outside consultants, subconsultants, subcontractors, and other outside services and facilities; and other similar costs. Reimbursement for **DIRECT EXPENSES** will be on the basis of actual charges when furnished by commercial sources and on the basis of current rates when furnished by **HKM**.

4. COST OPINIONS

Any cost opinions or **PROJECT** economic evaluations provided by **HKM** will be on a basis of experience and judgment, but, since it has no control over market conditions or bidding procedures, **HKM** cannot warrant that bids, ultimate construction cost, or **PROJECT** economics will not vary from these opinions.

5. STANDARD OF CARE

The standard of care applicable to **HKM** services will be the degree of skill and diligence normally employed by professional engineering or consultants performing the same or similar services at the time **HKM** services are performed. **HKM** will reperform any services not meeting this standard without additional compensation.

6. TERMINATION

This **AGREEMENT** may be terminated for convenience on 30 day's written notice, or for cause if either party fails substantially to perform through no fault of the other and does not commence correction of such nonperformance within five days of written notice and diligently complete the correction thereafter. On termination, **HKM** will be paid for all authorized work performed up to the termination date plus termination expenses, such as, but not limited to, reassignment of personnel, subcontract termination costs, and related closeout costs. If no notice of termination is given, relationships and obligations created by this **AGREEMENT** except **ARTICLE B**, will be terminated upon completion of all applicable requirements of this **AGREEMENT**.

7. PAYMENT TO HKM

Monthly invoices will be issued on a predetermined schedule by **HKM** following the month in which the work was performed under this **AGREEMENT**. Invoices are due and payable upon receipt. Interest at a rate of 1½ percent per month, or that permitted by law if lesser, will be charged on all past-due amounts starting 30 days after date of invoice. Payments will first be credited to interest and then to principal.

In the event of a dispute or contested billing, only that portion so contested will be withheld from payment, and the undisputed portion will be paid. The **CLIENT** will exercise reasonableness in contesting any bill or portion thereof. No interest will accrue on any contested portion of the billing until mutually resolved.

8. SEVERABILITY AND SURVIVAL

If any of the provisions contained in this **AGREEMENT** are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability and indemnities shall survive termination of this **AGREEMENT** for any cause.

9. REUSE OF DOCUMENTS

All designs, drawings, specifications, documents, and other work products of **HKM** are instruments of service for this **PROJECT**, whether the **PROJECT** is completed or not. Reuse by the **CLIENT**, or by others acting through or on behalf of the **CLIENT** of any such instruments of service without the written permission of **HKM** will be at the **CLIENT'S** sole risk. The **CLIENT** agrees to indemnify and defend **HKM** from all claims, damages, losses, and expenses, including, but not limited to, direct, indirect, or consequential damages and attorney's fees, arising out of or related to such unauthorized reuse.

10. INDEMNIFICATION

HKM shall, indemnify and hold harmless the **CLIENT** from and against any and all claims, demands, or actions from damages to property or injury to persons or other damage to persons or entities arising out of, or resulting from, the performance of this Contract or the results of this Contract, provided such damage to property or injury to persons is due solely to the error, act, omission, or negligent act of **HKM** or any of its employees.

CLIENT shall, indemnify and hold harmless **HKM** from and against any and all claims, demands, or actions from damages to property or injury to persons or other damage to persons or entities arising out of, or resulting from, the performance of this Contract or the results of this Contract, provided such damage to property or injury to persons is due solely to the error, act, omission, or negligent act of **CLIENT** or any of its employees.

11. SOUTH DAKOTA LAW AND VENUE

The parties agree that any action at law, suit in equity, or judicial proceeding for the enforcement of this **AGREEMENT** or any provision thereof shall be instituted only in the courts of the **STATE OF SOUTH DAKOTA**, and it is mutually agreed that this **AGREEMENT** shall be governed by the laws of the **STATE OF SOUTH DAKOTA**, both as to interpretation and performance.

12. NO THIRD PARTY BENEFICIARIES

This **AGREEMENT** gives no rights or benefits to anyone other than the **CLIENT** and **HKM** and has no third party beneficiaries.

HKM services are defined solely by this **AGREEMENT**, and not by any other contract or **AGREEMENT** that may be associated with the **PROJECT**.

Attachment #2
Low Level Water Reservoir Interconnection (W04-1374)
City of Rapid City

Scope of Engineering Services

HKM Engineering will provide the following engineering design services on this project:

1. Attend an initial meeting in Rapid City to go over the project and visit the site. The site visit will include both the project surveyor and representatives of the City to discuss the piping and valving at the tanks, and the operation of the two tanks. This site visit will determine the extent of the mapping required and provide a better understanding of how the water system works around the two tanks.
2. Survey the site and development of mapping for use in design (a subconsultant will do this work).
3. Review the design flows and other criteria, such as the estimated maximum flow through interconnecting piping and any other flow data provided by the City.

The City will provide estimated pumped flows from the water plant that occur currently during peak usage times, which can result in one tank overflowing while the other is not yet full. We also will review the City Standards Specifications for use on this project. If possible, the Standards Specifications will be used, however we may also make recommendations to any modifications to these specifications if we believe appropriate for this project.

4. Conduct hydraulic calculations based on criteria provided in the previous item, to determine the recommended pipe size that will be designed. We will also consider whether an automatic valve, such as flow control valve or an altitude valve is required in this piping (we don't anticipate this will be the case). Isolation valves will also be included in the design. We will consider the layout of the existing piping and its reported condition. We will design for the possibility of replacing some of this existing piping from the closest points of connection back toward the tanks. This piping is old iron pipe and may need to be replaced due to corrosion. The determination as to whether to replace this or not will probably not be made until construction and the piping is exposed, since it is quite deep. However the design will be prepared based on this possibility. If the piping is found to be in good condition, the connections to the existing piping can be made at locations that are most convenient, with the least amount of new piping.
5. Design the connection. This will include pipe, connection points, isolation valves, and possibly automatic valves.

6. Prepare design drawings. Drawings will include both plan and profile sheets and details. Also prepare the project specifications, and a Project Manual if it appears the project will go out to bid.
7. Following in-house reviews, provide the drawings and Project Manual to the City for review. An additional copy will be provided should Rapid City want to also send these documents on to the State regulatory agency (DNR) for review.
8. Once review comments are received from the City and state, incorporate the comments and submit the final documents.

Additional services can be negotiated and provided as necessary. These may include responding to questions during bidding, and services during construction.

The services through the submittal of the design to the City for their review, will be provided within 30 days of the Notice to Proceed. Revisions following review comments will be provided within one week of the receipt of the comments.

This Scope of Work is based on the following assumptions:

- HKM will subcontract with a local surveyor for the needed mapping.
- The City will provide their criteria (design flows) for the project and copies of their maps of the site.
- No geotechnical investigation is required. If it is determined one is needed, this will be through the contract between the City and ATS. A geotechnical investigation could delay the project. At this time it is believed a geotechnical investigation should only be needed if there appears to be slope stability issues, or if a bore log is needed to better classify the soil to identify whether rock or other obstructions may be encountered.
- No electrical design will be needed.
- Hydraulic modeling using the computer model of this water system is not necessary.
- PVC pipe (per AWWA C905) will be allowable. The design of cathodic protection will be included under #5 above, however this is more for the valves and fittings than ductile iron piping.
- It will be possible to take each tank down (one at a time) during the installation of the pipe, should it be necessary to replace an existing isolation valve or otherwise have the tank down. The need for this will depend on how the connections are being made.

End of Attachment #2

**HKM Engineering
March 3, 2004**

**Hourly Rates and Reimbursable Expenses for any Additional
Work under this Agreement**

**Low Level Water Reservoir Interconnection (W04-1374)
Rapid City, South Dakota**

RATE SCHEDULE

LABOR	HOURLY RATE
Clerical	\$45.00
Technical	\$47.00
Senior Technician	\$54.00
Staff Engineer (E.I.T.)	\$67.00
Staff Professional Engineer	\$75.00
Senior Professional Engineer	\$90.00
Project Manager	\$105.00
Principal	\$115.00
EXPENSES	
Mileage and Vehicle Charges	\$3.00/hr. plus \$0.40/Mile
Subconsultants	At Cost
Special Items or Outside Costs	At Cost
Note: Phone, fax, email, postage, routine supplies and routine copying are included in above hourly rates.	

Rates are subject to adjustment after October 1, 2004.