<u>AGREEMENT</u>

FOR PROFESSIONAL ENGINEERING SERVICES

This is an Agreement, which shall become a contract, effective on _______, between the City of Rapid City, South Dakota, herein after referred to as the OWNER; whose address is; 300 Sixth Street, Rapid City, South Dakota 57701-2724, and Kadrmas, Lee & Jackson, Inc., herein after referred to as the ENGINEER; whose address is; 330 Knollwood Drive – Suite A, Rapid City, South Dakota 57709-3416.

The ENGINEER herein agrees to provide professional engineering services to the OWNER for the Wonderland Drive Area "5" Sewer Service Project SS06-1598 CIP #50662, herein defined as the Wonderland Dr. Area 5 Sewer Extension, consisting of the following Scope of Services:

PHASE 1 - Preliminary

Meet with Staff to determine the OWNER required/preferred project approach and ENGINEER'S scope.

- Perform public meetings and/or individual meetings to develop relationship with property owners, become familiar with the site and determine problem areas. Accompany City staff in meetings with residents to be served to discuss probability of entering into Phase 2 and to discuss routing and design issues, perform periodic meeting with City staff to discuss alternatives, coordinate with maintenance staff for appropriate maintenance access, coordinate with other utilities in area.
- Research existing geotechnical studies, review existing storm water plans of the city and coordinate preliminary design with those plans,
- Develop a corridor for the main location, conduct preliminary surveys (legal & topographic) as needed
 to augment the City aerial topographic mapping to develop corridor location and service line routings,
 identify sewer discharge points of residents to be served, identify necessary easements and rights-ofway to accommodate the proposed route, develop preliminary overall map using City aerial topography as mapping base, identify locations of existing public and private utilities.
- Prepare an Engineers estimate of probable costs for the sewer main and appurtenances. Prepare an opinion of all costs including costs of service lines (for each residence),

PAYMENT

ENGINEER will perform the necessary services, as defined above for the OWNER, on an hourly basis using rates, which will not exceed the maximum hourly rate described on the attached hourly rate schedule.

Payment for Phase 1, shall not exceed \$34,608.30 unless approved in writing, by the OWNER in advance of providing the service.

Payment will be based upon the actual number of hours spent on the project, as documented by the ENGINEEER and approved by the OWNER.

Any changes to the scope of work defined above, which may require additional engineering services or other, specialized services, beyond the "in-house" capability of the ENGINEER, which may require additional hours of work or fee, shall be approved by the OWNER in advance of doing the work or providing the service.

Payment shall be made upon the OWNER'S receipt of billing statement from the ENGINEER.

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.

DELIVERABLES

Upon approval of agreement and within six weeks of receiving formal notice to proceed, ENGINEER shall deliver to OWNER two copies of the preliminary design showing route, necessary easements, elevations and Engineers estimate of construction costs.

Any opinion of the construction cost prepared by the ENGINEER represents his judgment as a design professional and is supplied for the general guidance of the project. Since the ENGINEER has no control over the cost of labor and material or over competitive bidding or market conditions, the ENGINEER does not guarantee the accuracy of such cost opinion as compared to construction bids or actual costs to the OWNER.

CONTACT TERMINATION

This agreement may be terminated by either party in the event that either party fails to fulfill it's 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, cancel all or any portion of the services provided 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.

PROPOSED PROJECT SCHEDULE

Contract Negotiations Completed	September 20, 2006
Notice to Proceed with Design	October 3, 2006
Preliminary Design Delivery	November 13, 2006

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 in limits of at least \$2,000,000 and which shall name the City of rapid City as additional insured. For any damage on account of any error or omission or other professional negligence, ENGINEER'S liability will be limited to ENGINEERS professional liability coverage which Engineer maintains in a limits of at least \$1,000,000.

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.

MISCELLANEOUS 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 ENGINEER shall be held harmless from delays caused by strikes, lockouts, accidents, acts of God, labor shortages, failure of the OWNER to furnish information or approve or disapprove the ENGINEER'S work, faulty performance by the OWNER or his agents, other contractor's, sub-consultant's or governmental agencies. In the case of such delays, the time for completion of the engineering work shall be extended accordingly.

OWNER further 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.

The ENGINEER'S undertaking hereunder shall not relieve the OWNER of OWNER'S obligation to perform the defined work in conformity with the documents prepared, in a standard, industry accepted manner; shall not make the ENGINEER an insurer of the OWNER'S or any other sub-consultant's performance; and shall not impose upon the ENGINEER any obligation to see that the work is performed in a safe manner.

APPLICABLE LAWS

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

ACCEPTANCE

OWNER'S acceptance of this proposal as indicated by signature below will constitute an Agreement between OWNER and ENGINEER and be ENGINEER'S authority to proceed with the work. OWNER agrees that there are no understandings or agreements except as herein expressly stated. This agreement has been prepared

Agree - I rev. 9/06

ENGINEER:	OWNER:						
RODNEY A. SENN, P.E. KADRMAS, LEE & JACKSON, INC.	JIM SHAW - MAYOR CITY OF RAPID CITY, SOUTH DAKOTA						
Witness	JAMES F. PRESTON – FINANCE OFFICER						

in duplicate and both OWNER and ENGINEER will receive a signed copy with original signatures.

PROJECT ENGINEERING FEE SUMMARY WONDERLAND DRIVE # 5 SEWER PROJECT

CITY OF RAPID CITY PROJECT NO. SS06-1598

KLJ Project No 10406108

STAFF TYPE	Principal Engineer	Engineer III	Engineer II	Engineer I	Engineering Technician II	CADD Technician	Environmental Scientist II	Environmental Scientist I	Surveyor ill	Surveyor II	Surveyor I	Administrative Assistant II			nen nieud	T	T
Hourly Rate	\$140.00	\$110.00	\$80.00	\$70.00	\$73.00	\$65.00	\$78.00	\$60.00	\$82.45	\$60.00	\$50.00		Per Diem	DIRECT	PER DIEM ¹	DIRECT	TASK
Labor Code	100	100	100	100	100	400/410	100	100	200	200		\$52.00	(person/days)	LABOR	\$90.00	EXPENSES	COST
TASK						1 400/410	100	100	200	200	200	500					
Project Coordination		16	*														
Field Surveying		8				24								\$ 1,760.00			\$ 1,760
Utility Locate				6		24			30		30			\$ 6,413.50		ļ	\$ 6,413
Meetings w/ City Staff		10				4			4		4			\$ 1,209.80			\$ 1,209
														\$ 1,100.00			\$ 1,100
Direct and Coordinate Geotechnical		6										·			\$ -		\$
Drainage Basin Study review & Coordination		16		8										\$ 660.00			
Meetings with individual property owners		20		20										\$ 2,320.00			\$ 2,320
Review Aerial topography		4		20					8					\$ 4,259.60	·		\$ 4,259
Prepare Construction Easements		6				4								\$ 980.00	\$ -		\$ 980
Develop Corridor for Sewer Main		28		0		4			12					\$ 2,329.40	\$ -		\$ 2,329
Develop Corridor for Service Lines		30				10								\$ 3,730.00	\$ -		\$ 3,730
Prepare Written Report		16				10								\$ 3,950.00	\$ -		\$ 3,950
Prepare Detailed Opinion of Costs		6										4		\$ 1,968.00	\$ -		\$ 1,968
		- 0		8	W							4		\$ 1,428.00	\$ -		\$ 1,428
									71.00 4 4					\$ -	\$ -		\$
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Total Hours	0	166	0	52	0	56	0	0	54	0	34	R		\$ 32,108.30	 	ls -	+
LABOR	\$ -	\$ 18,260.00	\$ -	\$ 3,640.00	\$ -	\$ 3,640.00	\$ -	\$ -	\$ 4,452.30	\$ -	\$ 1,700.00	\$ 416.00		\$ 32,108.30	<u></u> -	Ι Φ -	



Revised 9/19/06

SUBCONTRACTORS							
FIRM NAME	FIRM NAME ACTIVITY						
American Engineering & Testing Geotechnical Services		\$2,500.00					
TOTAL COST OF A	LL SUBCONTRACTORS SUBCONTRACTORS:	\$2,500.00					

¹ To be billed at actual with an \$90 maximum

² Includes equipment rental, etc.

Summary of Costs:

 Total Labor
 \$ 32,108.30

 Direct Expenses
 \$

 Subcontractors
 \$ 2,500.00

 Per Diem
 \$

Total Estimated Engineering Costs

\$ 34,608.30