

CONTRACT for SERVICES

Highway 44 and Elk Vale Watermain Loop Project W03-1248 CIP #50371

(DDI No. 06-0412)

**Prepared for:
City of Rapid City**

**Date:
March 3, 2006**

Dream Design International, Inc

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Rapid City, SD 57701

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DREAM DESIGN INTERNATIONAL, INC.

OWNER: City of Rapid City

ADDRESS: 300 Sixth Street
Rapid City, SD 57701-2724
Phone: (605) 394-4154 Fax: (605) 394-6636

ENGINEER: Dream Design International, Inc.
528 Kansas City Street
Rapid City, SD 57701
Phone (605) 348-0538 Fax (605) 348-0545

PROJECT: Highway 44 and Elk Vale Watermain Loop Project W03-1248 CIP #50371

SCOPE: Dream Design International, Inc., (DDI) agrees to provide professional engineering services to the OWNER according to the terms of this Agreement. Specifically, DDI will provide the services as described in the attached SCOPE OF SERVICES.

EXHIBITS: Provisions of this Agreement are attached hereto as SCOPE OF SERVICES and FEE SCHEDULE.

PAYMENT: Payment to DDI will be on the basis of labor and reimbursable expenses as defined in the attached PROVISIONS AND FEE SCHEDULE. The fee is for the project components and is estimated not to exceed the following:

- 1- Preliminary Design Phase = \$34,795
- 2- Design Phase = \$41,935
- 3- Construction Administration and Observation = \$41,250

Payment will be based upon the actual number of hours spent on the project, as documented by the ENGINEER and approved by the OWNER. Payment for Phase 1, 2 and 3 shall not exceed \$117,980.00 unless approved in writing, by the OWNER in advance of providing the service.

SITE ACCESS AND RIGHT OF ENTRY: OWNER will grant or obtain all necessary access and right of entry to properties involved in this contract to ENGINEER. OWNER further understands that some site damage may occur as vehicles and equipment enter and leave the site. ENGINEER shall have provisions within the construction documents, which require all parties to use caution and care to minimize damage in and around the site as well as on all access roads. The contractor under the contract documents will reclaim all areas damaged to a condition equal to that prior to construction.

CONTRACT TERMINATION: This agreement may be terminated by either party in the event that either party fails to fulfill its obligations as defined herein, through no fault of the terminating party, provided that the other party is given not less than 10 calendar days written notice of intent to terminate and an opportunity for consultation with the terminating party prior to termination.

If termination for default is requested by the OWNER, any payment due to the ENGINEER at the time of termination may be adjusted to cover any additional costs to the OWNER because of the ENGINEER'S default.

If termination for default is requested by the ENGINEER, the equitable adjustment shall include payment to the ENGINEER for services performed and expenses incurred up to the date of termination, in addition to termination settlement costs, reasonable costs and expenses incurred by the ENGINEER from commitment, which were made prior to the date of termination notice.

CANCELLATION OF WORK: The OWNER may, without being in default under this agreement, after giving the ENGINEER twenty (20) calendar days of advance written notice. In the event of such cancellation, the OWNER shall pay the ENGINEER all compensation earned up to the effective date of cancellation, as well as all reasonable costs and expenses incurred while winding down services and canceling performance of services under this agreement, including those related to commitments which had become firm prior to the date of the termination notice.

INSURANCE: ENGINEER'S liability to the OWNER for injury or damage to persons or property arising out of work performed for the OWNER and for which legal liability may be found to rest upon ENGINEER, other than professional errors and omissions, will be limited to ENGINEER'S general liability insurance coverage which ENGINEER maintains limits of at least \$1,000,000. For any damage on account of any error or omission or other professional negligence, ENGINEER'S liability will be limited to a sum not to exceed \$100,000 or the ENGINEER'S total fee on this project, whichever is greater.

ENGINEER and sub-consultants shall maintain workmen's unemployment compensation coverage, as well as public liability and property damage insurance, in amounts deemed adequate by ENGINEER. Certificates of insurance coverage shall be provided to OWNER upon written request.

PROVISIONS: The ENGINEER shall be held harmless by OWNER, or any other person, for use of any plans or drawings not signed by ENGINEER, or for use of plans or drawings on any project other than the one set forth in this Agreement. The ENGINEER shall not be held responsible for any changes not specifically approved by the ENGINEER, which are made on the plans, reports or specifications, by the OWNER or other person.

The OWNER agrees to indemnify and hold the ENGINEER harmless from any and all costs, liability, real or alleged, in connection with the performance of work on this project, except for any liability arising from the negligence of the ENGINEER.

TIME: DDI'S services will commence upon approval of this Agreement and a Notice to Proceed issued by OWNER. The following completion dates are predicted upon a Notice to Proceed being issued on, or before March 21, 2006.

Contract Negotiations Complete	March 3, 2006
Notice to Proceed with Design	March 21, 2006
Data Collection	April 11, 2006
Alignment Evaluation and Preliminary Design Report	May 2, 2006
95% Plans & Engineers Estimate Submittal	September 1, 2006
Final Plans & Specifications Complete	December 1, 2006
Bid Opening Date	January 30, 2007
Project Completion Deadline	September 28, 2007

DDI will make every effort to meet the agreed upon project schedule. However, City review schedule, changes in the scope of DDI's services, or other occurrences beyond DDI control may affect the actual performance of the work. If this is the case, DDI will notify OWNER of the situation.

The laws of the State of South Dakota shall govern this agreement.

This Agreement and said Exhibits may only be changed by written amendment executed by both parties. This Agreement, together with the Exhibits identified above and attached hereto, constitutes the entire agreement between the OWNER and DDI and supersedes all prior written and oral understandings. DDI's services are defined solely by this Agreement and not by any other contract or agreement which may be associated with this Project.

This Agreement will be effective _____, 2006.

Approved for the City of Rapid City (OWNER):

By: _____
Jim Shaw, Mayor
City of Rapid City, South Dakota

Date: _____

By: _____
James F. Preston, Finance Officer
City of Rapid City, South Dakota

Date: _____

Accepted for Dream Design International, Inc. (DDI):

By: Hani Shafai
Hani Shafai, President

Date: 3-3-06

SCOPE OF SERVICES

PRELIMINARY DESIGN PHASE

Data Collection

Preliminary design for the Project includes meeting with City staff to detail the project concept and scope, reviewing background information contained in the Project Description, determining horizontal and vertical alignment, designing the water main to sustain an expected useful life of 75 years, determining the effect of the project on existing traffic, preparing a preliminary opinion of probable construction cost, and designing corrosion protection if required by the geotechnical investigation.

The Project area will be topographically surveyed within the right-of-way, including water main valve and hydrant locations, sanitary manhole rims and inverts, street curb and gutter, street centerline, additional utilities located by South Dakota One-Call, trees, mailboxes, signs, driveways, sidewalks, fences, found property corners, and topography tied to the City's benchmark data. For those properties located adjacent to the right-of-way, or Project area, property lines with owners' names and addresses will be shown. Additionally, the surveyor will mark the baseline for future stationing.

A geotechnical evaluation will be performed to determine soil properties for compaction and if cathodic protection will be required. American Engineering Testing, Inc. will be used to perform the geotechnical investigation and provide recommendations for the project.

Alignment Evaluation and Preliminary Design Report

DDI will prepare preliminary plan and profile sheets that show locations and probable depths of existing utilities and improvements including, but not limited to, water mains, valves, fire hydrants, sanitary sewer, underground electric, telephone, natural gas, and street centerline and curb.

DESIGN PHASE

95% DESIGN

DDI will submit 95% complete plans and specifications and Engineer's opinion of construction costs to the City for review and approval.

FINAL DESIGN

After receiving the City's comments from the 95% review, DDI will provide complete plans and specifications for a unit price construction contract. In addition to the required submittals, we will communicate effectively with the City throughout the Project development to ensure the Project is developing efficiently. At design completion, DDI will deliver construction plans on Mylar and CD in the City's current AutoCAD release, all design data on CD and hard copy, specifications on CD in Microsoft Word format, and a unit price cost estimate on CD in Microsoft Excel.

The design for the Project will adhere to the City of Rapid City Standard Specifications, 2004 Edition, South Dakota Department of Environmental Resources Standards, and Ten States Standards. The bidding documents, including plans and specifications, will adhere to the City's drafting standards and guidelines. The plan set will include the following list of sheets.

- Cover Sheet/Vicinity Map
- Summary of Quantities
- Survey Data
- General Notes
- Restoration/Erosion Control Plan
- Traffic Control and Valve Sequencing
- Water Main Plan and Profile
- Project Specific Details/Standard City Details

CONSTRUCTION ADMINISTRATION & OBSERVATION PHASE

Pre-construction Project Administration includes attending pre-design meeting, neighborhood Project meetings, submitting advertisement for bids to the Rapid City Journal and Construction Industry Center, arranging and conducting a pre-bid conference, responding to bidder questions, conducting the bid opening, preparing the bid tabulation, conducting a pre-construction conference, reviewing construction contract documents and submittals, and preparing the Notice to Proceed.

Construction Project Administration includes reviewing shop drawings and test results, providing construction staking, distributing Public Service Announcements, conducting weekly project coordination and progress meetings, preparing and submitting a weekly record of construction activity, providing monthly pay requests, preparing a final construction punch list, submitting a certificate of completion and start of warranty period letter, and completing an "as-built" drawing set.

The DDI team will provide services during construction including daily on-site observation, as needed, to assure quality control. Included with construction observation is daily record keeping, noting the weather conditions, construction progress, deviations from the plans and specifications, work performed, quantities installed and other pertinent information.

Additionally, DDI will report to the City on a weekly basis, or as a need arises, on the City's forms. At the end of the Project, DDI will provide to the City completed bound copies of the field notes and daily records.

**Dream Design International, Inc**Rate Schedule

<i>Principal</i>	\$130.00 / hr
<i>Senior Project Manager</i>	\$100.00 / hr
<i>Project Manager</i>	\$95.00 / hr
<i>Project Engineer</i>	\$85.00 / hr
<i>Project Coordinator</i>	\$85.00 / hr
<i>Senior Engineering Technician II</i>	\$85.00 / hr
<i>Senior Engineering Technician I</i>	\$80.00 / hr
<i>Engineering Technician I</i>	\$60.00 / hr
<i>Administrative</i>	\$55.00 / hr

Expenses

<i>Mileage</i>	\$0.485 / mile
<i>Blueprints</i>	\$1.00 / sheet
<i>Reproduction Costs - black and white</i>	\$0.15 / sheet
<i>Reproduction Costs - color</i>	\$0.30 / sheet