

**SHORT ELLIOTT HENDRICKSON INC.
AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is effective as of December 18, 2001 (Effective Date) between City of Rapid City, South Dakota (Owner) and Short Elliott Hendrickson Inc. (SEH). This Agreement consists of: Agreement for Professional Services, Exhibit A (optional), Exhibit B the Owner's Responsibilities, Exhibit C-1 for Hourly Payments, Exhibit C-2 for Lump Sum Payments. Whereas SEH uses a series of exhibits to describe the methods of payment for its services (C-1, C-2, etc.), this Agreement refers to those exhibits collectively as Exhibit C. Individual projects will be described in the Supplemental Letter Agreements with the appropriate exhibits cited.

By entering into this Agreement, Owner agrees to utilize the professional services of SEH and SEH agrees to provide the professional services described in this Agreement.

This Signature Page, the Agreement and Exhibits along with any Supplemental Letter Agreements represent the entire understanding between Owner and SEH with respect to the services to be provided by SEH and may only be modified in writing signed by both parties. In the event of any conflict between the documents listed above as part of this Agreement, the Agreement for Professional Services shall govern over all other documents with Exhibit B, Supplemental Letter Agreements and Exhibit A following in order of precedence.

SHORT ELLIOTT HENDRICKSON INC.
Butler Square Building
Suite 710C
100 North Sixth Street
Minneapolis, MN 55403-1505

CITY OF RAPID CITY, SOUTH DAKOTA
300 Sixth Street
Rapid City, South Dakota, 57701

By: Michael A. Wozniak
Michael A. Wozniak AICP
Senior Planner

By: [Signature]
Title: Mayor 12-17-01

By: [Signature]
Title: TREASURER

By: _____
Title: _____

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[Signature]

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE
[Signature] 12-27-01
Attorney Date

SHORT ELLIOTT HENDRICKSON INC.
AGREEMENT FOR PROFESSIONAL SERVICES

SECTION I – SERVICES OF SEH

A. GENERAL

1. SEH agrees to perform professional services as hereinafter stated and as set forth in Exhibit A and/or the Supplemental Letter Agreement.
2. SEH shall serve as the Owner's professional representative and provide all engineering, architectural, environmental and planning services to which this Agreement applies, and shall give consultation and professional advice to the Owner during the performance of its services, to the extent agreed upon and stated in Exhibit A and/or the Supplemental Letter Agreement.

B. SERVICE NOT PROVIDED

1. Owner acknowledges SEH will not direct, supervise or control the work of contractors or their subcontractors, nor shall SEH have authority over or responsibility for the contractors means, methods, or procedures of construction. SEH's services do not include review or evaluation of the Owner's, contractor's or subcontractor's safety measures, or job site safety.

SECTION II – THE OWNER'S RESPONSIBILITY

A. GENERAL

1. Owner shall have the responsibilities set forth herein and in Exhibit B.

SECTION III – PERIOD OF SERVICES

A. GENERAL

1. SEH's services and compensation under this Agreement have been agreed to in anticipation of the orderly and continuous progress of the services to be provided. Unless specific periods of time or specific dates for providing services are specified in this Agreement, SEH's obligation to render services hereunder will be for a period which may reasonably be required for the completion of said services.
2. If in this Agreement specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided, and if such periods of time or dates are changed through no fault of SEH, the rates and amounts of compensation provided for herein shall be subject to equitable adjustment. If Owner has requested changes in the scope, extent, or character of the Project or the services to be provided by SEH, the time of performance of SEH's services shall be adjusted equitably.
3. For purposes of this Agreement the term "day" means a calendar day of 24 hours.

B. AGREEMENT TO CONTINUE

Unless sooner terminated as provided in Paragraph V.I. this Agreement shall remain in force:

1. For a period which may reasonably be required to complete the services authorized by the Owner, including extra services and any required extension thereto, or

C. SUSPENSION

1. If Owner fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, or if SEH's services are delayed through no fault of SEH, SEH may, after giving seven days written notice to Owner, suspend services under this Agreement.
2. If SEH's services are delayed or suspended in whole or in part by Owner, or if SEH's services are delayed by actions or inactions of others for more than 90 days through no fault of SEH, SEH shall be entitled to equitable adjustment of rates and amounts of compensation provided for elsewhere in this Agreement to reflect reasonable costs incurred by SEH in connection with, among other things, such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised.

SECTION IV – OPINIONS OF COST

A. OPINIONS OF PROBABLE CONSTRUCTION COST

1. If requested in Exhibit A, SEH may provide an opinion of construction cost. SEH's opinions of Project Cost provided for herein are to be made on the basis of SEH's experience and qualifications and represent SEH's best judgement as a professional generally familiar with the industry. However, since SEH has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor's methods of determining prices, or over competitive bidding or market conditions, SEH cannot and does not guarantee that proposals, bids or actual Construction Cost will not vary from opinions of Construction Cost prepared by SEH. If Owner wishes greater assurance as to probable Construction Cost, Owner shall employ an independent cost estimator as provided in Exhibit B.
2. SEH assumes no responsibility for the accuracy of opinions of Total Project Costs.

B. DESIGNING TO CONSTRUCTION COST LIMIT

1. If a construction cost limit for a project is established between Owner and SEH, such construction cost limit and a statement of SEH's rights and responsibilities with respect thereto will be specifically set forth in the Supplemental Letter Agreement related to that project.

SECTION V – GENERAL CONSIDERATIONS

A. STANDARDS OF PERFORMANCE

1. The standard of care for all professional planning, engineering and related services performed or furnished by SEH under this Agreement will be the care and skill ordinarily used by members of SEH's profession practicing under similar circumstances at the same time and in the same locality. SEH makes no warranties, express or implied, under this Agreement or otherwise, in connection with SEH's services.

2. SEH shall serve as Owner's prime professional and shall perform or furnish all professional engineering, architectural, environmental, planning and related services to which this Agreement applies. SEH may employ such Consultants as SEH deems necessary to assist in the performance or furnishing of the services. SEH shall not be required to employ any Consultant unacceptable to SEH.
3. SEH shall not be required to sign any documents, no matter by whom requested, that would result in SEH having to certify, guarantee or warrant the existence of conditions whose existence SEH cannot ascertain. Owner agrees not to make resolution of any dispute with SEH or payment of any amount due to SEH in any way contingent upon SEH's signing any such certification.
4. SEH neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the work in accordance with the Contract Documents.
5. SEH shall not be responsible for the acts or omissions of any Contractor(s), subcontractor or supplier, or of any of the Contractor's agents or employees or any other persons (except SEH's own employees) at the site or otherwise furnishing or performing any of the Contractor's work; or for any decision made on interpretations or clarifications of the Contract Documents given by Owner without consultation and advice of SEH.
6. The General Conditions for any construction contract documents prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by the Engineers Joint Contract Documents Committee (Document No. 1910-8, 1996 Edition) unless both parties mutually agree to use other General Conditions.

B. AUTHORIZED PROJECT REPRESENTATIVES

1. Contemporaneous with the execution of this Agreement, SEH and Owner shall designate specific individuals to act as SEH's and Owner's representatives with respect to the services to be performed or furnished by SEH and responsibilities of Owner under this Agreement. Such individuals shall have authority to transmit instructions, receive information, and render decisions relative to the Project on behalf of each respective party.

C. INDEMNIFICATION

1. Notwithstanding the Scope of Services to be provided by SEH pursuant to this Agreement, it is understood and agreed that SEH is not a user, handler, generator, operator, treater, storer, transporter or disposer of hazardous or toxic substances, pollutants or contaminants as any of the foregoing items are defined by Federal, State and/or local law, rules or regulations, now existing or hereafter amended, and which may be found or identified on any Project which is undertaken by SEH.

The Owner agrees to hold harmless, indemnify and defend SEH and SEH's officers, subconsultant(s), employees and agents from and against any and all claims, losses, damages, liability and costs, including but not limited to costs of defense, arising out of or in any way connected with, the presence, discharge, release, or escape of hazardous or toxic substances, pollutants or contaminants of any kind, except that this clause shall not apply to such liability as may arise out of SEH's sole negligence in the performance of services under this Agreement arising from or relating to hazardous or toxic substances, pollutants, or contaminants specifically identified by the Owner and included within SEH's services to be provided under this Agreement.

2. To the fullest extent permitted by law, SEH shall indemnify and hold harmless Owner, Owner's officers, directors, partners and employees from and against any and all costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals, and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of SEH or SEH's officers, directors, partners, employees and SEH's Consultant in the performance and furnishing of SEH services under this Agreement.
3. To the fullest extent permitted by law, Owner shall indemnify and hold harmless SEH, SEH's officers, directors, partners, employees, and SEH's Consultants from and against any and all costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals, and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of Owner or Owner's officers, directors, partners, employees and Owner's Consultants with respect to this Agreement or the Project.
4. SEH's total liability to Owner and anyone claiming by, through or under Owner for any cost, loss or damages caused in part by the negligence of SEH and in part by the negligence of Owner or any other negligent entity or individual, shall not exceed the percentage share that SEH's negligence bears to the total negligence of Owner, SEH and all other negligent entities and individuals.

D. REUSE OF DOCUMENTS

1. All documents, including computer software, drawings, and specifications, prepared by SEH pursuant to this Agreement are instruments of service with respect to the Project. They are not intended or represented to be suitable for reuse by the Owner or others on extensions of the Project or on any other project. Any reuse without written consent or adaptation by SEH for the specific purpose intended will be at the Owner's sole risk and without liability or legal exposure to SEH; and the Owner shall defend, indemnify and hold harmless SEH from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting from reuse of SEH documents without written consent.
2. The Owner and SEH agree that any CADD or GIS files prepared by either party shall conform to the specifications of the systems and technology currently being utilized by SEH. The electronic files submitted by SEH to the Owner are submitted for an acceptance period of thirty (30) days. The Owner agrees it will perform any acceptance tests or procedures within 30 days. Any defects the Owner discovers during this period will be reported to SEH and will be corrected as part of the SEH scope of services. Correction of defects detected and reported after the acceptance period will be compensated for as Additional Services as described in Exhibit C.

Under no circumstances shall transfer of the drawings and other instruments of service on electronic media for use by the Owner be deemed a sale by SEH and SEH makes no warranties, either expressed or implied, of merchantability and fitness for any particular purpose.
3. Copies of Documents that may be relied upon by Owner are limited to the printed copies (also known as hard copies) that are signed or sealed by SEH. Files in electronic media format of text, data, and graphics or of other types that are furnished by SEH to Owner are only for convenience of Owner. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk.
4. When transferring documents in electronic media format, SEH makes no representations as to long term compatibility, usability or readability of documents resulting from the use of software application packages, operating system or computer hardware differing from those used by SEH at the beginning of the Project.

5. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.
6. Any verification, reuse, or adaptation of the Documents for extensions of the Project or for any other project will entitle SEH to further compensation at rates to be agreed upon by Owner and SEH.

E. DISPUTE RESOLUTION

1. In an effort to resolve any conflicts that arise during the design or construction of the Project or following the completion of the Project, the Owner and SEH agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation unless the parties mutually agree otherwise.
2. The Owner and SEH further agree to include a similar mediation provision in all agreements with independent contractors and consultants retained for the Project and to require all independent contractors and consultants also to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators so retained, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements.

F. ASSIGNMENT

1. Neither party to this Agreement shall transfer, sublet, assign any rights under or interests in this Agreement without the prior written consent of the other party.

G. INSURANCE

1. SEH shall secure and maintain such insurance as SEH deems necessary or appropriate to protect SEH from claims under Workmen's Compensation, accidents or claims for bodily injury, death or property damage which may arise from the performance of SEH services under this Agreement.
2. Owner shall require Contractor to purchase and maintain general liability and other insurance as specified in the Contract Documents and to cause SEH and SEH's Consultants to be listed as additional insureds with respect to such liability and other insurance purchased and maintained by Contractor for the Project.
3. All policies of property insurance shall contain provisions to the effect that SEH's and SEH's Consultants' interests are covered and that in the event of payment of any loss or damage the insurers will have no rights of recovery against any of the insureds or additional insureds thereunder.
4. At any time, Owner may request that SEH, at Owner's sole expense, provide additional insurance coverage, increased limits or revised deductibles that are more protective than those being provided. If so requested by Owner, with the concurrence of SEH, and if commercially available, SEH shall obtain and shall require SEH's Consultants to obtain such additional insurance coverage, different limits or revised deductibles for such periods of time as requested by Owner.

H. TERMINATION

1. This Agreement may be terminated by either party upon seven days written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination. In the event of termination SEH shall be compensated for services performed to termination date, including charges for expenses and equipment costs then due and all termination expenses.

I. CONTROLLING LAW

1. This Agreement is to be governed by the law of the state in which the Project is located.

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EXHIBIT A
TO
AGREEMENT FOR PROFESSIONAL SERVICES
Between Rapid City, South Dakota (Owner)
and
Short Elliott Hendrickson Inc. (SEH)
Dated December 18, 2001

SEH's SERVICES

The Owner intends to retain SEH to provide professional engineering, architectural, environmental and/or planning services as may be directed by the Owner, and the Owner and SEH deem it mutually advantageous to set forth the general details described herein.

SCOPE OF SERVICES

A. Description of Services

Services performed by SEH will be planning services for the Master Plan for Telecommunication Facilities and Plan Review Serviced.

B. Basic Service to be provided by SEH.

SEH agrees to carry out the following work plan and schedule, as outlined in the following attachments.

- Scope of Work.
- Major Tasks Hours.
- Project Schedule.
- Project Fees.

This work will be completed in consultation with the Rapid City Officials and within the context of a public participation program. SEH will complete the Master Plan for Telecommunication Facilities by April 5, 2002.

Scope of Work

1. **Initiate Telecommunications Facilities Master Planning Process**

Subtasks to be completed under this major task will enable SEH and the City to initiate the Telecommunications Facilities Master Planning Process.

 - 1.1 Meet with City Staff to identify key issues and to research existing facilities.
 - 1.2 Contact or meet with Rapid City Regional Airport Officials, Ellsworth Air Force Base Officials, and Pennington County Planning Department Personnel to coordinate telecommunications planning and regulatory approach.
 - 1.3 Tour City and surrounding area to document existing telecommunication facilities.

2. **Preliminary Phase.**

Detailed project research and analysis will be completed under this major project task. In addition an open house will be held to solicit public input early in the planning process.

 - 2.1 Review City's Comprehensive Plan and Zoning Ordinance & Zoning Map.
 - 2.2 Identify sensitive land areas due to aesthetic impact and compatibility with existing use.
 - 2.3 Review/Identify sites of existing telecommunications towers within City.
 - 2.4 Evaluate compatibility of existing facilities for co-location.
 - 2.5 Meet with telecommunication providers and identify facility needs and growth plans.
 - 2.6 Conduct an open house with the general public to identify and address public comments and concerns.

3. **Prepare Master Plan for Telecommunication Facilities**

The Master Plan product will be generated under this major project task. This task will also include meetings with the Planning Commission and City Council to review and solicit feedback on a preliminary draft of the Master Plan. A PowerPoint presentation will be development to present the preliminary plan.

 - 3.1 Prepare Telecommunications Facilities Planning Goals and Policies.
 - 3.2 Describe and map sites of existing telecommunication facilities.

- 3.3 Describe and map preferred areas for new telecommunications facilities.
- 3.5 Recommend steps for plan implementation including regulatory approach, administrative procedures, fees, lease agreements, etc.
- 3.6 Staff City Planning Commission Meeting to review preliminary master plan.
- 3.7 Staff City Council Meeting to review preliminary master plan.

4. Adoption of Master Plan

This task includes subtasks necessary to facilitate adoption of a Final Master Plan.

- 4.1 Make revisions to preliminary plan based on comments of City staff, Planning Commission and City Council.
- 4.2 Prepare ordinance for plan adoption.
- 4.3 Staffing of City Planning Commission Meeting to consider final Master Plan for Telecommunication Facilities.
- 4.4 Staffing of City Council meeting to consider final Master Plan for Telecommunication Facilities.

5. Assist City Staff with preparation of Telecommunication Ordinance.

- 5.1 Recommend specific Telecommunications Ordinance provisions.

6. Optional Planning Services to Review Individual Telecommunication Facility proposals during and after the adoption of the Master Plan. This task may include the following subtasks:

- 6.1 Site visits to research and analyze telecommunication facility proposals.
- 6.2 Preparation of Technical Memorandums to address conformance of telecommunication facility proposals with City Plans, Policies and Ordinances.
- 6.3 Presentation of recommendations to City Planning Commission and/or City Council.

Deliverable Products

- ◆ SEH will provide twenty (20) copies of the Master Plan.
- ◆ SEH will provide electronic versions of the Master Plan in Microsoft Word 97 and PDF file formats.
- ◆ SEH will provide plan maps in ArcView Shapefile format.

MASTER PLAN FOR TELECOMMUNICATION FACILITIES

WORK TASKS		Project Manager	Graduate Planner	Planning Intern	Construction Coordinator	Structural Engineer	GIS Specialist	Administrative	Graphics	Communication Consultant	TOTAL
1.0	Initiate Master Plan/Research										
1.1	Meeting with City Staff	2								2	4
1.2	Contact Key Public Officials	4	4								8
1.3	Tour City and Surrounding Area View Facilities	8								8	16
SEH Task 1.0 Total Hours		14	4	0	0	0	0	0	0	10	28
2.0	Preliminary Phase										
2.1	Review City Plans and Ordinances	4	4							2	10
2.2	Identify Sensitive Land Areas	4	4				4				12
2.3	Review/Identify Sites of Existing Telecommunication Facilities	4	4	2	2						12
2.4	Evaluate Compatibility of Existing Facilities for Co-location				2	4				10	16
2.5	Meet with Telecommunication Providers and Identify Facility Needs	4	4	2							10
2.6	Conduct Public Open House	8									8
SEH Task 2.0 Total Hours		24	16	4	4	4	4	0	0	12	68
3.0	Prepare Master Plan for Telecommunication Facilities										
3.1	Prepare Telecommunication Facilities Planning Goals and Policies	8	4	2			8				22
3.2	Describe and Map Existing Telecommunication Facilities	4	4	2	2		8			10	30
3.3	Describe and Map Preferred Areas for New Telecommunication Facilities	4	4	2	4		8				22
3.4	Recommend Steps for Plan Implementation	4	4								8
3.5	Staffing of Planning Commission Meeting to Review Preliminary Master Plan	8									8
3.6	Staffing of City Council Meeting to Review Preliminary Master Plan	8									8
SEH Task 3.0 Total Hours		36	16	6	6	0	24	0	0	10	98
4.0	Adoption of Master Telecommunications Plan										
4.1	Preparation of Final Draft of Master Plan	4	8	4				8	6		30
4.2	Preparation of Ordinance for Plan Adoption.	2									2
4.3	Staffing of City Planning Commission Meeting.	8									8
4.4	Staffing of City Council Meeting.	8									8
SEH Task 4.0 Total Hours		22	8	4	0	0	0	8	6	0	48
5.0	Assist in Finalizing Draft Telecommunications Ordinance										
5.1	Recommend Specific Telecommunication Ordinance Provisions	4									4
SEH Task 5.0 Total Hours		4								0	4
6.0	Optional Review of Individual Telecommunication Facility Proposals										
6.1	Site Visits to Research and Analyze Telecommunication Facility Proposals	Hours required to review Individual Telecommunication Facility Proposals shall be determined upon request of the City.									
6.2	Preparation of Technical Memorandums to Address Conformance of Proposed Telecommunication Facilities										
6.3	Presentation of Recommendations to City Planning Commission and/or City Council										
SEH Total Task Hours											

MASTER PLAN FOR TELECOMMUNICATIONS FACILITIES

SHORT ELLIOTT HENDRICKSON INC

Cost Estimate

City of Rapid City, South Dakota

SEH WORK TASKS		LABOR COST
1.0	Initiate Master Plan/Research	\$3,156
2.0	Preliminary Phase	\$6,295
3.0	Prepare Master Plan For Telecommunication Facilities	\$8,725
4.0	Adoption of Master Telecommunications Plan	\$3,689
5.0	Assist in Finalizing Draft Telecommunication Facilities Ordinance	\$421
6.0	Optional Review of Telecommunication Facilities Proposals	* *See below
Total Labor Cost		\$22,286
Total Expense Cost		\$4,185 *
Total Project Cost		\$26,471

The fees for labor and expenses for Work Tasks 1-5 will be invoiced monthly on the basis of actual hours spent at current billing rates and total reimbursable expenses up to a maximum fee of \$26,471 (per Exhibit C-1).

****Task 6: Optional Telecommunication Facility Review Services will be invoiced monthly on the basis of actual hours spent at current billing rates and total reimbursable expenses as outlined in Exhibit C-1. Fee estimates for labor and expenses for review of individual telecommunication facility proposals will be provided to the City upon request. The provision of optional proposal review services for individual telecommunication facilities shall be subject to authorization to proceed from the City of Rapid City.**

Project Schedule

Project Schedule and Itemized Work Hours

Availability to Meet Project Schedule

All Key project team members are available to perform the tasks identified in the Scope of Work. A breakdown of itemized work hours by project team member follows on the next page.

SEH has acquired a good standing reputation for delivering projects within a timely manner. We have an outstanding record at meeting project schedules.

Project Schedule

Task	Timetable for Completion
1. Initiate Plan Process	December 2001
2. Open House Public Workshop	January 2002
3. Complete Preliminary Phase	February 2002
4. Preparation of Master Plan	March 2002
5. Master Plan Adoption	April 2002
6. Review of Individual Telecommunication Facility Proposals	Upon request

EXHIBIT B
TO
AGREEMENT FOR PROFESSIONAL SERVICES
Between Rapid City, South Dakota (Owner)
and
Short Elliott Hendrickson Inc. (SEH)
Dated _____, 200__

OWNER'S RESPONSIBILITIES

A. GENERAL

The Owner's responsibilities related to the services to be provided by SEH are generally as listed in this Exhibit B. Modifications to these responsibilities shall be made through Supplemental Letter Agreements. The Owner shall:

1. Provide full information as to its requirements for the services to be provided by SEH and SEH shall be entitled to rely on the accuracy and completeness thereof.
2. Assist SEH by furnishing all available information pertinent to the services to be provided by SEH. All information available in electronic formats shall be provided in such formats suitable for use with current SEH systems and technology.
3. Guarantee access to and make all provisions for SEH to enter upon public and private lands as required for SEH to perform its services under this Agreement.
4. Provide such legal, accounting, financial and insurance counseling and other special services as may be required for the Project.
5. Give prompt written notice to SEH whenever the Owner observes or otherwise becomes aware of any changes in the Project or any defect in the services being provided by SEH or makes or wishes to make changes in the Project.
6. Furnish television inspection of sewers, land surveys, soil borings, laboratory tests, material tests, soil tests and other special items pertinent to the Project and the services provided by SEH.
7. Be responsible for the accuracy of all data consisting of, but not limited to, computations, as-built drawings, electronic data bases and maps furnished by the Owner. The costs associated with correcting, creating or recreating any data that is provided by the Owner that contains inaccurate or unusable information or is found to omit information necessary for SEH to perform its services are the responsibility of the Owner.
8. Promptly examine all studies, reports, sketches, opinions of construction costs, specifications, drawings, proposals and other documents presented by SEH and render the necessary decisions and instructions so SEH may continue in a timely manner to provide the services necessary for completion of the Project.
9. Pay all costs incidental to advertising for bids and acquiring regulatory or review agencies' permits and/or approvals.

10. Designate a person to act as Owner's representative with respect to SEH's service to be performed; such person shall have complete authority to transmit instructions, receive information, and interpret and define the Owner's policies and decisions with respect to service covered by this Agreement.
11. Furnish or instruct SEH to provide, at the Owner's expense, additional services that become necessary to complete the work called for in this Agreement or to complete work added to the Project by the Owner or others and not related to the agreed responsibilities of SEH.
12. Furnish to SEH, prior to any performance of services by SEH, a copy of any design and construction standards and comprehensive plans which the Owner shall require SEH to follow or incorporate into its work.
13. Act promptly to review and approve or reject all proposed Change Orders and/or Supplemental Agreements.
14. Employ and pay the costs for an independent cost estimator as provided in Section IV.A. of the Agreement.
15. Bear all costs incidental to compliance with the requirements of this Exhibit B.
16. Prior to commencement of construction of a project, Owner shall notify SEH of any notice or certification that SEH will be requested to provide to Owner or third parties in connection with the project. Owner and SEH shall reach agreement on the terms of any such requested notice or certification, and Owner shall authorize such Additional Services as are necessary to enable SEH to provide the notices or certifications requested.

B. ASSUMPTION OF RISKS

The Owner and SEH agree that the risks of the Project and the costs related to those risks remain with the Owner or with others and that SEH does not assume any risks that are not specifically called out in the Agreement.

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EXHIBIT C-1
TO
AGREEMENT FOR PROFESSIONAL SERVICES
Between City of Rapid City, South Dakota (Owner)
and
Short Elliott Hendrickson Inc. (SEH)
Dated _____

PAYMENTS TO SEH FOR SERVICES AND EXPENSES
USING THE HOURLY BASIS OPTION

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

A. HOURLY BASIS OPTION

The Owner and SEH select the hourly basis for payment for services provided by SEH. SEH shall be compensated monthly. Monthly charges for services shall be based on SEH's current billing rates for applicable employees plus charges for expenses and equipment. Current billing rates shall be either the Rate Table Method or Actual Billing Rates of Personnel Method as indicated in the Supplemental Letter Agreement.

1. **Rate Table Method** – Current billing rates for employees shall be those listed on a standard rate table submitted and approved as part of this Agreement. The employee rates in the approved rate tables shall include the cost of computers and cellular phones. The cost of other expenses and equipment shall be paid for as reimbursable expense as identified in Paragraphs B and C of this Exhibit C-1.

SEH will provide an estimate of the costs for services in this Agreement. It is agreed that after 90% of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10% of the estimated compensation, SEH will notify the Owner and confer with representatives of the Owner to determine the basis for completing the work. It is agreed that the total compensation to be paid to SEH to complete work tasks 1 –5 (see exhibit A-Scope of Work) will not exceed the estimated amount of \$26,471, including all expenses and cost., without prior written authorization of the Rapid City - City Council.

Compensation to SEH based on the Rate Table Method is conditioned on completion of the work within the effective period of the rate table. Should the time required to complete the work be extended beyond this period, the rates in the Rate Table shall be appropriately adjusted.

B. OTHER PROVISIONS CONCERNING PAYMENTS

1. Invoices will be prepared in accordance with SEH's standard invoicing practices and will be submitted monthly to Owner by SEH, unless otherwise agreed.
2. Invoices are due and payable within 30 days of receipt. If Owner fails to make any payment due SEH for services and expenses within 30 days after receipt of SEH's invoice therefor, the amounts due SEH will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, SEH may, after giving seven days written notice to Owner, suspend services under this Agreement until SEH has been

paid in full all amounts due for services, expenses and other related charges. Payments will be credited first to interest and then to principal.

3. In the event of a disputed or contested invoice, only that portion so contested may be withheld from payment, and the undisputed portion will be paid.
4. Should such taxes, fees or costs be imposed, they shall be in addition to SEH's estimated total compensation.

C. EXPENSES

The following items involve expenditures made by SEH employees or professional consultants on behalf of the Owner. Their costs are not included in the hourly charges made for services and shall be paid for as described in this Agreement.

1. Transportation and travel expenses.
2. Lodging and meal expense.
3. Fees paid, in the name of the Owner, for securing approval of authorities having jurisdiction over the Project.
4. Report, plan and specification reproduction expenses.
5. Other special expenses required in connection with the Project.
6. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Owner shall pay SEH monthly for expenses.

D. EQUIPMENT UTILIZATION

The utilization of specialized equipment, including automation equipment, is recognized as benefitting the Owner. The Owner, therefore, agrees to pay the cost for the use of such specialized equipment on the project. SEH invoices to the Owner will contain detailed information regarding the use of specialized equipment on the project and charges will be based on the standard rates for the equipment published by SEH.

The Owner shall pay SEH monthly for equipment utilization.

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Hourly Billable Cost
Rate Table

Classification	Billable Cost
Project Manager/Senior Planner	\$105.17
Graduate Planner	\$52.07
Planning Intern	\$33.92
Construction Coordinator	\$93.04
Structural Engineer	\$87.14
GIS Specialist	\$77.88
Administrative Support Staff	\$60.18
Graphics Technician	\$56.99
Communication Consultant	\$147.50

These billable hourly rates are subject to adjustment as of January 1, 2002