



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. CA11-142**

1. Agenda Item Number:

31

2. Council Meeting Date:
April 28, 2011

TO: MAYOR & COUNCIL

3. Date Prepared: April 12, 2011

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: Award a design contract to Carollo Engineers for the Pecos SWTP Flocculator System Assessment and Rehabilitation Design, Project No. WA1004-201, in an amount not to exceed \$324,150.

6. RECOMMENDATION: Staff recommends Council award a design contract to Carollo Engineers for the Pecos SWTP Flocculator System Assessment and Rehabilitation Design, Project No. WA1004-201, in an amount not to exceed \$324,150.

7. BACKGROUND/DISCUSSION: The Pecos Surface Water Treatment Plant (SWTP) was built in 1989 with production capacity of 30 million gallons per day (mgd). The plant expanded to 45 mgd in 1997 and again in 2008 with capacity to produce 60 mgd. Prior to the 2008 plant expansion, an extensive evaluation of the plant's facilities identified the aging paddle wheel flocculation and chemical feed system, built as part of the original plant, as a potential weak link in the treatment process. The evaluation recommended the flocculation system be updated when funds became available. This system is critical to the water treatment process because flocculation causes solids in raw water to coagulate and drop out of the water prior to the plant's finishing filters. Rehabilitation of this subsystem will improve water quality, reduce chemical costs, and sludge volume generated during the treatment process.

This project will analyze options for rehabilitation or equipment replacement of the flocculation and chemical feed system as well as provide design for the selected equipment.

8. EVALUATION: The City selection process was followed in accordance with State law for selecting design services. Three (3) Statements of Qualifications were received from qualified firms on March 16, 2011. The Selection Committee included the following members:

- John Knudson, P.E., Senior Engineer
- Joshua Plumb, P.E., Engineering Project Manager
- Vickie Sharp, Water Systems Operations Superintendent
- John Ardans, Water Systems Maintenance Superintendent
- John McNelis, Chandler Resident

The Committee held interviews and discussions with Carollo Engineers, Black & Veatch, and Waterworks Engineers. Carollo Engineers was selected based on qualifications, design capability, current workload, and experience, and staff recommends their approval for this contract.

9. FINANCIAL IMPLICATIONS:

Cost:	\$324,150
Savings:	N/A
Long Term Costs:	N/A

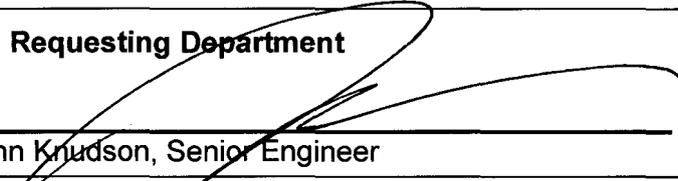
Fund Source:

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
603.3820.0000.6814.10WA209	Water SDF	Water Treatment Plant Expansion	FY 09/10	\$97,088
603.3820.0000.6814.9WA209	Water SDF	Water Treatment Plant Expansion	FY 08/09	\$227,062

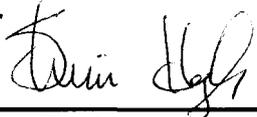
10. PROPOSED MOTION: Move that Council award a design contract to Carollo Engineers for the Pecos SWTP Flocculator System Assessment and Rehabilitation Design, Project No. WA1004-201, in an amount not to exceed \$324,150, and authorize the Mayor to sign the contract documents.

APPROVALS

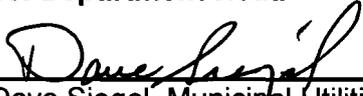
11. Requesting Department


John Knudson, Senior Engineer

12. City Engineer


Sheina Hughes, City Engineer

13. Department Head


Dave Siegel, Municipal Utilities Director

14. Acting City Manager


Rich Dlugas



PECOS SWTP FLOCCULATOR SYSTEM ASSESSMENT AND REHABILITATION DESIGN PROJECT NO. WA1004-201



MEMO NO. CA11-142

 SURFACE WATER
TREATMENT PLANT



DESIGN CONSULTANT SERVICES CONTRACT

PROJECT TITLE: **Pecos SWTP Flocculator System Study and Rehabilitation Design**
PROJECT NO: **WA1004-201**

This contract is made and entered into by and between the City of Chandler, Arizona, a municipal Corporation, hereinafter called the CITY, and **Carollo Engineers, Inc., a Delaware corporation, licensed to do business in the State of Arizona**, hereinafter called DESIGN CONSULTANT.

WHEREAS, DESIGN CONSULTANT represents DESIGN CONSULTANT has the expertise and is qualified to perform the services described in this agreement; and

WHEREAS, the Mayor and City Council/City Manager of the City of Chandler are authorized and empowered by the provisions of the City Charter to execute contracts for Professional Services;

NOW THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter contained, it is agreed by and between the CITY and DESIGN CONSULTANT, as follows:

1. DESCRIPTION OF PROJECT

Pecos SWTP Flocculator System Study and Rehabilitation Design.

2. DEFINITIONS:

Words used in this Agreement which are defined in CITY's General Conditions for Construction Contracts shall have the meaning stated therein. DESIGN CONSULTANT is the Project Designer as defined in said General Conditions.

3. SCOPE OF WORK

DESIGN CONSULTANT shall provide those services described in Exhibit A attached hereto and made a part hereof by reference.

4. PAYMENT SCHEDULE

For services described in paragraph 3 of this Agreement, the CITY shall pay DESIGN CONSULTANT a fee based on the fee schedule attached hereto and made a part hereof by reference Exhibit B not to exceed the sum **Three Hundred Twenty Four Thousand One Hundred Fifty dollars (\$324,150)**. Payment will be made monthly on the basis of progress reports. An Application and Certification for Payment Sheet must be provided. In addition, the following must also be included: a clear, detailed invoice reflecting items being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within a project; any/all backup documentation supporting the above items. Work schedule updates will be included in the monthly progress payment requests.

5. PERIOD OF SERVICE

DESIGN CONSULTANT shall complete all services described in paragraph 3 within **Thirty Hundred Sixty Five (365)** calendar days after "Notice to Proceed" is issued by the CITY. In the event delays are experienced beyond the control of DESIGN CONSULTANT, the completion date may be extended as mutually agreed upon by CITY and DESIGN CONSULTANT.

6. OPINIONS OF PROBABLE COSTS (ESTIMATES)

Any opinions of probable project cost or probable construction cost provided by DESIGN CONSULTANT are made on the basis of information available to DESIGN CONSULTANT and on the basis of DESIGN

CONSULTANT's experience and qualifications, and represents its judgment as an experienced and qualified professional architect. However, since DESIGN CONSULTANT 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, DESIGN CONSULTANT does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost DESIGN CONSULTANT prepares.

7. APPROVALS

All work shall be subject to the approval by the City Engineer.

DESIGN CONSULTANT agrees to exercise the skill and care which would be exercised by comparable professional architect performing similar services at the time and in the locality such services are performed. If the failure to meet these standards results in faulty work, DESIGN CONSULTANT shall undertake at its own expense, the corrective adjustments or modifications.

8. REPORTING

Written monthly reports, along with updated work schedules, will be made by DESIGN CONSULTANT in the format prescribed by the CITY. These reports will be delivered to the CITY per schedule. When requested by the CITY, DESIGN CONSULTANT will attend Council meetings and provide finished documents including correspondence for Council action, supporting charts, graphs, drawings and colored slides of same.

9. STANDARDS OF PERFORMANCE:

A. This design contract has been awarded to DESIGN CONSULTANT based on their proposal that those personnel and consultants listed in Exhibit A attached hereto will perform the portions of the work listed on said Exhibit A. DESIGN CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.

B. DESIGN CONSULTANT shall be familiar with CITY's Standard Details and Specifications and other relevant CITY regulations. DESIGN CONSULTANT shall ensure there are no conflicts among the Contract Documents including, but not limited to, the CITY's General and Supplementary Conditions for Construction Contracts, the plans and specifications prepared by DESIGN CONSULTANT, any standard details or specifications incorporated therein by reference, and the Construction Contract.

C. Correction of Mistakes: DESIGN CONSULTANT shall be responsible for the completeness and accuracy of the work prepared or compiled under DESIGN CONSULTANT's obligation for this project and shall correct, at DESIGN CONSULTANT's expense, all errors or omissions therein which may be disclosed. Correction of errors disclosed and determined to exist during any construction of the project on architectural or DESIGN CONSULTANTing drawings and specifications shall be accomplished by DESIGN CONSULTANT. The cost of the design necessary to correct those errors attributable to DESIGN CONSULTANT and any damage incurred by CITY as a result of additional construction costs caused by such engineering or architectural errors shall be chargeable to DESIGN CONSULTANT and shall not be considered a cost of the Work. The fact that CITY has reviewed or approved DESIGN CONSULTANT's work shall in no way relieve DESIGN CONSULTANT of any of its responsibilities.

10. INDEMNIFICATION

(a) For Professional Liability:

To the fullest extent permitted by law, DESIGN CONSULTANT shall defend, indemnify and hold harmless the City of Chandler, its agents, representatives, officers, directors, officials and employees, individually and collectively, (hereinafter CoC) from and against all losses, claims, damages, suits, actions, payments, judgments, demands, expenses, and costs, including but not limited to, attorney's fees, defense costs, court costs, and the cost of appellate proceedings, or actions of any kind and nature related to, arising out of, or

alleged to have resulted from the errors, mistakes or omissions relating to professional services by DESIGN CONSULTANT, its employees, agents, or any tier of subcontractors in the performance of this Contract or of any other person for whose errors, mistakes or omissions DESIGN CONSULTANT may be legally liable. This indemnity shall not be construed to include losses, claims, damages, suits, or actions of any kind and nature, to the extent arising from or alleged to have resulted from the errors, mistakes or omissions of CoC (other than DESIGN CONSULTANT, its employees, agents, or any tier of subcontractors). The provisions of this paragraph shall survive termination of this Contract.

(b) For all Other Liabilities, Hazards and Exposures:

To the fullest extent permitted by law, DESIGN CONSULTANT shall defend, indemnify and hold harmless the City of Chandler, its agents, representatives, officers, directors, officials and employees, individually and collectively, (hereinafter CoC) from and against all losses, claims, damages, suits, actions, payments, judgments, demands, expenses, and costs, including but not limited to, attorney's fees, defense costs, court costs, and the cost of appellate proceedings, or actions of any kind and nature, wages or overtime compensation due employees in rendering service under this Contract and whether to any person or property, including natural resources and any claim made under the Fair Labor Standards Act or any other federal or state laws, related to, arising out of, or alleged to have resulted from the actions of DESIGN CONSULTANT and alleged to have been caused in whole or in part by any act or omission of DESIGN CONSULTANT, anyone directly or indirectly employed by them or anyone for whose acts DESIGN CONSULTANT may be legally liable, and from any claims or amounts arising or recovered under Workers' Compensation laws or any other law, bylaw, or ordinance, order or decree or any failure on the part of DESIGN CONSULTANT, its agents, employees or representatives to fulfill DESIGN CONSULTANT's obligations under this Contract. This indemnity shall not be construed to include losses, claims, damages, suits, or actions of any kind and nature, to the extent arising from or alleged to have resulted from the errors, mistakes or omissions of CoC, (other than DESIGN CONSULTANT, its employees, agents, or any tier of subcontractors). The provisions of this paragraph shall survive termination of this Contract.

(c) Consequential Damages:

The parties intend that damages and/or costs and all other terms implying an amount tied to liability shall include consequential damages and loss of productivity limited to the total value of this contract in dollars as payable by the City of Chandler or twice the amount of aggregate insurance required by this Contract, whichever is greater.

(d) Insurance does not limit liability:

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

11. INSURANCE REQUIREMENTS:

- A DESIGN CONSULTANT, at its own expense, shall purchase and maintain insurance of the types and amounts required in this section, with companies possessing a current A.M. Best, Inc. rating of B++6, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY.**
- B With the exception of professional liability policies, policies written on a "Claims made" basis are not acceptable without written permission from the City's Risk Manager.**
- C All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of CITY, constitute a material breach of this Agreement and may result in termination of this contract.**

- D If any of the insurance policies are not renewed prior to expiration, payments to the DESIGN CONSULTANT may be withheld until these requirements have been met, or at the option of the City, the City may pay the Renewal Premium and withhold such payments from any monies due the DESIGN CONSULTANT.
- E All insurance policies, except Workers' Compensation and Professional Liability required by this Agreement, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this contract, the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insureds.
- F DESIGN CONSULTANT's insurance shall be primary insurance over any insurance available to the CITY and as to any claims resulting from this contract, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.
- G The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against CITY, its agents, representatives, officers, directors, officials and employees for any claims arising out of DESIGN CONSULTANT's acts, errors, mistakes, omissions, work or service.
- H The insurance policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of DESIGN CONSULTANT. DESIGN CONSULTANT shall be solely responsible for the deductible and/or self-insured retention. The amounts of any self-insured retentions shall be noted on the Certificate of Insurance. CITY, at its option, may require DESIGN CONSULTANT to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit. Self-insured retentions (SIR) in excess of \$25,000 will only be accepted with the permission of the Management Services Director/designee.
- I All policies and certificates shall contain an endorsement providing that the coverage afforded under such policies shall not be reduced, canceled or allowed to expire until at least thirty (30) days prior written notice has been given to CITY.
- J Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the DESIGN CONSULTANT with reasonable promptness in accordance with the DESIGN CONSULTANT's information and belief.
- K In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under this contract, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the DESIGN CONSULTANT until such time as the DESIGN CONSULTANT shall furnish such additional security covering such claims as may be determined by the CITY.

11.2 Proof of Insurance - Certificates of Insurance

- A Prior to commencing work or services under this Agreement, DESIGN CONSULTANT shall furnish to CITY Certificates of Insurance, issued by DESIGN CONSULTANT's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect and obtain from the City's Risk Management Division approval of such Certificates.
- B If a policy does expire during the life of this Agreement, a renewal certificate must be sent to the City of Chandler five (5) days prior to the expiration date.
- C All Certificates of Insurance shall identify the policies in effect on behalf of DESIGN CONSULTANT, their policy period(s), and limits of liability. Each Certificate shall include the job site and project number and title. Coverage shown on the Certificate of Insurance must coincide with the requirements in the text of

the contract documents. Information required to be on the certificate of Insurance may be typed on the reverse of the Certificate and countersigned by an authorized representative of the insurance company.

- D CITY reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. CITY shall not be obligated, however, to review same or to advise DESIGN CONSULTANT of any deficiencies in such policies and endorsements, and such receipt shall not relieve DESIGN CONSULTANT from, or be deemed a waiver of CITY's right to insist on, strict fulfillment of DESIGN CONSULTANT's obligations under this Agreement.

11.3 Required Coverage

Such insurance shall protect DESIGN CONSULTANT from claims set forth below which may arise out of or result from the operations of DESIGN CONSULTANT under this Contract and for which DESIGN CONSULTANT may be legally liable, whether such operations be by the DESIGN CONSULTANT or by a Sub-consultant or subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Coverage under the policy will be at least as broad as Insurance Services Office, Inc., policy form CG00011093 or equivalent thereof, including but not limited to severability of interest and waiver of subrogation clauses.

- A Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
- B Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- C Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- D Claims for damages insured by usual personal injury liability coverage;
- E Claims for damages, other than to Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- F Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; Coverage will be at least as broad as Insurance Service Office, Inc., coverage Code "I" "any auto" policy form CA00011293 or equivalent thereof.
- G Claims for bodily injury or property damage arising out of completed operations;
- H Claims involving contractual liability insurance applicable to the Contractor's obligations under the Indemnification Agreement;
- I Claims for injury or damages in connection with one's professional services;
- J Claims involving construction projects while they are in progress. Such insurance shall include coverage for loading and off loading hazards. If any hazardous material, as defined by any local, state or federal authorities are to be transported, MCS 90 endorsement shall be included.

11.3.1 Commercial General Liability - Minimum Coverage Limits:

The Commercial General Liability insurance required herein shall be written for not less than \$1,000,000 limits of liability or ten percent (10%) of the Contract Price, whichever coverage is greater. Any combination between general liability and excess general liability alone amounting to a minimum of \$1,000,000 per occurrence (or 10% per occurrence) and an aggregate of \$2,000,000 (or 20% whichever is greater) in coverage will be acceptable. The Commercial General Liability additional insured endorsement shall be as

broad as the Insurance Services, Inc's (ISO) Additional Insured, Form B, CG 20101001, and shall include coverage for DESIGN CONSULTANT's operations and products, and completed operations.

11.3.2 General Liability - Minimum Coverage Limits

The General Liability insurance required herein, including, Comprehensive Form, Premises-Operations, Explosion and Collapse, Underground Hazard, Products/Completed Operations, Contractual Insurance, Broad Form Property Damage, Independent Contractors, and Personal Injury shall be written for Bodily Injury and Property Damage Combined shall be written for not less than \$1,000,000 or 10% of the contract cost and with a \$2,000,000 aggregate.

11.3.3 Automobile Liability

DESIGN CONSULTANT shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in performance of the DESIGN CONSULTANT's work. Coverage shall be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof). Such insurance shall include coverage for loading and off loading hazards if hazardous substances, materials or wastes are to be transported and a MCS 90 endorsement shall be included with coverage limits of \$5,000,000 per accident for bodily injury and property damage.

11.3.4 Worker's Compensation and Employer's Liability

DESIGN CONSULTANT shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over DESIGN CONSULTANT's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease coverage for each employee, and \$1,000,000 disease policy limit.

In case any work is subcontracted, DESIGN CONSULTANT will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of DESIGN CONSULTANT.

11.3.5 Professional Liability

DESIGN CONSULTANT shall maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by DESIGN CONSULTANT, or any person employed by DESIGN CONSULTANT, with a claims made policy limit of not less than \$1,000,000.

12. AMENDMENTS

Whenever a change in the scope of work contemplated in this Contract is determined to be necessary, the work will be performed in accordance with the Contract provided, however, that BEFORE such work is started, a Contract Amendment shall be executed by the CITY and DESIGN CONSULTANT. Additions to, modifications of, or deletions from the project provided herein may be made and the compensation to be paid to DESIGN CONSULTANT may be adjusted accordingly by mutual agreement of the contracting parties. It is agreed that no claim for extra work by DESIGN CONSULTANT will be allowed by the CITY except as provided herein, nor shall DESIGN CONSULTANT do any work not covered by this Contract unless such work is authorized through an executed amendment.

13. TERMINATION WITHOUT CAUSE

CITY may at any time and for any or no reason, at its convenience, terminate this contract or any part of the services to be rendered pursuant thereto by written notice to DESIGN CONSULTANT specifying the termination date. Immediately after receiving such notice, DESIGN CONSULTANT shall discontinue advancing the work under this Contract and shall deliver to the CITY all drawings, notes, calculations,

sketches and other materials entirely or partially completed, together with all unused materials supplied by the CITY.

DESIGN CONSULTANT shall receive as compensation in full for services performed to date of such termination, a fee for the percentage of work actually completed. This fee shall be a percentage of DESIGN CONSULTANT(S) fee described in this Contract under paragraph 3 and shall be in the amount to be agreed mutually by DESIGN CONSULTANT and the CITY. The CITY shall make this final payment within sixty (60) days after DESIGN CONSULTANT has delivered the last of the partially completed items.

14. TERMINATION WITH CAUSE

This Agreement may be terminated by CITY for cause should the DESIGN CONSULTANT fail to perform any provision of this Agreement, including without limitation, for any of the following reasons:

- (a) DESIGN CONSULTANT abandons Work;
- (b) DESIGN CONSULTANT assigns or attempts to assign its rights or obligations under this Agreement or any part thereof to any third-party (without the prior written consent of CITY);
- (c) DESIGN CONSULTANT is adjudged bankrupt or insolvent, makes a general assignment for the benefit of creditors, has a trustee or receiver appointed for its property, or files a petition to take advantage of any debtor's act;
- (d) DESIGN CONSULTANT fails or refuses to perform any obligation under the Agreement, or fails to remedy such nonperformance within seven (7) days after its occurrence;
- (e) DESIGN CONSULTANT fails to comply with any applicable Laws and fails to remedy such nonperformance within seven (7) days after its occurrence;
- (f) DESIGN CONSULTANT fails to achieve the required dates for performance required pursuant to the Agreement.

The CITY'S right of termination for cause as set forth herein shall be in addition to, and not a limitation of, any and all other remedies available to CITY at law, in equity, or under the terms and provisions of this Agreement.

15. OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, tracings, drawings, original mylars, estimates, field notes, investigations, design analysis and studies which are prepared in the performance of this Contract are to be, and remain the property of, the CITY. DESIGN CONSULTANT shall furnish the CITY, upon its request, originals or reproducible of technical specifications and copies of all other documents listed above. DESIGN CONSULTANT shall endorse, by his professional seal, all plans and engineering data furnished by him.

16. RE- USE OF DOCUMENTS

The parties agree the documents, drawings, specifications and designs, although the property of CITY, are prepared for this specific project and are not intended nor represented by DESIGN CONSULTANT to be suitable for re-use for any other project. Any reuse without written verification or adaptation by DESIGN CONSULTANT for the specific purpose intended will be at CITY'S sole risk and without liability or legal exposure to DESIGN CONSULTANT.

17. NO KICK-BACK CERTIFICATION

DESIGN CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the City Council or any employee of the CITY has any interest, financially or otherwise, in the DESIGN CONSULTANTING firm.

For breach or violation of this warranty, the CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

18. CONFLICT OF INTEREST

DESIGN CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract.

Pursuant to A.R.S. Section 38-511, the City may cancel this contract within three (3) years after its execution, without penalty or further obligation by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City of Chandler is, at any time while the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

19. ALTERNATE DISPUTE RESOLUTION

19.1 Alternative Dispute Resolution. The parties hereby agree that there shall be a sixty (60) day moratorium on litigation commencing on the day that a claim is filed by CONTRACTOR pursuant to A.R.S. § 12-821.01 during which time the parties will negotiate in good faith to resolve the dispute and evaluate the viability of pursuing alternative dispute resolution procedures such as mediation and arbitration.

19.2 Arizona Law. This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

19.3 Jurisdiction and Venue. The parties agree that this Agreement is made in and shall be performed in Maricopa County. Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Maricopa County in the State of Arizona, which shall have exclusive jurisdiction over such lawsuits.

19.4 Fees and Costs. Except as otherwise agreed by the parties, the prevailing party in any adjudicated dispute relating to this Agreement is entitled to an award of reasonable attorney's fees, expert witness fees and costs including, as applicable, arbitrator fees; provided, however, that no award of attorney's fees shall exceed ten percent (10%) of the damages awarded the prevailing party unless the non-prevailing party has been determined to have acted in bad faith or in a frivolous manner during the adjudication.

20. CONTROLLING LAW

The law of the state of Arizona shall govern this Contract.

21. REQUIRED COMPLIANCE WITH ARIZONA PROCUREMENT LAW

Compliance with A.R.S. § 41-4401. Pursuant to the provisions of A.R.S. § 41-4401, the Design Consultant hereby warrants to the City that the Design Consultant and each of its subcontractors ("Subcontractors") will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter "Design Consultant Immigration Warranty").

A breach of the Design Consultant Immigration Warranty (Exhibit C) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.

The City retains the legal right to inspect the papers of any Design Consultant or Subcontractor employee who works on this Contract to ensure that the Design Consultant or Subcontractor is complying with the Design Consultant Immigration Warranty. The Design Consultant agrees to assist the City in the conduct of any such inspections.

The City may, at its sole discretion, conduct random verifications of the employment records of the Design Consultant and any Subcontractors to ensure compliance with Design Consultants Immigration Warranty. The Design Consultant agrees to assist the City in performing any such random verifications.

The provisions of this Article must be included in any contract the Design Consultant enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a Design Consultant or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

In accordance with A.R.S. §35-393.06, the Design Consultant hereby certifies that the offeror does not have scrutinized business operations in Iran.

In accordance with A.R.S. §35-391.06, the Design Consultant hereby certifies that the offeror does not have scrutinized business operations in Sudan.

22. NO ASSIGNMENT

DESIGN CONSULTANT shall not assign, transfer, convey or subcontract this contract or the services to be rendered pursuant thereto without the prior written consent of CITY.

23. NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names to this _____ day of _____ 2011.

CITY OF CHANDLER

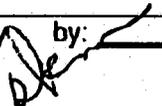
MAYOR Date

ADDRESS FOR NOTICE
City of Chandler
P.O. Box 4008, Mail Stop 407
Chandler, AZ 85244-4008
480-782-3307

ATTEST:

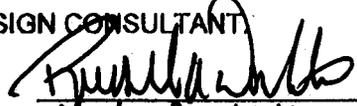
City Clerk

APPROVED AS TO FORM:

City Attorney by: 

SEAL

DESIGN CONSULTANT

By: 
Title: Sr. Vice President

ADDRESS FOR NOTICE
4600 East Washington Street, Suite 500
Phoenix, Arizona 85034

Phone: 602-263-9500
Fax: 602-265-1422

ATTEST: If Corporation

Secretary

By: Robert Brown 4/12/11

Title: ASSOCIATE VICE-PRESIDENT

EXHIBIT A SCOPE OF WORK

DESIGN CONSULTANT shall provide engineering services for upgrades to the Pecos Surface Water Treatment Plant (SWTP). The specific work elements for this project are:

- Upgrade existing horizontal paddle-type flocculators in Flocculation/Sedimentation Basins 1-3.
- Upgrade the existing in-line flash mix and chemical injection system for Flocculation/Sedimentation Basins 1-3.
- Upgrade the current temporary alum drip system installed by plant staff at the Ballasted Flocculation Basins effluent to a permanent feed system. A partial design for this work has already been completed by the City.
- Perform structural inspection of Flocculation/Sedimentation Basins 1-3, in particular the coatings on the sludge collectors in the sedimentation basins. This inspection will also provide an opportunity to evaluate concrete integrity, and general condition of the existing flocculators.
- Relocate a sodium hypochlorite feed line.

City intends that all work items be designed by Summer 2011 with construction completed by Spring 2012. Design Bid Build will be the project construction delivery method. As part of this scope, DESIGN CONSULTANT shall provide engineering design services to develop construction bid documents, and also provide bid assistance services. Maintaining the project design schedule will be critical in order to issue bid documents in August/September 2011, select a contractor in September 2011, and complete the construction activities by the completion of the plant shutdown(s) in Spring 2012. Another important component of the project will be to identify long lead equipment items early in the project, so that City can plan for pre-purchases and budgeting, if necessary.

The project design scope includes a Preliminary Design Report, then construction documents through 100 percent completion. The nature of the work will require involvement of civil, structural, mechanical, electrical, and instrumentation engineering disciplines. DESIGN CONSULTANT shall also perform an engineer's estimate for project construction costs. DESIGN CONSULTANT shall conduct project meetings and workshops to receive City input for the project, and to receive document review comments.

DESIGN CONSULTANT shall perform the following tasks:

- Task 100 - Project Management
- Task 200 - Preliminary Design Report
- Task 300 - Detailed Design and Agency Review Coordination
- Task 400 - Bidding Assistance

TASK SERIES 100 - PROJECT MANAGEMENT & ALTERNATIVES DEVELOPMENT

Task 110 - Monitor progress, monthly status reports/invoices, provide schedule updates

Task 120 - Conduct meetings, distribute meeting minutes

Task 130 - Data gathering, collect files, confirm existing conditions

Task 140 - Develop flocculator and flash/rapid mix system rehabilitation alternatives, cost and qualitative comparisons, and estimated construction schedules including impacts to plant operations

Assumptions: 6-month design phase duration, and up to 10 project progress and / or team meetings.

1. Meeting No. 1 - Alternatives Review Workshop; review and select City preferred alternative(s) for implementation.
2. Meeting No. 2 - Design CAMP Workshop to review the Draft Preliminary Design Report, receive comments from City staff on the report.
3. Meeting No. 3 - Review project drawings and specifications progress. Approximate design progress level will be 60%.
4. Meeting No. 4 - Review Final/Bid Set contract documents prior to issue for bids.
5. Project Progress Meetings and other miscellaneous meetings for months when no other meetings are planned, and meetings during bidding assistance phase, as required.

City Inputs:

1. Confirm schedule for project meetings.
2. Provide applicable data and electronic CAD files available for the SWTP.

Deliverables: Monthly invoices and status reports; meeting and workshop minutes documenting selected alternative and other project decisions

TASK SERIES 200 – PRELIMINARY DESIGN REPORT

- Task 210 - Develop basis of design criteria and recommendations.
Task 220 - Prepare preliminary P&IDs and control descriptions.
Task 230 - Develop preliminary Project Construction Schedule, including milestones and durations for construction activities, and coordination with plant shutdown windows.
Task 240 - Prepare Opinion of Probable Construction Cost.
Task 250 - Prepare Preliminary Design Report (30% design level).

Assumptions: Sufficient existing geotechnical information is currently available for site.

City Inputs: Preliminary Design Report review comments.

Deliverables: Preliminary Design Report, 10 hard copies and .pdf electronic file.

TASK SERIES 300 – DETAILED DESIGN AND AGENCY REVIEW COORDINATION

- Task 310 - Sixty Percent (60%) design documents; drawings and specifications.
Task 320 - Develop detailed Construction Sequence Plan and Schedule.
Task 330 - Regulatory agency coordination and permit packages, including Maricopa County Environmental Services Department (MCESD) Approval to Construct permit, City of Chandler Bldg. Permit.
Task 340 - Prepare Final/Bid set and pre-purchase (if needed) construction contract documents, final set to include agency review comments.
Task 350 - Update Opinion of Probable Construction Cost.

Assumptions:

1. Design drawings submitted to City staff for review will be half-size (11"x17") and three (3) full size, hard copies, and electronic files as needed. Carollo will conduct progress review meetings to obtain City staff inputs on the project design documents, as they progress.
2. DESIGN CONSULTANT shall prepare Agency review sets for MCESD and City Planning and Development Dept. as per their respective requirements.
3. DESIGN CONSULTANT has included in the scope anticipated MCESD review fees. It's assumed that the City will pay all Chandler Bldg. Dept. review fees.
4. Reproduction for Final/Bid set construction document drawings and specifications are provided in Task Series 400 – Bidding Services.
5. DESIGN CONSULTANT shall prepare technical specifications in accordance with 1995 CSI format. DESIGN CONSULTANT shall use City front-end documents and DESIGN CONSULTANT's Divisions 1-17 specifications for templates.
6. Fire detection and protection will not be required for the project.
7. Architectural or landscape architectural drawings will not be required for the project. Limited landscaping requirements will be shown on the civil drawings.
8. If it is anticipated during the design phase that some of the project elements may require pre-purchase for long lead times in order to maintain the construction schedule, DESIGN CONSULTANT shall package or phase the drawings and specifications to assist The City with pre-purchase coordination.
9. The City will provide review comments at the progress review meetings and within two weeks of receiving the review package submittals. DESIGN CONSULTANT shall continue work on project documents during the review process to preserve overall schedule.

City Inputs: Provide inputs and design elements, and review comments on submittals.

Deliverables:

1. Construction Phasing Plan.
2. Design review workshop and meetings materials.
3. "Agency" review package (90%) to MCESD and Chandler Building Dept.
4. Final bid/construction documents submitted to The City.
5. Opinion of probable construction cost update.

TASK SERIES 400 – BIDDING ASSISTANCE

Task 410 - Conduct pre-bid meeting.

Task 420 - Issue pre-bid meeting minutes.

Task 430 - Prepare clarifications and addenda, respond to Contractor questions.

Assumptions:

1. DESIGN CONSULTANT shall prepare Final/Bid set construction document drawings in half-size and full-size (24" x 36") sets on bond paper. DESIGN CONSULTANT shall provide five (5) half-size, five (5) full-size sets of drawings, and ten sets of specifications. DESIGN CONSULTANT shall also provide drawings and specifications to the City in .pdf format, if additional reproductions are required, and in native AutoCAD electronic files.
2. The City will print and distribute bid sets as needed for prospective bidders and also print and distribute addenda(s) sets.

City Inputs: Production of Bid documents as required for number of bidders. Distribution of bid packages to bidding contractors.

Deliverables:

1. Pre-bid meeting minutes.
2. Issue clarifications & addenda during bidding.
3. Construction documents. The City will distribute construction documents to bidding contractors and the selected contractor.

PROJECT SCHEDULE

The estimated schedule for the project is as follows:

Notice to Proceed	April 2011
Preliminary Design Phase Complete	May/June 2011
Detailed Design Phase Complete	August 2011
Bid Advertisement	August/September 2011
Bid Opening	September 2011
Construction Phase Starts	October 2011
Construction Phase Complete	March 2012

ESTIMATED LABOR HOURS AND COSTS

Labor Hours and Costs associated with completion of the Scope of Work are provided in *Exhibit B*.

**EXHIBIT B
FEE SCHEDULE**

	Hourly Rates	\$210	\$195	\$180	\$160	\$135	\$125	\$ 70	
100 PROJECT MANAGEMENT									
110 Monthly invoices and status reports (6 months)	4	18	0	8	0	0	0	0	30
120 Project Progress & Team Meetings	16	24	24	60	2	0	8	134	
130 Data Gathering	0	8	12	40	4	0	8	72	
140 Develop Alternatives	0	8	12	24	8	0	0	52	
Subtotal (110-140)	20	58	48	132	14	0	16	238	
200 PRELIMINARY DESIGN REPORT									
210 Develop Basis of Design Criteria	8	8	16	16	8	0	0	56	
220 Prepare Preliminary P&IDs and Control Descriptions	0	2	24	24	4	80	0	134	
230 Develop Preliminary Construction Schedule	0	2	8	0	0	0	0	10	
240 Prepare Opinion of Probable Construction Cost	0	2	24	24	0	0	0	50	
250 Preliminary Design Report (30% design level)	4	32	32	32	8	16	24	148	
Subtotal (210-250)	12	46	104	96	20	96	24	390	
300 DETAILED DESIGN AND AGENCY COORDINATION									
310 60% Documents	8	24	120	120	16	330	80	698	
320 Detailed construction sequence plan/schedule	0	2	8	24	0	0	0	34	
330 Regulatory agency coordination	0	8	2	32	0	0	0	42	
340 Final/Bid set construction documents	12	24	100	80	16	320	80	632	
350 Update Opinion of Probable Cost	0	2	4	12	0	0	0	18	

**EXHIBIT B (cont.)
FEE SCHEDULE**

Item No.	Description	Unit	QTY	UNIT PRICE	AMOUNT	QTY	UNIT PRICE	AMOUNT	QTY	UNIT PRICE	AMOUNT
40	BIDDING ASSISTANCE										
41	Conduct pre-bid meeting	Hour	4	0	0	8	0	0	0	0	12
42	Issue pre-bid meeting minutes	Hour	0	0	0	2	0	0	0	0	2
43	Prepare clarifications and addenda	Hour	0	2	0	24	0	24	2	0	52
	Subtotal				0	6	0	24	0	2	66
	Total Labor Hours				62	170	300	530	100	170	3,170
	Total Labor Cost (Not to Exceed)				0	1,020	9,000	24,000	1,000	17,000	32,000
DIRECT COST ALLOWANCES											
1)	Reproduction										\$ 2,000
2)	Mileage										\$ 500
3)	MCESD fees										\$ 4,000
											Total Direct Cost Allowances \$ 6,500
											TOTAL CONTRACT AMOUNT \$324,150

EXHIBIT C

**Design Consultant Immigration Warranty
To Be Completed by Design Consultant Prior to Execution of Contract**

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the Design Consultant and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

By completing and signing this form the Design Consultant shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

Project Number/Division: WA1004-201
Name (as listed in the contract): Carollo Engineers, Inc.
Street Name and Number: 4600 East Washington Street Suite 500
City: Phoenix State: AZ Zip Code: 85034

I hereby attest that:

1. The Design Consultant complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees; and
3. The Design Consultant has identified all Design Consultant and subcontractor employees who perform work under the contract and has verified compliance with Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214.

Signature of Design Consultant (Employer) or Authorized Designee:



Printed Name: Russell A. Wachter

Title: Sr. Vice President

Date (month/day/year): 4/12/2011