

REQUEST AUTHORIZATION FOR MAYOR AND FINANCE OFFICER TO SIGN PROFESSIONAL SERVICES AGREEMENT OR AMENDMENT

Project Name & Number: Minnewasta Water Main Reconstruction
Project No. 12-2060

CIP #: 50383

Project Description: To provide construction administration services.

Consultant: HDR Engineering Inc.

Original Contract Amount: \$56,257.00

Original Contract Date: August 19, 2013

Original Completion Date: 90 Days after Construction Completion

Addendum No:

Amendment Description:

Current Contract Amount: _____
Change Requested: _____
New Contract Amount: _____ \$0.00

Current Completion Date: _____
New Completion Date: _____

Funding Source This Request:

Amount	Dept.	Line Item	Fund	Comments
\$33,754.00	933	4223	602	
\$22,503.00	8910	4223	505	
\$56,257.00	Total			

Agreement Review & Approvals

[Signature] 7/30/13
Project Manager Date

[Signature] 7/30/13
Compliance Specialist Date

[Signature] 8/5/13
City Attorney Date

[Signature] 7-31-13
Division Manager Date

[Signature] 7-31-13
Department Director Date

ROUTING INSTRUCTIONS

Route **two** originals of the Agreement for review and signatures.
Finance Office - Retain one original
Project Manager - Retain second original for delivery to Consultant
cc: Public Works
Engineering
Project Manager

FINANCE OFFICE USE ONLY

(Note to Finance: Please write date of Agreement in appropriate space in the Agreement document)

	Date	Initials	Approved
Appropriation	8/1/13	[Initials]	N
Cash Flow			N

**Agreement Between City of Rapid City and HDR Engineering Inc. for Construction
Professional Services for Minnewasta Water Main Reconstruction,
Project No. 12-2060 / CIP No. 50383**

AGREEMENT made _____, 20____, between the City of Rapid City, SD (City) and HDR Engineering Inc., (Engineer), located at 703 Main Street Ste. 200, Rapid City, SD 57701. City intends to obtain construction services for Minnewasta Water Main Reconstruction, Project No. 12-2060 CIP No. 50383. The scope of services is as described within this document and as further described in Exhibits A, B and C (attached).

The City and the Engineer agree as follows:

The Engineer shall provide professional engineering services for the City in all phases of the Project and as further defined in Exhibits A, B and C (attached), serve as the City's professional engineering representative for the Project, and give professional engineering consultation and advice to the City while performing its services.

Section 1—Basic Services of Engineer

1.1 General

- 1.1.1 The Engineer shall perform professional services described in this agreement, which include customary engineering services. Engineer intends to serve as the City's professional representative for those services as defined in this agreement and to provide advice and consultation to the City as a professional. Any opinions of probable project cost, approvals, and other decisions provided by Engineer for the City are rendered on the basis of experience and qualifications and represent Engineer's professional judgment.
- 1.1.2 All work shall be performed by or under the direct supervision of a professional Engineer licensed to practice in South Dakota.
- 1.1.3 All documents including Drawings and Specifications provided or furnished by Engineer pursuant to this Agreement are instruments of service in respect of the Project and Engineer shall retain an ownership therein. Reuse of any documents pertaining to this project by the City on extensions of this project or on any other project shall be at the City's risk. The City agrees to defend, indemnify, and hold harmless Engineer from all claims, damages, and expenses including attorney's fees arising out of such reuse of the documents by the City or by others acting through the City.
- 1.1.4 The contract will be based on an hourly rate and reimbursable fee schedule with a maximum not-to-exceed amount.



1.2 Scope of Work

The Engineer shall:

- 1.2.1 Consult with the City, other agencies, groups, consultants, and/or individuals to clarify and define requirements for the Project and review available data.
- 1.2.2 Perform the tasks described in the Scope of Services. (See Exhibit A.)

Section 2—Information Provided by City

The City will provide any information in its possession for the project at no cost to the Engineer.

Section 3—Notice to Proceed

The City will issue a written notification to the Engineer to proceed with the work. The Engineer shall not start work prior to receipt of the written notice. The Engineer shall not be paid for any work performed prior to receiving the Notice to Proceed.

Section 4—Mutual Covenants

4.1 General

- 4.1.1 The Engineer shall not sublet or assign any part of the work under this Agreement without written authority from the City.
- 4.1.2 The City and the Engineer each binds itself and partners, successors, executors, administrators, assigns, and legal representatives to the other party to this agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, regarding all covenants, agreements, and obligations of this agreement.
- 4.1.3 Nothing in this agreement shall give any rights or benefits to anyone other than the City and the Engineer.
- 4.1.4 This agreement constitutes the entire agreement between the City and the Engineer and supersedes all prior written or oral understandings. This agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.
- 4.1.5 The Engineer shall make such revisions in plans which may already have been completed, approved, and accepted by the City, as are



necessary to correct Engineer's errors or omissions in the plans, when requested to do so by the City, without extra compensation therefore.

- 4.1.6 If the City requests that previously satisfactorily completed and accepted plans or parts thereof be revised, the Engineer shall make the revisions requested by the City. This work shall be paid for as extra work.
- 4.1.7 If the City changes the location from the one furnished to the Engineer, or changes the basic design requiring a new survey for the portions so changed, the redesign will be paid for as extra work.
- 4.1.8 The City may at any time by written order make changes within the general scope of this Agreement in the work and services to be performed by the Engineer. Any changes which materially increase or reduce the cost of or the time required for the performance of the Agreement shall be deemed a change in the scope of work for which an adjustment shall be made in the Agreement price or of the time for performance, or both, and the Agreement shall be modified in writing accordingly. Additional work necessary due to the extension of project limits shall be paid for as extra work.
- 4.1.9 Extra work, as authorized by the City, will be paid for separately and be in addition to the consideration of this Section.
- 4.1.10 For those projects involving conceptual or process development services, activities often cannot be fully defined during the initial planning. As the project does progress, facts and conditions uncovered may reveal a change in direction that may alter the scope of services. Engineer will promptly inform the City in writing of such situations so that changes in this agreement can be renegotiated.
- 4.1.11 This Agreement may be terminated (a) by the City with or without cause upon seven days' written notice to the Engineer and (b) by the Engineer for cause upon seven days' written notice to the City. If the City terminates the agreement without cause, the Engineer will be paid for all services rendered and all reimbursable expenses incurred prior to the date of termination.

If termination is due to the failure of the Engineer to fulfill its agreement obligations, the City may take over the work and complete it. In such case, the Engineer shall be liable to the City for any additional cost to the extent directly resulting from Engineer's action.



- 4.1.12 The City or its duly authorized representatives may examine any books, documents, papers, and records of the Engineer involving transactions related to this agreement for three years after final payment. All examinations will be performed at reasonable times, with proper notice. Engineer's documentation will be in a format consistent with general accounting procedures.
- 4.1.13 The City shall designate a representative authorized to act on the City's behalf with respect to the Project. The City or such authorized representative shall render decisions in a timely manner pertaining to documents submitted by the Engineer in order to avoid unreasonable delay in the orderly and sequential progress of the Engineer's services.
- 4.1.14 Costs and schedule commitments shall be subject to renegotiation for delays caused by the City's failure to provide specified facilities or information or for delays caused by other parties, excluding sub-contractors and sub-consultants, unpredictable occurrences including without limitation, fires, floods, riots, strikes, unavailability of labor or materials, delays or defaults by suppliers of materials or services, process shutdowns, acts of God, or the public enemy, or acts of regulations of any governmental agency or any other conditions or circumstances beyond the control of the City or Engineer. Temporary delays of services caused by any of the above which results in additional costs beyond those outlined may require renegotiation of this agreement.
- 4.1.15 The City will give prompt written notice to the Engineer if the City becomes aware of any fault or defect in the Project or nonconformance with the Project Documents.
- 4.1.16 Unless otherwise provided in this Agreement, the Engineer and the Engineer's consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to hazardous materials in any form at the project site, including but not limited to asbestos products, polychlorinated biphenyl (PCB), or other toxic substances.
- 4.1.17 In the event asbestos or toxic materials are encountered at the jobsite, or should it become known in any way that such materials may be present at the jobsite or any adjacent areas that may affect the performance of Engineer's services, Engineer may, at their option and without liability for consequential or any other damages, suspend performance of services on the project until the City retains appropriate specialist CONSULTANT(S) or contractor(s) to identify, abate, and/or remove the asbestos or hazardous or toxic materials.



- 4.1.18 This agreement, unless explicitly indicated in writing, shall not be construed as giving Engineer the responsibility or authority to direct or supervise construction means, methods, techniques, sequences, or procedures of construction selected by any contractors or subcontractors or the safety precautions and programs incident to the work of any contractors or subcontractors.
- 4.1.19 Neither the City nor the Engineer, nor its Consultants, shall hold the other liable for any claim based upon, arising out of, or in any way involving the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials, or other irritants, contaminants, or pollutants.
- 4.1.20 Neither the City nor the Engineer, nor its Consultants, shall hold the other liable for any claim based upon, arising out of, or any way involving the specification or recommendation of asbestos, in any form, or any claims based upon use of a product containing asbestos.
- 4.1.21 Engineer hereby represents and warrants that it does not fail or refuse to collect or remit South Dakota or City sales or use tax for transactions which are taxable under the laws of the State of South Dakota.

4.2 **City of Rapid City NonDiscrimination Policy Statement**

In compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination act of 1975, the Americans with Disabilities Act of 1990, and other nondiscrimination authorities it is the policy of the City of Rapid City, 300 Sixth Street, Rapid City, SD 57701-5035, to provide benefits, services, and employment to all persons without regard to race, color, national origin, sex, disabilities/handicaps, age, or income status. No distinction is made among any persons in eligibility for the reception of benefits and services provided by or through the auspices of the City of Rapid City.

Engineer will permit access to any and all records pertaining to hiring and employment and to other pertinent data and records for the purpose of enabling the Commission, its agencies or representatives, to ascertain compliance with the above provisions.

This section shall be binding on all subcontractors or suppliers.



Section 5—Payments to the Engineer

5.1 Schedule of Pay Rates

The City will pay the Engineer for services rendered or authorized extra work according to the Engineer's hourly and reimbursable rate schedule described in Exhibit C.

5.2 Fee

The maximum amount of the fee for the services as detailed in Section 1.2 shall not exceed \$56,257.00 unless the scope of the project is changed as outlined in Section 4. If expenses exceed the maximum amount, the Engineer shall complete the design as agreed upon here without any additional compensation. Sub task dollar amounts may be reallocated to other tasks as long as the total fee is not exceeded. Prime consultant may not mark up sub-consultant or sub-contractor services.

5.3 Progress Payments

Monthly progress payments shall be processed by the City upon receipt of the claim as computed by the Engineer based on work completed during the month per the hourly rates and allowable reimbursable as established in Section 5.1 and approved by the City.

Net payment to the Engineer shall be due within forty-five (45) days of receipt by the City.

Section 6—Completion of Services

The Engineer shall complete services on or before 90 days after construction is complete.

Section 7—Insurance Requirements

7.1 Insurance Required

The Engineer shall secure the insurance specified below. The insurance shall be issued by insurance company(s) acceptable to the City and may be in a policy or policies of insurance, primary or excess. Certificates of all required insurance including any policy endorsements shall be provided to the City prior to or upon the execution of this Agreement.



7.2 Cancellation

The Engineer will provide the City with at least 30 days' written notice of an insurer's intent to cancel or not renew any of the insurance coverage. The Contractor agrees to hold the City harmless from any liability, including additional premium due because of the Contractor's failure to maintain the coverage limits required.

7.3 City Acceptance of Proof

The City's approval or acceptance of certificates of insurance does not constitute City assumption of responsibility for the validity of any insurance policies nor does the City represent that the coverages and limits described in this agreement are adequate to protect the Engineer, its consultants or subcontractors interests, and assumes no liability therefore. The Engineer will hold the City harmless from any liability, including additional premium due, because of the Engineer's failure to maintain the coverage limits required.

7.4 Specific Requirements

- 7.4.1 Workers' compensation insurance with statutory limits required by South Dakota law. Coverage B-Employer's Liability coverage of not less than \$500,000 each accident, \$500,000 disease-policy limit, and \$500,000 disease-each employee.
- 7.4.2 Commercial general liability insurance providing occurrence form contractual, personal injury, bodily injury and property damage liability coverage with limits of not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, and \$2,000,000 aggregate products and completed operations. If the occurrence form is not available, claims-made coverage shall be maintained for three years after completion of the terms of this agreement. The policy shall name the City and its representatives as an additional insured.
- 7.4.3 Automobile liability insurance covering all owned, nonowned, and hired automobiles, trucks, and trailers. The coverage shall be at least as broad as that found in the standard comprehensive automobile liability policy with limits of not less than \$1,000,000 combined single limit each occurrence. The required limit may include excess liability (umbrella) coverage.
- 7.4.4 Professional liability insurance providing claims-made coverage for claims arising from the negligent acts, errors or omissions of the Engineer or its consultants, of not less than \$1,000,000 each occurrence and not less than \$1,000,000 annual aggregate.



Coverage shall be maintained for at least three years after final completion of the services.

Section 8—Hold Harmless

The Engineer hereby agrees to hold the City harmless from any and all claims or liability including attorneys' fees arising out of the professional services furnished under this Agreement, and for bodily injury or property damage arising out of services furnished under this Agreement, providing that such claims or liability are the result of a negligent act, error or omission of the Engineer and/or its employees/agents arising out of the professional services described in the Agreement.

Section 9—Independent Business

The parties agree that the Engineer operates an independent business and is contracting to do work according to his own methods, without being subject to the control of the City, except as to the product or the result of the work. The relationship between the City and the Engineer shall be that as between an independent contractor and the City and not as an employer-employee relationship. The payment to the Engineer is inclusive of any use, excise, income or any other tax arising out of this agreement.

Section 10-Indemnification

If this project involves construction and Engineer does not provide consulting services during construction including, but not limited to, onsite monitoring, site visits, site observation, shop drawing review and/or design clarifications, City agrees to indemnify and hold harmless Engineer from any liability arising from the construction activities undertaken for this project, except to the extent such liability is caused by Engineer's negligence.

Section 11-Controlling Law and Venue

This Agreement shall be subject to, interpreted and enforced according to the laws of the State of South Dakota, without regard to any conflicts of law provisions. Parties agree to submit to the exclusive venue and jurisdiction of the State of South Dakota, 7th Judicial Circuit, Pennington County.

Section 12-Severability

Any unenforceable provision herein shall be amended to the extent necessary to make it enforceable; if not possible, it shall be deleted and all other provisions shall remain in full force and effect.



Section 13—Funds Appropriation

If funds are not budgeted or appropriated for any fiscal year for services provided by the terms of this agreement, this agreement shall impose no obligation on the City for payment. This agreement is null and void except as to annual payments herein agreed upon for which funds have been budgeted or appropriated, and no right of action or damage shall accrue to the benefit of the Engineer, its successors or assignees, for any further payments. For future phases of this or any project, project components not identified within this contract shall not constitute an obligation by the City until funding for that component has been appropriated.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

City of Rapid City:

Engineer:

MAYOR

HDR ENGINEERING INC

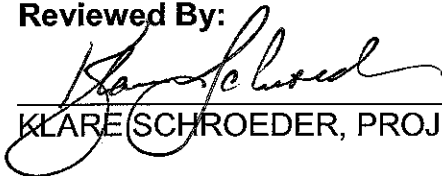
DATE: _____

DATE: _____

ATTEST:

FINANCE OFFICER

Reviewed By:



KLARE SCHROEDER, PROJECT MANAGER

DATE: 7/30/13

CITY'S DESIGNATED PROJECT
REPRESENTATIVE

ENGINEERING FIRM'S DESIGNATED
PROJECT REPRESENTATIVE

NAME Klare Schroeder, P.E.
PHONE 605-394-4154
EMAIL Klare.schroeder@rcgov.org

NAME Chris Robinson
PHONE 605-791-6100
EMAIL Christopher.robinson@hdrinc.com



Project Background

HDR Engineering was selected by the City of Rapid City to complete design services for improvements to Minnewasta Road in Rapid City.

The existing asphalt pavement has deteriorated and requires rehabilitation. Improvements to the water system are required to replace aging water mains. The project limits are anticipated to include Minnewasta Road from Sheridan Lake Road to approximately ninety feet south of Aster Court.

HDR Engineering will complete quality assurance testing with the support of Terracon Consultants, Inc (Terracon). Minnewasta Street is a local residential street so efforts will be made to minimize the impacts to local commuters and pedestrians during construction. Professional services have been divided into five Tasks: Preliminary Design, Final Design, and Bidding Services in Phase 1 with Basic Construction and Expanded Construction Services in Phase 2.

HDR Engineering will complete Phase 1 services for preliminary and final design in July of 2013. The following scope items are included for Phase 2 services for Construction Administration assistance.

Project Phase 2 Scope of Services

TASK 4 – BASIC CONSTRUCTION SERVICES:

This task consists of all services necessary for the administration of the Basic Construction Services of the project construction stage including the following itemized services.

- 4.1 Arrange and conduct a Pre-Construction Conference including agenda. Record minutes and distribute to all attendees.
- 4.2 Receive, log and coordinate reviews and responses to Contractor's requests for information/interpretations (RFI's).
- 4.3 Provide recommendations and administer necessary or desirable changes in the work utilizing systems to track changes from initiation through completion. This sub-task must be authorized by the City prior to proceeding with the work.
 - a. Coordinate the preparation and issuance of necessary or desirable changes in the form of Change Proposal Requests (CPR's).
 - b. Review costs presented on Change Proposal Requests by Contractor, and conduct negotiation of pricing as necessary.
 - c. Review all Change Proposal Request items and negotiated costs with Owner for Owner's approval.
 - d. Assemble approved Change Proposal Requests periodically into Change Orders. Include justification documentation with each Change Order.
 - e. Maintain current status log of all Change Proposal Requests and Change Orders and review at construction progress meetings.
 - f. Review as recorded drawings to verify changes in work are reflected as applicable.
 - g. Review pay requests to verify Change Order items are broken out and that payment is not made until work is complete.
- 4.4 Administer shop drawing and other submittal requirements to effect substantial compliance with the intent of the Contract requirements.
 - a. Review and approve the Contractor's shop drawing submittal schedule to ascertain that all significant submittals are accounted for.

- b. Receive, log and conduct review of shop drawing submittals to confirm Contractor's compliance requirements.
 - c. Distribute for review and re-distribute reviewed shop drawings, operation and maintenance manuals and equipment data sheets, and other submittal information.
 - d. Establish and maintain a tracking system for submittals to provide review action status identification of each submittal as well as submittal distribution status.
 - e. Verify at Substantial Completion that all shop drawings on file have A or B Review actions, and that all required operation and maintenance information and warranties have been received.
 - f. Receive, log and take appropriate action on miscellaneous informational submittals generated by the Contractor during construction.
- 4.5 Prepare "As-Built" plans and specifications. Plans and specifications shall be submitted as a hard copy and on a USB drive compatible with the current AutoCAD format. Submit to Engineering Services within 30 days of project completion.

TASK 5 – EXPANDED CONSTRUCTION SERVICES:

This task consists of all services necessary for the administration of the Expanded Construction Services of the project construction stage including the following itemized services.

- 5.1 Review removal limits of appropriate items marked for removal by the Contractor.
- 5.2 Assist Engineering Services in preparing Public Service Announcements. Engineering Services will be responsible for distribution to all local media. Copies of PSAs shall be distributed one week prior to start of work or change in operations that may significantly affect the public.
- 5.3 Appropriately notify affected Property Owners of upcoming utility disruptions and traffic control changes. HDR shall provide written updates to be posted on the City website and prepare hard copy door hangers for each residence impacted by the traffic control phase changes.
- 5.4 Schedule, coordinate, and conduct progress meetings every other week. Prepare agenda, record minutes, and distribute to all attendees.
- 5.5 Provide partial on-site observation as necessary to assure that the methods and materials used by the contractor meet the intent of the plans and specifications. For buried installations such as for sewer and water mains HDR shall be on site all of the time the Contractor is installing these buried installations.
- 5.6 Prepare On-Site construction reports. A daily record of activity will be maintained by HDR including weather conditions, construction progress, deviations from the plans and specifications, work performed, quantities installed and any other pertinent information. Such information shall be neatly and concisely entered into the City of Rapid City Project Inspector's Diary and Inspection quantity book. Submit detachable copies to Engineering Services on a weekly basis.
- 5.7 Perform stormwater inspections, prepare reports, and keep the erosion and sediment control plans current as required by the ordinance regulating construction site runoff control, Chapter 8.46, and the stormwater Quality Manual.
- 5.8 Coordinate with HDR's geotechnical subconsultant to provide Quality Control testing in accordance with the City of Rapid City Standard Specifications. HDR will be responsible to assist in coordinating testing schedules, notifying testing company of requirements, and collecting test results.
- 5.9 HDR shall coordinate with Contractor Furnished Quality Assurance and Construction Staking providers in accordance with the City of Rapid City Standard Specifications. Contractor shall be responsible for constructing project in accordance with the information provided and the plans and specifications.
- 5.10 Review and make recommendation for payment of City prepared monthly pay applications. Provide quantities of completed work to the City for use in preparation of the pay applications.
- 5.11 Prepare change orders, and extra work orders for contractor on City of Rapid City forms and make recommendations for their approval or denial.

- 5.12 Achieve an orderly, well-documented and complete Project Closeout of the construction contract.
- a. Prepare and submit a project completion punch list to the Contractor and Engineering Services and oversee its completion.
 - b. Verify submittal of all required documents.
 - c. Review Contractor Record Drawings.
 - d. Administer Final Payment. Finalize all project costs and determine the final adjusted amounts for construction.
 - e. Prepare and submit City of Rapid City project "Construction Project Close-out Checklist" indicating compliance with specifications and acceptance of the various infrastructure components.
 - f. Prepare letter of certification of project completion verifying compliance with plans and specifications and start of warranty period.
 - g. Prepare a letter to SD DENR notifying them of project completion and provide closeout documents such as the DENR acceptance form and final pay application.
- 5.13 Ensure Contractor's two-year warranty surety is provided to the City of Rapid City either within the performance bond or as a separate bond.

Project Schedule

The proposed schedule for design services is based on the estimated construction schedule identified during project design. If the actual construct timeline varies from this expected schedule, then either the level of observation required or the contract fee may need adjustment.

Notice to Proceed for Construction
Construction Final Completion
Final Project Closeout

August 30, 2013
December 6, 2013
December 20, 2013



July 23, 2013

Mr. Chris Robinson, PE
HDR Engineering, Inc.
703 Main Street, Suite 200
Rapid City, South Dakota 57701

**Subject: Proposal for Construction Materials Testing & Observation Services
Minnewasta Water Main Reconstruction and Street Rehabilitation
Rapid City, South Dakota
City of Rapid City Project No. 12-2060 / CIP No. 50383
Terracon Proposal No. CB413109**

Dear Chris,

As requested, Terracon Consultants, Inc. (Terracon) is pleased to submit this proposal to provide the Construction Materials Testing Services for the above referenced project. This proposal includes an outline of the proposed scope of services, and our fee schedule for these services. Our fees are based on the Plans and Specifications and material quantities issued for this project.

A. PROJECT INFORMATION

We understand the project will consist of the replacement of the existing water main along Minnewasta Road from Sheridan Lake Road to Raymond Drive in Rapid City, South Dakota. Construction will also include asphalt paving mill/overlay along Minnewasta Road from Sheridan Lake Road to Aster Court, full depth asphalt patching, Portland cement concrete paving, new concrete sidewalks, concrete curb & gutter, pan & fillets, and detectable warning panels.

B. SCOPE OF SERVICES

Our understanding of the construction materials testing services for this project is based upon review of our geotechnical report prepared for this project as well as the plans and specifications developed for this project. Field and laboratory testing will be performed to determine if the general contractor's, and their subcontractor's, project work that is tested by Terracon is in compliance with the project specifications. Our services exclude job site safety responsibility, and our services do not relieve any contractor/subcontractor from complying with the project specifications. The services will be done in a safe and as non-disruptive manner as commercially reasonable.

Based on our understanding of the project and review of information available at this time, we anticipate the scope of testing, observation, and inspection services to be as follows:

- Earthwork observation and testing (trench backfill, road subgrade, base course, etc.)
- Laboratory soils evaluation and testing;

Terracon Consultants, Inc. 2026 Samco Road, Suite 101 Rapid City, South Dakota 57702
P [605] 716-2924 F [605] 716 2926 terracon.com

- Field concrete testing;
- Laboratory concrete evaluation and testing;
- Asphalt laboratory and field testing.

Terracon will provide on-call testing services at the times and locations as requested and scheduled by an authorized employee of our client. Terracon will only perform services when requested by authorized personnel. It is the client's responsibility to meet the specified testing frequencies. We request that services be scheduled at least 24 hours in advance, although we will attempt to meet requests in a shorter time frame.

C. COMPENSATION

The cost for our services including all field work, laboratory testing, travel time, mileage, project management and report preparation have been estimated as noted in the following table. The time required for construction materials testing on the project will be directly related to the schedule and performance of the various contractors on the site and you will be invoiced on that basis. Additional services, if required, will be invoiced at the applicable unit rates as specified below.

Item / Description	Unit Rate	Estimated Quantity	Total
Soils/Aggregates			
Field Nuclear Density-Compaction Testing	\$48.00/hour	30	\$1,400.00
Mileage	\$0.64/mile	150	\$96.00
Moisture-Density Relationship (proctor)	\$115.00/each	4	\$460.00
Subtotal			\$1,956.00
Concrete			
Field Testing of Concrete	\$48.00/hour	25	\$1,200.00
Mileage	\$0.64/mile	150	\$96.00
Compressive Strength Testing	\$15.00/cylinder	40	\$600.00
Subtotal			\$1,896.00
Asphalt			
Field Testing of Asphalt	\$48.00/hour	6	\$288.00
Mileage	\$0.64/mile	50	\$32.00
Subtotal			\$320.00
Project Administration			
Report Review	\$85.00/hour	2	\$170.00
Clerical/Dispatch	\$45.00/hour	4	\$180.00
Subtotal			\$350.00
Total Cost Estimate (plus applicable taxes)			\$4,522.00

Our services will be provided to give our client and the City of Rapid City a greater degree of confidence in the work being performed at the site, however, these services in no way relieve the various contractors from their responsibility for properly constructing the work.

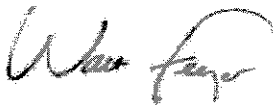
Additionally, the following assumptions were used in preparing our estimated fees:

- We have assumed that contractors on the site will work a single shift 5-day per week schedule with limited work on Saturdays;
- Any on-site technician standby exceeding 1 hour due to contractor or sub-contractor/supplier delays will be billed at a rate of \$48.00/hour.
- If possible, the client or designated authorized representative will schedule testing and observation services with 24 hours notice (7:00 a.m. to 5:00 p.m., Monday through Friday);
- The contractor is responsible to perform the work in accordance with the plans and specifications, and our testing of the work does not relieve them of their responsibility to perform the work properly;
- Unit rates will be applicable for Terracon service durations in excess of those outlined; and
- Invoices for the project will be submitted on a monthly basis.

D. CLOSURE

This proposal may be accepted by executing your standard agreement for services between HDR and Terracon. We appreciate your consideration of Terracon for this work, and look forward to working as your construction materials testing consultant for this project.

Sincerely,
Terracon Consultants, Inc.



Walt Feeger, P.E.
Office Manager

EXHIBIT B

CITY OF RAPID CITY - MINNEWASTA WATER RECONSTRUCTION & STREET REHABILITATION PROJECT

PHASE 2 - CONSTRUCTION MANAGEMENT FEE ESTIMATE

	Total Hours	Direct Labor	Expense Total
Task 4 - Basic Construction Services			
4.1 Arrange and Conduct Pre-Construction Meeting	12	\$1,382	\$50
4.2 Respond to Contractor RFIs	16	\$2,086	\$0
4.3 Provide Recommendations to Unforseen Design Changes*	20	\$2,408	\$100
4.4 Review Shop Drawings and Project Submittals	22	\$2,710	\$0
4.5 Prepare As-Built Plans	21	\$2,168	\$0

* City authorization required prior to proceeding with this task.

Task 4 Subtotal 91 \$ 10,754 \$ 150

Task 5 - Expanded Construction Services			
5.1 Review Contractor Removal Limits	4	\$430	\$0
5.2 Prepare Public Service Announcements	4	\$656	\$0
5.3 Property Owner Coordination	42	\$4,062	\$0
5.4 Arrange and Conduct Bi-Weekly Progress Meetings	46	\$4,926	\$0
5.5 On-Site Construction Inspection	204	\$18,360	\$300
5.6 On-Site Construction Reports	42	\$3,780	\$0
5.7 Erosion Control Inspection	14	\$1,260	\$0
5.8 Coordinate Geotechnical QC Testing	2	\$250	\$0
5.9 Review Contractor QA Testing and Staking	2	\$250	\$0
5.10 Prepare Monthly Pay Requests	24	\$2,518	\$0
5.11 Prepare Change Orders	10	\$1,220	\$0
5.12 Prepare Project Closeout Report	24	\$2,480	\$50
5.13 Ensure 2-Year Warranty is Provided	2	\$289	\$0

Task 5 Subtotal 420 \$ 40,481 \$ 350

TOTAL 511 \$ 51,235 \$ 500

HDR Labor Cost \$51,235
HDR Expense Cost \$500
Subconsultants \$4,522
Total Phase 2 Fee \$56,257

EXHIBIT C
SCHEDULE OF PAY RATES

HDR ENGINEERING, INC.

FEE SCHEDULE

MINNEWASTA WATER RECONSTRUCTION & STREET REHABILITATION
PROJECT NO. 12-2060 / CIP No. 50383

Phase II – Construction Administration Services

City of Rapid City, South Dakota

The following fee schedule is the 2013 Billable Rate Fee Schedule for HDR Engineering, Inc. This fee schedule and the hourly rates shown apply to the above referenced project. In instances where a discipline not listed below is required for the project, the billing rate will be prior submitted to the City.

<u>DISCIPLINE</u>	<u>BILLING RATE/HR</u>
Project Manager	\$ 152
Project Principal	\$ 198
Sr. Water/Wastewater Engineer	\$ 152
Water/Wastewater Engineer	\$ 125
Sr. Civil Engineer	\$ 152
Civil Engineer	\$ 114
Engineering Technician/CADD	\$ 94
Construction Inspector	\$ 90
Accounting / Admin	\$ 80
<u>DIRECT EXPENSES</u>	
Vehicle Mileage	\$ 0.555/Mile

OTHER REIMBURSABLE EXPENSES

Reimbursable expenses shall mean the actual expenses incurred directly or indirectly in connection with the project for transportation travel, subconsultants, printing, telephone, shipping and express, and other incurred expenses.