



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. CA12-203**

1. Agenda Item Number: 29
2. Council Meeting Date: June 14, 2012

TO: MAYOR & COUNCIL
THROUGH: CITY MANAGER

3. Date Prepared: May 22, 2012
4. Requesting Department: Municipal Utilities

5. SUBJECT: Award Professional Services contract for construction management services to Wilson Engineers for the Airport Water Reclamation Facility Expansion to 22 MGD, Project No. WW1013-451, in an amount not to exceed \$7,975,110, contingent upon written notification from Intel and appropriate funding.

6. RECOMMENDATION: Staff recommends Council award Professional Services contract for construction management services to Wilson Engineers for the Airport Water Reclamation Facility Expansion to 22 MGD, Project No. WW1013-451, in an amount not to exceed \$7,975,110, contingent upon written notification from Intel and appropriate funding.

7. BACKGROUND/DISCUSSION: The Airport Water Reclamation Facility (AWRF) is located on Queen Creek Road, west of McQueen Road. Staff identified the need for design and construction of new wastewater treatment capacity to accommodate Intel's plant expansion on Dobson Road. A public information meeting to discuss expansion and odor control was held May 31, 2012 with residents neighboring the facility. Construction will begin summer 2012 and is expected to be completed in fall 2014.

Work under this contract includes construction management and inspection services for all four phases of AWRF's Treatment Plant Expansion to 22 MGD. Tasks include managing construction effort for the City, reviewing shop drawings, answering information questions, adjusting design modifications for field conditions; inspection of construction work following contract documents; and special services including training and warranty assistance.

8. EVALUATION: On September 22, 2011, Council approved a design contract to Wilson Engineers for the Airport Water Reclamation Facility Expansion to 22 MGD project. The consultant was selected in accordance with state law for design services. Three (3) Statements of Qualifications were received from qualified firms on August 2, 2011. The Selection Committee included the following members:

- John Knudson, P.E., Utilities Engineering Manager
- Joshua Plumb, P.E., Engineering Project Manager
- Kim Neill, Utilities Operations Manager
- John Pinkston, Wastewater Facilities Superintendent
- John Rydzewski, Intel Representative
- John McNellis, Chandler Resident

The committee held interviews and discussions with Wilson Engineers, Stantec Consulting, Inc., and CH2MHill. Wilson Engineers was selected based on qualifications, design capability, current workload, and experience. Staff reviewed scope of work, billing rates and total fee for this project, compared them to historical costs, and determined they are reasonable.

9. FINANCIAL IMPLICATIONS:

Cost: \$7,975,110 Original Contract
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>
615.3910.6814.6WW022	Wastewater Operating	Water Reclamation Facility Expansion	Yes	\$7,975,110

10. PROPOSED MOTION: Move Council award Professional Services contract for construction management services to Wilson Engineers for the Airport Water Reclamation Facility Expansion to 22 MGD, Project No. WW1013-451, in an amount not to exceed \$7,975,110, contingent upon written notification from Intel and appropriate funding, and authorize the Mayor to sign the contract documents.

ATTACHMENTS: Contract, Location Map

APPROVALS

11. Requesting Department


John Knudson, Utilities Engineering Manager

12. Transportation & Development

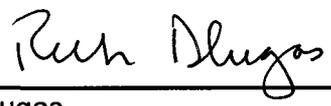

Bob Fortier, Capital Projects Manager


Sheina Hughes, City Engineer

13. Department Head

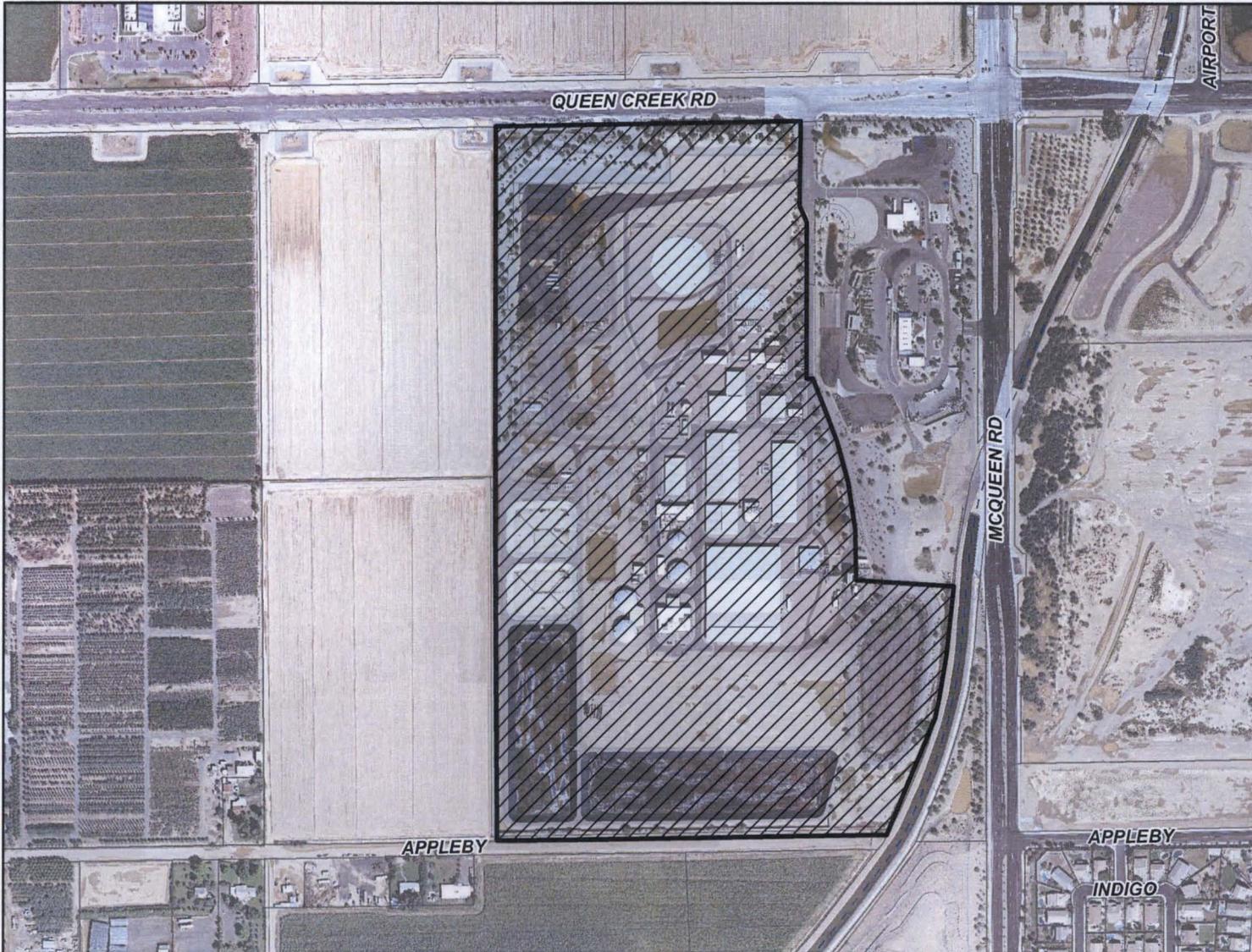
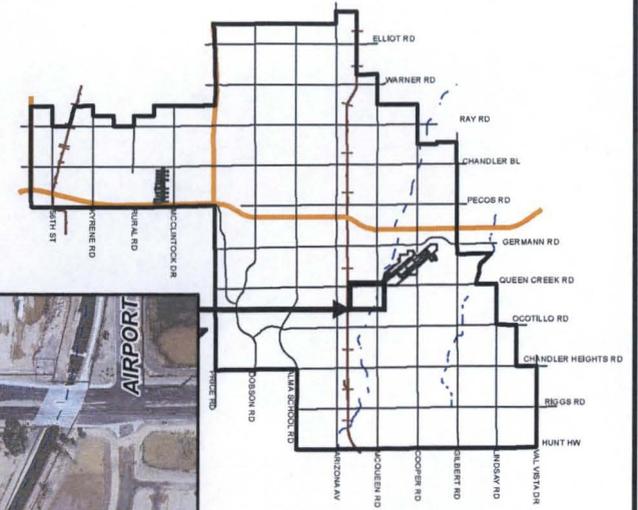

Dave Siegel, Municipal Utilities Director

14. City Manager


Rich Dlugas



AIRPORT WATER RECLAMATION FACILITY EXPANSION TO 22 MGD PROJECT NO. WW1013-451



MEMO NO. CA12-203

 PROJECT SITE



PROFESSIONAL SERVICES CONTRACT

Project Name: Airport Water Reclamation Facility (AWRF) Treatment Plant Expansion to
22MGD Construction Management Services
Project No. WW1013-451

THIS AGREEMENT is made and entered into this ____ day of _____, 2012, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and Wilson Engineers LLC., registered in the State of Arizona, hereinafter referred to as "CONSULTANT".

WHEREAS, the Mayor and City Council of the City of Chandler is authorized and empowered by provisions of the City Charter to execute contracts for professional services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in the Agreement.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

1. CONTRACT ADMINISTRATOR

1.1 To provide the professional services required by this Agreement CONSULTANT shall act under the authority and approval of City Engineer or designee, (the Contract Administrator), who shall oversee the execution of this Agreement, assist the CONSULTANT with any necessary information, audit billings, and approve payments. The CONSULTANT shall channel reports and special requests through the Contract Administrator.

1.2 CITY reserves the right to review and approve any/all changes to CONSULTANT'S key staff assigned to the CITY project by the firm during the term of this Agreement.

2. **SCOPE OF WORK:** CONSULTANT shall provide those services described in Exhibit A attached hereto and made a part hereof by reference.

3. **ACCEPTANCE AND DOCUMENTATION:** Each task shall be reviewed and approved by CITY to determine acceptable completion. All documents, including but not limited to, data compilations, studies, and reports which are prepared in the performance of this Agreement, shall be and remain the property of CITY and shall be delivered to CITY before final payment is made to CONSULTANT.

4. **FEE SCHEDULE:** For the services described in paragraph 2 of this Agreement, CITY shall pay CONSULTANT a fee not to exceed the sum of **Seven Million Nine Hundred Seventy Five Thousand One Hundred Ten dollars (\$7,975,110)** in accordance with the fee schedule attached hereto as Exhibit B and incorporated herein by reference.

5. **TERM:** Following execution of this Agreement by CITY, CONSULTANT shall immediately commence work and shall complete all services described herein no later than October 1, 2014 from the date hereof.

6. **TERMINATION:** CITY reserves the right to terminate this Agreement or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subconsultants to cease such work. As compensation in full for services performed

to the date of such termination, the CONSULTANT shall receive a fee for the percentage of services actually completed.

7. TERMINATION WITH CAUSE

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

- (a) CONSULTANT abandons Work;
- (b) 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) 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) 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) CONSULTANT fails to comply with any applicable Laws and fails to remedy such nonperformance within seven (7) days after its occurrence;
- (f) 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."

- 8. INDEMNIFICATION:** To the fullest extent permitted by law, 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 acts, errors, mistakes, omissions, work or services of the CONSULTANT, its employees, agents, or any tier of subconsultants in the performance of this Contract or of any other person for whose acts, errors, mistakes or omissions 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 CONSULTANT, its agents, employees or representatives to fulfill CONSULTANT'S obligations under this Contract. IT IS THE INTENTION OF THE PARTIES to this contract that the CoC, are to be indemnified against their own negligence unless and except their negligence is found to be the sole cause of the injury to persons or damages to property. The provisions of this paragraph shall survive termination of this Contract.

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

- 9. INSURANCE REQUIREMENTS:** CONSULTANT shall provide and maintain the insurance as listed in Exhibit C attached hereto and made a part hereof by reference.

- 10. ENTIRE AGREEMENT:** This Agreement constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified

herein. This Agreement may not be modified or amended except by a written document, signed by authorized representatives or each party.

- 11. CONFLICT OF INTEREST:** 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 Agreement.

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

12. APPLICABLE LAW, JURISDICTION AND VENUE, AND FEES AND COSTS

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

- 12.2 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.

- 12.3 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.

- 13. ARIZONA LAW:** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

14. REQUIRED COMPLIANCE WITH ARIZONA PROCUREMENT LAW

Compliance with A.R.S. § 41-4401. Pursuant to the provisions of A.R.S. § 41-4401, the Consultant hereby warrants to the City that the 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 "Consultant Immigration Warranty").

A breach of the Consultant Immigration Warranty (Exhibit D) 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 Consultant or SubCONTRACTOR employee who works on this Contract to ensure that the Consultant or SubCONTRACTOR is complying with the Consultant Immigration Warranty. The 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 Consultant and any SubCONTRACTORS to ensure compliance with Consultants Immigration Warranty. The Consultant agrees to assist the City in performing any such random verifications.

The provisions of this Article must be included in any contract the 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 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 Consultant hereby certifies that the offeror does not have scrutinized business operations in Iran.

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

- 15. **NOTICES:** All notices or demands required to be given pursuant to the terms of this Agreement shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names to this _____ day of _____, 2012.

CITY OF CHANDLER

CONSULTANT

Department Head/Designee Date

By: *[Signature]*
Title: PRINCIPAL

ADDRESS FOR NOTICE
City of Chandler
P.O. Box 4008, Mail Stop 407
Chandler, AZ 85244-4008
Phone: 480-782-3307
FAX: 480-782-3355

ADDRESS FOR NOTICE
Wilson Engineers, LLC
9633 S. 48th St., Ste. 290
Phoenix, AZ 85044-5658
Phone: 480-893-8860
FAX: 480-893-89-68

APPROVE AS TO FORM

ATTEST: If Corporation

City Attorney by: *[Signature]*

Secretary

ATTEST:

City Clerk

SEAL

EXHIBIT A SCOPE OF WORK

CONSULTANT shall provide the following Construction Management services at the Airport Water Reclamation Facility (AWRF) Treatment Plant Expansion to 22MGD located at 905 East Queen Creek Road, Chandler, 85286:

SECTION 100 - GENERAL

Section 200 - Project Administration Services During Construction

Section 300 - CONSULTANT Services During Construction

Section 400 - Resident Services During Construction

Section 500 - Special Services

This Scope of Services will be performed during the construction and post-construction phases of the Project. The duration of construction is specified to be two years. Some of the post-construction services are prescribed as Special Services, Section 500.

Construction contract documents (construction documents) are defined as the agreement, general conditions, supplemental conditions, drawings, standard details, specifications, addendum, and executed change orders prepared for construction of the Project.

SECTION 200 - PROJECT ADMINISTRATION SERVICES DURING CONSTRUCTION

Task 210 - Representation on Behalf of City

The CONSULTANT will consult with and advise CITY and act as its representative during construction. The extent and limitations of the duties, responsibilities and authority of CONSULTANT as assigned herein shall not be modified, except as CONSULTANT may otherwise agree in writing. All CITY instructions to CONTRACTOR(s) for Airport Water Reclamation Facility (AWRF) Treatment Plant Expansion to 22MGD will be issued through CONSULTANT who will have authority to act on behalf of CITY to the extent provided in this scope of services except as otherwise provided in writing.

CONSULTANT will not be responsible for the means, methods, techniques, sequences or procedures of construction selected by CONTRACTOR(s) (unless otherwise specified in the construction contract documents) or the safety precautions and programs associated with the work of CONTRACTOR(s).

CONSULTANT will make site(s) visits appropriate for the size of Project and type of construction at periods appropriate to the various stages of construction to inspect, as an experienced and qualified professional, the progress and quality of the executed work of CONTRACTOR(s) and to determine if such work is proceeding in accordance with the Contract Documents.

CONSULTANT's efforts shall be directed toward providing a greater degree of confidence for CITY that the completed work of CONTRACTOR(s) will conform to the Contract Documents, but CONSULTANT will not be responsible for the failure of CONTRACTOR(s) to perform the work in accordance with the Contract Documents.

On the basis of on-site examination of materials, equipment, and workmanship, CONSULTANT will keep CITY informed of the progress of the work, will endeavor to guard CITY against defects and deficiencies in such work and will disapprove or reject work failing to conform to the Contract Documents. This task shall include the following items:

1) Conduct preconstruction conference: the CONSULTANT will conduct a preconstruction conference. At the conference, the CONSULTANT will identify field services to be provided by the CONSULTANT and discuss appropriate coordination procedures. The CONSULTANT will prepare an agenda for the meeting and will prepare and distribute the meeting minutes. The CONSULTANT's Resident Project Representative (RPR) will conduct the meeting.

2) Provide construction administration, quality control, and coordination: the CONSULTANT will provide construction administration and quality control services during the course of construction to assure that the overall technical correctness of the construction phase services and that specified procedures are being followed and that schedules are being met. The CONSULTANT will provide coordination functions during the construction phase as follows;

- A) hold coordination meetings with the CITY representative and other City staff as appropriate;
- B) coordinate with regulatory and approving agencies and utilities as required;
- C) coordinate the work of specialty subconsultants assigned to the Project; and
- D) verify CONTRACTOR's Material Safety Data Sheets (MSDS) are on file at the job site.

3) Provide project documents: The CONSULTANT will maintain and provide the following detailed project records and documentation during the construction phase:

A) The Project records shall include correspondence, schedules, submittals, test data, project data, payments, change orders, meeting minutes, clarifications, mark-ups of drawings and specifications, control system documentation and other such documentation. Project records shall be delivered to the CITY's representative upon completion of the construction contract. Records shall be maintained under Section 400 at the RPR's field office. A duplicate set of records shall also be maintained in the CONSULTANT's Office.

B) Status reports for the construction contract shall be provided under Task 410.

Task 220 - Administer the Construction Schedule

The CONSULTANT's opinions concerning the various scheduling documents produced or used by the CONTRACTOR are for information and are not controlling on the CONTRACTOR. It is the CONTRACTOR's responsibility to continue to exercise its independent judgment concerning means, methods and sequences of construction it employs. The CONTRACTOR remains solely responsible for meeting contract time(s) given in the construction documents.

1) Review progress schedule: The CONSULTANT will review and critique the CONTRACTOR's progress schedule in accordance with the construction documents. The CONSULTANT will examine the work sequence, durations, interim milestones, and other appropriate scheduling features in accordance with the requirements of the construction documents. The CONSULTANT will prepare a summary of the review comments and will meet and discuss the schedule comments with the CONTRACTOR and the CITY's representative.

2) Review progress schedule updates: The CONSULTANT will review the CONTRACTOR's progress schedule updates to the construction schedule in accordance with the construction documents. The CONSULTANT will perform a review of progress accomplished during the period and compare to planned schedule and discuss significant discrepancies with the CONTRACTOR. The CONSULTANT

and CONTRACTOR will establish, based on the data, the percent of Project completion. CONSULTANT will meet with CONTRACTOR on monthly basis to review and update the schedule data. Based upon the schedule update, the CONSULTANT will recommend processing progress payments. The primary performance of the task will be performed under Task 400.

Task 225 – Perform Site Visits

The CONSULTANT's design staff may make site visits appropriate for the type of construction at periods appropriate to the various stages of construction to observe, as an experienced qualified professional, the progress and quality of the executed work of a CONTRACTOR and to determine in general, if such work is proceeding in accordance with the design intent. The CONSULTANT's site visit shall support the inspection needs and requirements established by the CITY's Building Service Department.

Task 230 - Review Shop Drawings and Test Results

The CONSULTANT will receive, review, evaluate, and distribute (or take other appropriate action in respect of) shop drawings, samples, test results, and other data which CONTRACTOR is required to submit. The CONSULTANT's review shall be for conformance with the design concept of the Project and compliance with the information given in the construction documents. Such review or other action shall not extend to means, methods, sequences, techniques or procedures of construction selected by CONTRACTOR(s), or to safety precautions and programs associated thereto. The CONSULTANT will receive and review (for general contents as required by the construction documents) maintenance and operating schedules and instructions, operation and maintenance manuals, guarantees, and certificates of inspection which are to be assembled by CONTRACTOR(s) in accordance with the construction documents.

The CONSULTANT will maintain a submittal log showing dates of submittal, transmittal action to other subconsultants, dates of return and review action. Copies of the log shall be furnished to the CITY and the CONTRACTOR monthly. The CONSULTANT will promptly and in accordance with Project schedule requirements, review and approve, reject or take other appropriate action on the CONTRACTOR's request for substitutions. The CONSULTANT will not approve any proposed substitution unless such substitution conforms to the Project design concept and the construction contract documents including the contract price.

Task effort is based on receiving a total of 1200 shop drawings. Submittal review efforts are based upon a maximum of two (2) reviews per submittal and that no more than fifty percent (50%) of the total number of first submittals will require two (2) reviews.

Task 240 - Issue Interpretations and Clarifications

The CONSULTANT will issue the CITY's instructions to CONTRACTOR(s); issue necessary interpretations and clarifications of the construction documents; have authority, as CITY's representative, to require special inspection or testing of the work; act as initial interpreter of the requirements of the construction documents and judge the acceptability of the work thereunder, and make decisions on all claims of CITY and CONTRACTOR(s) relating to the acceptability of the work or the interpretation of the requirements of the construction documents pertaining to the execution and progress of the work. The CONSULTANT will render interpretations or decisions in good faith and in accordance with the requirements of the construction documents. Task effort is based on review of 800 RFIs.

The CONSULTANT will respond to the CITY's representative and/or CONTRACTOR to clarify and/or interpret technical or design related questions. Routine technical interpretations shall be responded to under Task 410. The CONSULTANT will respond to issues raised during construction regarding interpretation and clarification of the contractual administrative and technical requirements of the

construction documents. The CONSULTANT will serve as the CITY's advisor in resolution of these issues. Clarifications shall be issued to the CONTRACTOR under Task 410.

Task 250 - Certify CONTRACTOR Progress Payments

The CONSULTANT will review, prepare comments, and reach agreement with the CONTRACTOR on the progress represented in the CONTRACTOR's schedule of values. The monthly schedule update, schedule of values, in combination with the CONSULTANT's field inspections, and the progress schedule shall be used by the CONSULTANT to determine the appropriateness of the CONTRACTOR's request for payment.

The CONSULTANT, as an experienced and qualified professional, and on review of applications for payment and the accompanying data and schedules, determine the amounts owing to CONTRACTOR and recommend in writing, payments to CONTRACTOR in such amounts; such recommendations of payment will constitute a representation to CITY, based on such inspections and review, that;

- 1) the work has progressed to the point indicated;
- 2) to the best of CONSULTANT 's knowledge, information and belief, the quality of such work is in accordance with the Contract Documents (subject to an evaluation of such work as a functioning Project upon Substantial Completion, to the results of any subsequent tests called for in the construction documents, and to any qualifications stated in the recommendation); and
- 3) payment of the amount recommended is due and owing to the CONTRACTOR.

For unit price work, the CONSULTANT's recommendations for payment will a determination of completed quantities of such work.

Task 260 – Substantial and Final Completion Inspection

Following notice from the CONTRACTOR, The CONSULTANT will conduct an inspection to determine if the Project or the work associated with interim milestones is substantially complete in accordance with the construction documents. If the CONSULTANT considers the work substantially complete, the CONSULTANT will deliver to the CITY and the CONTRACTOR the Certificate of Substantial Completion and the punch list, the date for completion of the punch list, and recommend the division of responsibilities between the CITY and the CONTRACTOR. If the work is not substantially complete, the process shall be repeated until the work is substantially complete.

The CONSULTANT will, upon completion of the punch list items as notified by the CONTRACTOR, make final inspection to determine if the finished work has been completed to the standard required by the construction documents, determine whether required inspections and approvals for permit compliance have been satisfactorily completed, and CONTRACTOR has fulfilled the obligations so that CONSULTANT may recommend, in writing, final payment to CONTRACTOR and may give written notice to CITY and the CONTRACTOR that the work is acceptable, subject to any conditions therein expressed and in consultation with the CITY whether the work is finally complete. At or prior to the final inspection, the CONSULTANT will request the CONTRACTOR prepare and furnish;

- 1) certification that all obligations for payment for labor, materials or equipment related to the work have been paid or otherwise satisfied;
- 2) certification that all insurance and bonds required of the CONTRACTOR beyond final payment is in effect and will not be canceled or allowed to expire without notice to the CITY;
- 3) the written consent of surety for final payment;

- 4) record document information is complete and submitted;
- 5) all keys, manuals, required spare parts, guaranties and warranties, and other documents necessary for close-out of the work; and
- 6) verification of permit close-out including the Certification of Occupancy.

If the work is not finally complete, the process shall be repeated until the work is finally complete.

Promptly after the work is determined to be finally complete and the CONSULTANT determines that the CONTRACTOR has properly submitted the items required for final inspection, the CONSULTANT will determine whether the CONTRACTOR is entitled to final payment and, if so, will so certify to the CITY.

The CONSULTANT's certification that the CONTRACTOR is entitled to final payment constitutes the CONSULTANT's representation to the CITY that;

- 1) the work complies with (a) the construction contract documents, (b) applicable building codes, rules or regulations of all governmental authorities having jurisdiction over the Project, and (c) applicable installation and workmanship standards;
- 2) the CONTRACTOR has submitted proper Final Completion close-out documents; and
- 3) the CONTRACTOR is entitled to final payment.

The CONSULTANT will provide to the CITY, at the time it submits a signed final payment request from the CONTRACTOR, all Final Completion close-out documents.

CONSULTANT will not be responsible for the acts or omissions of any CONTRACTOR, or SUBCONTRACTOR, or any of the CONTRACTOR(s)' or SUBCONTRACTOR(s)' agents or employees or any other persons (except CONSULTANT 's own employees and agents) at the site(s) or otherwise performing any of the CONTRACTOR(s)' work; however, nothing contained in Tasks 210 through 260, inclusive, shall be construed to release CONSULTANT from liability for failure to properly perform duties in accordance with this scope of services.

SECTION 300 - ENGINEERING SERVICES DURING CONSTRUCTION

Task 320 - Minor Changes, Change Order Requests, and Change Orders

The CONSULTANT, without the CITY's prior approval, may authorize or direct minor changes in the Work which are consistent with the intent of the construction contract documents and which do not involve a change in Project cost, time for construction, Project scope, aesthetics, or approved design elements. Any such minor changes shall be implemented by written field order. Except as provided in this paragraph, the CONSULTANT shall not have authority to direct or authorize changes in the Work without the CITY's prior written approval; however, the CONSULTANT shall provide a copy of any written field order to the CITY.

The CONSULTANT will promptly consult with and advise the CITY concerning, and shall administer and manage, all change order requests and change orders.

The CONSULTANT will prepare, when requested by the CITY, required drawings, specifications and other supporting data regarding minor changes, change order requests and change orders.

The CONSULTANT will prepare and submit change order requests explaining the merits for the change and a recommendation for the CITY's approval and acceptance.

The CONSULTANT will negotiate an agreement with the CONTRACTOR as to scope of work and cost, time or both associated with the change in Work. The change order shall include a written justification for the cost of the Work.

The CONSULTANT will administer and manage minor changes, change order requests, and change orders on behalf of the CITY. Change orders shall be prepared on a standard form provided by the CITY.

Should a change order request be accepted by the CITY in the absence of an agreement with the CONTRACTOR as to cost, time, or both, the CONSULTANT will;

- 1) receive and maintain all documentation pertaining to the change order request required of the CONTRACTOR;
- 2) examine such documentation on the CITY's behalf;
- 3) take such other action as may be reasonably necessary or as the CITY may request; and
- 4) make a recommendation to the CITY concerning any appropriate adjustment in the construction cost and/or time and prepare a change order for CONTRACTOR's acceptance and City approval.

Changes and substitutions shall be limited to the scope of the Project as defined by the construction documents or additional work as may be requested by the CITY.

Task 330 – Material Testing

The CONSULTANT will provide material testing service for tests as required to be performed by the CITY in the construction contract documents.

The CONSULTANT will provide the services of a professional construction materials inspection and testing laboratory that meets ASTM E 329 requirements. Inspection and testing shall be coordinated with the construction schedule. Testing and inspection services shall include placement inspection and testing of compacted select fill and backfill, ordinary backfill, paving base, pavement subgrade, and subgrade courses; asphaltic concrete pavement inspection and field density tests and concrete testing and inspection. Samples for testing shall be collected from the construction site and delivered to the laboratory. The laboratory shall provide a construction materials technician (technicians) to perform the field construction materials inspection and field testing services herein outlined.

CONSULTANT will review laboratory reports and reports of inspection and testing activities describing the tests and inspections made and maintain files of this documentation to be turned over to the CITY. The laboratory shall itemize any changes in specifications or acceptance criteria authorized by the CONSULTANT and report the actual condition of all items tested and inspected. The laboratory shall report directly to the CONSULTANT and shall receive direction with respect to work activities, duties, duration, reporting procedures, etc., from the CONSULTANT's Resident Project Representative.

The CONSULTANT's laboratory (and its technician(s)) will inspect and test for the following:

- 1) Soils Testing: Select backfill, backfill and subgrade materials under and around structures, paved areas, pipe trenches, and duct bank/conduit, etc., for compaction to the appropriate percentage of the moisture-density specified for each material. Selection of areas to be tested shall be made by the CONSULTANT. Placement of select backfill shall be periodically monitored by the technician for

compliance with project materials quality specifications. Field moisture-density tests shall be conducted by the technician at the frequency directed by the CONSULTANT. In-place density tests and sampling shall be conducted by the Technician on the compacted asphalt pavement at the frequency designated by the CONSULTANT. Moisture-density relationships shall be determined in accordance with the moisture-density specifications specified for this Project, utilizing the appropriate method for each material type. Optimum moisture and maximum density remolded swell and plasticity index testing as required for each sample submitted. Soil sieve analyses shall be conducted prior to placement of select backfill, and embedment and all granular fill materials.

2) **Concrete Placements:** The laboratory's technician shall monitor the concrete materials, as delivered to the Project site, for compliance with the requirements of the Construction Contract Documents. These requirements include temperature, slump, air content, time of delivery and composition as delivered. The technician shall report any deviations from the Construction Document requirements to the CONSULTANT. CONSULTANT will determine the acceptability of the products. The technician shall prepare and deliver (to the laboratory for testing) the concrete test cylinders in accordance with the Construction Contract Documents and appropriate American Concrete Institute (ACI) Standards.

Deliver to the laboratory, from the construction site, the concrete test cylinders prepared by the Technician. Provide test cylinder control system in accordance with the Laboratory's standard control procedure.

3) **Testing of Hot Mix Asphaltic Concrete:** Bitumen extraction, aggregate gradation, bitumen content, laboratory density and stability test shall be performed for paving operations.

4) **Additional Testing:** Additional testing services that may be required throughout the life of the construction period will be provided at the CONSULTANT's request. Fees for these services will be invoiced through the CONSULTANT to the CITY at the laboratory's standard unit rates in effect at the time these services are provided.

Written reports of all testing results which identify the required data and identify conformance or non-conformance with the Construction Contract Document will be maintained by the CONSULTANT and provided to the CITY at the completion of the Project. The CONSULTANT will take appropriate action on all such testing and inspection reports, including acceptance, rejection, requiring additional testing or corrective work, or such other action the CONSULTANT deems appropriate. The CONSULTANT will promptly reject Work which does not conform to and comply with testing requirements.

Task 340 – Record Drawings

The CONSULTANT will prepare a set of record drawings showing those changes made during construction. Record drawing information shall be based on marked-up prints, drawings, and other data furnished by CONTRACTOR(s) to CONSULTANT which CONSULTANT will review for accuracy and completeness. Use the original cover sheet with all the signatures and CONSULTANT seals for the record drawings.

The CONSULTANT will prepare the following:

1) One (1) full size black line copies and three (3) 11" x 17" black line copies to submit to the CITY. Record drawing information will be added electronically to existing AutoCad files by the CONSULTANT as the record set. The record drawings shall be conformed to reflect shop drawing review, substitutions, clarifications and change order information.

2) Ten (10) sets of electronic files representing record drawing information. Five sets of electronic files will be AutoCad files and five sets will be PDF files. *(Note: The record drawing electronic files will*

be used as facility drawings by the City. The sealed set of record drawings defined in Task 340.1 above shall represent the official record drawing set for the Project.)

The CONSULTANT will review and coordinate the record drawings. The record drawings shall be available to the CITY within thirty (30) days of receipt of all data in its entirety from the CONTRACTOR.

Task 350 – Manufacturer Operation and Maintenance Manual

Prepare a record of manufacturer or supplier furnished operating and maintenance manual that reflects the intent of design and the manufacturer's installation, operation, and maintenance requirements. The record may comprise catalog-cuts or manuals of materials or equipment supplied by the manufacturer that demonstrate compliance with contract documents. It is expected that the CONTRACTOR will furnish manufacturer's manuals prior to installation of the respective equipment. A record of manufacturer operation and maintenance manuals will be maintained by the CONSULTANT as the information is submitted by the CONTRACTOR. The preliminary record shall be submitted to the CITY on or about 80 percent construction completion; and a final record shall be submitted within 60 days following substantial completion.

The review of manufacturer operations and maintenance manuals will occur under Task 230. The development of facility operation and maintenance manual will occur under Task 540, Operations Manual.

Task 370 – Special Inspections

Perform Structural, Electrical, Mechanical, and other Special Inspections as required by the City of Chandler Building Code (Modified International Building Code). Provide Special Inspection Reports, and signed and sealed Special Inspection Certificates as required by City of Chandler Building Safety Department.

SECTION 400 - RESIDENT SERVICES DURING CONSTRUCTION

A - General

The CONSULTANT will be furnished and will act as directed by CONSULTANT, in order to assist CONSULTANT in inspecting performance of the work of the CONTRACTOR(s). Through more extensive on-site inspections of the work in progress and field checks of materials and equipment by the CONSULTANT and Inspector(s), CONSULTANT will endeavor to provide further protection for CITY against defects and deficiencies in the work of CONTRACTOR(s); but the furnishing of such resident project representation will not make CONSULTANT responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions or programs, or for CONTRACTOR(s) failure to perform their work in accordance with the Contract Documents.

CONSULTANT will act as directed by and under the supervision of CONSULTANT, and will confer with CONSULTANT. CONSULTANT's dealings in matters pertaining to the on-site work shall in general be only with CONSULTANT and CONTRACTOR, and dealings with subCONTRACTORs shall only be through or with the full knowledge of CONTRACTOR. Written communication with CITY will be only through or as directed by CONSULTANT.

B – Duties and Responsibilities

Task 410 - Field Administration

Schedules: Review the progress schedule, schedule of Shop Drawing submissions and schedule of

values prepared by CONTRACTOR, and consult with CONSULTANT concerning their acceptability.

Meetings: Conduct preconstruction conferences and periodic construction progress meetings. Prepare and distribute minutes of such meetings.

Liaison: Serve as CONSULTANT's liaison with CONTRACTOR, working principally through CONTRACTOR's superintendent and assist the superintendent in understanding the meaning of the Construction Documents. Assist CONSULTANT in serving as CITY's liaison with CONTRACTOR, when CONTRACTOR's operations affect CITY's on-site operation. As directed by CONSULTANT, assist in obtaining from CITY additional details or information, when required at the job site for proper execution of the work.

Shop Drawings and Samples: Shop drawings and samples which are furnished by CONTRACTOR will be received and reviewed as defined in Task 230. Advise CONSULTANT and CONTRACTOR or its superintendent prior to the commencement of any work requiring a Shop Drawing or sample submission if the submission has not been approved by CONSULTANT.

Interpretation of Construction Documents: Receive and transmit clarifications and interpretations of the construction documents to/from the CONTRACTOR and CONSULTANT as described in Task 240. Resident Project Representative will notify the CITY's representative of the CONSULTANT's decision prior to issuance to the CONTRACTOR.

Changes: Consider and evaluate CONTRACTOR's suggestions for changes in drawings or specifications and report suggestions with recommendations to CONSULTANT. Notify the CITY's representative of changes or alterations believed to be in the CITY's best interest. Provide the CITY's representative with support information of proposed changes. Prepare drawing, details, and specifications needed to describe and justify the change. Prepare an estimate of the cost and time impact of the change and negotiate scope, cost, and schedule with the CONTRACTOR.

Records: Maintain at the job site files for correspondence, reports of job conferences, shop drawings and samples submissions, reproductions of original construction documents including all addenda, change orders, field orders, additional drawings issued subsequent to the execution of the construction contract, CONSULTANT's clarifications and interpretations of the construction documents, progress reports, and other Project related documents.

Prepare daily reports recording CONTRACTOR's work performed on the job site, major construction equipment on-site, weather conditions, data relative to questions of extras or deductions, list of visiting officials and representatives of manufacturers, fabricators, suppliers and distributors, daily activities, decisions, on-site equipment, SUBCONTRACTORs on-site, inspections in general and specific inspections in detail as to inspecting test procedures. Send record copies to CONSULTANT.

Record names, addresses and telephone numbers of the CONTRACTOR's staff, subCONTRACTORs and major suppliers of materials and equipment.

Maintain notes to be capable of cross referencing the CONTRACTOR's record drawing information for accuracy and completeness.

Receive, review and process daily inspection reports.

Maintain a digital photographic file of the progress of the construction activities throughout the duration of the Project. This photo file will consist of color photographs taken to document specific construction activities where the information may be of future value. The photographs will be labeled as to the subject, and date of the photo and the photos will be kept in files which have been formatted to represent the specific construction area of the Project.

Reports: Each month, furnish CONSULTANT and CITY the Project progress meeting minutes (as the construction contract status report) describing the progress of the work and CONTRACTOR's compliance with the approved progress schedule and schedule of shop drawing submissions.

The report will include as a minimum;

- 1) total Project cost to date;
- 2) total Project cost during the period;
- 3) planned versus actual progress;
- 4) actual and/or potential defaults or violations of the construction documents;
- 5) remedies to the above;
- 6) change order activity summary (Task 320); and
- 7) other Project issues.

Consult with CONSULTANT in advance of scheduled major tests, inspections or start of important phases of the work.

Promptly notify the CONSULTANT of any accident relating to the Project.

CONTRACTOR Pay Applications: Review applications for payment as described in Task 250 with CONTRACTOR(s) for compliance with the established procedure for their submission and forward those with recommendations to CONSULTANT, noting particularly their relation to the schedule of values, work completed, and materials and equipment delivered at the site but not incorporated in the work.

Certificates, Maintenance and Operation Manuals: During the course of the work, review and determine that certificates, maintenance and operation manuals and other data required to be assembled and furnished by CONTRACTOR are applicable to the items actually installed; and deliver this material to CONSULTANT for review and forwarding to CITY prior to final acceptance of the work.

Task 420 - On-Site Inspection and Review of Work

The CONSULTANT shall maintain a presence at the Project site with sufficient frequency to be knowledgeable about the progress and quality of the work to:

- 1) Conduct on-site inspections of the work in progress to assist CONSULTANT in determining if the work is proceeding in accordance with the construction documents and that completed work conforms to the construction documents.
- 2) Report to CONSULTANT whenever it is believed that any work is unsatisfactory, faulty or defective or does not conform to the construction documents, or does not meet the requirements of inspections, tests or approval required to be made, or has been damaged prior to final payment; and advise CONSULTANT when it is believed work should be corrected or rejected or should be uncovered for inspection, or requires special testing, inspection or approval.
- 3) Verify that tests, equipment and systems start-up and operating and maintenance instructions are conducted as required by the construction documents and in presence of the required personnel, and that CONTRACTOR maintains adequate records thereof; inspect, record and report to CONSULTANT

appropriate details relative to the test procedures and start-ups.

- 4) Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the outcome of these inspections and report to CONSULTANT.

Task 430 - Completion

The Resident Project Representative will assist CONSULTANT during the inspection for Substantial Completion and Final Acceptance as described in Task 260 as follows:

- 1) Before CONSULTANT issues a Certificate of Substantial Completion, submit to CONTRACTOR a list of inspected items requiring completion or correction in accordance with the requirements of the construction documents.
- 2) After the CONTRACTOR has completed the work of the list of Subtask 430.1 and upon request of the CONTRACTOR, CONSULTANT will conduct final inspection with the CITY and CONTRACTOR. If necessary, prepare a final list of items to be completed or corrected in accordance with the requirements of the construction documents.
- 3) After the CONTRACTOR has completed the work of the final list of Subtask 430.2 and upon written notice from the CONTRACTOR, review and determine that items on the final list have been completed or corrected and make recommendations to CONSULTANT concerning acceptance.

C - Limitations of Authority

Except upon written instructions, Resident Project Representative:

- 1) will not authorize any deviation from the Contract Documents or approve any substitute materials or equipment;
- 2) will not undertake any of the responsibilities of CONTRACTOR, SUBCONTRACTORS or CONTRACTOR's superintendent, or expedite the work;
- 3) will not advise on or issue directions relative to any aspect of the means, methods, techniques, sequences or procedures of construction unless such is specifically called for in the Construction Documents;
- 4) will not advise on or issue directions as to safety precautions and programs in connection with the work; and
- 5) will not authorize CITY to occupy the Project in whole or in part.

SECTION 500 - SPECIAL SERVICES

Task 510 - Warranty

Services after completion of the construction phase, such as inspections upon request during the 12-month guarantee period, reporting discrepancies under guarantees in the construction contract documents, and provide assistance for resolution of defects to be corrected under warranty.

Task 515 - Training

The CONSULTANT will review CONTRACTOR's training plan and instruction materials for compliance with construction documents. CONTRACTOR or Manufacturer training presentations shall be scheduled

and coordinated with City personnel and facility operation. CONSULTANT will provide instruction to City personnel on the Project objectives, design intent, and system operational procedures.

Specific training services shall consist of the following:

- 1) CONTRACTOR's and manufacturer's training.

CONSULTANT will coordinate and monitor the CONTRACTOR's and manufacturer's training of CITY personnel.

- A) Discuss the preliminary course and lesson plan development with the CONTRACTOR and the manufacturer. One meeting shall be held with CITY's operational staff and the CONTRACTOR for this discussion.
 - B) Review and approve lesson plans and course materials.
 - C) Liaison between CITY and CONTRACTOR.
 - D) Monitor training sessions;
 - 1) monitor attendance;
 - 2) evaluate course; and
 - 3) assist classroom discussions.
 - E) Report to CITY for each training class conducted.
- 2) System training.

CONSULTANT will provide training on the design and operation of the major process systems to the CITY personnel.

- A) Prepare a training outline, schedule and lesson plan format for review and approval by CITY staff. Review the training outline in one meeting with CITY staff and incorporate comments and revisions as appropriate.
- B) Develop training lesson plans and presentation materials including training guides for the major process systems and submit the lesson plans to CITY staff for review before finalizing. The lesson plans shall include the following subjects;
 - 1) purpose and design intent of system;
 - 2) process operations and principles;
 - 3) system controls and control
 - 4) specific safety procedures and hazards;
 - 5) specific sampling, monitoring, and process calculations; and
 - 6) in-plant orientation and hands-on demonstration.
- C) Conduct training on the major process systems. Training may consist of classroom training for each system, followed by field orientation or hands-on instruction.

Task 540 - Operations Manual

The CONSULTANT will develop additional content to be added to the current facility Operations Manual. In addition, the CONSULTANT will update the current Operations Manual content to reflect modifications to existing facilities.

The content development process is designed to meet CITY goals and objectives for content that meets user needs and is presented in an understandable, easy-to-read style.

Additions and modifications to the facility Operations Manual will cover new, modified and upgraded treatment processes and major auxiliary systems included in the Project. New areas of the facility will be created as new sections of the Manual and will be completed in conjunction with the specific completion milestones of construction.

The specific chapters to be developed or updated with the assistance of CITY staff include:

1. Headworks Building
2. Pre-stage Basins
3. Aeration Basins
4. Secondary Clarifiers
5. Rapid Mix/Floc/Filtration Systems
6. Disinfection
7. Thickening
8. Dewatering
9. Ancillary Facilities

Prior to submitting the final version of the Operations Manual and transferring to the CITY, the CONSULTANT will conduct a detailed final validation and field verification process. Through this important quality control activity, the CONSULTANT will verify that:

- 1) Content has been field-verified and checked at the installation.
- 2) Photographs are current and are reflective of well-maintained and clean conditions.
- 3) Relevant documentation, such as scanned documents, figures and drawings are appropriately categorized for insertion into the database.
- 4) Standard Operating Procedures are accurate and reflect actual "as-operated" conditions.

Task 550 - Instrumentation and Control System

The CONSULTANT will provide assistance to the CONTRACTOR during the control system configuration phase of the project. As part of this task the CONSULTANT will assist the CONTRACTOR in implementation of functional requirements outlined as part of the project documents. The CONSULTANT shall conduct weekly meetings with the CONTRACTOR and the CITY to clarify and

review CONTRACTORs progress of the work regarding I&C and programming work.

Task 555 – Start up Testing and MOPO Coordination

The CONTRACTOR will be working at an operating wastewater treatment facility. There will be several shutdowns associated with the new work that needs to be performed within the vicinity of existing structures, process areas, channels etc. Extensive coordination is required with the CONTRACTOR to keep plant shutdowns to a minimum.

The CONSULTANT shall review the CONTRACTORs proposals for temporary conveyance and/or processing facilities. For work within the areas of process shutdowns, the CONSULTANT shall review list of labor materials, estimation of time, and equipment necessary and written description of the work.

New process areas will come on line as soon as they are installed and start up services will need to be completed to bring equipment online. The CONSULTANT shall provide start up assistance services. Such services will include review of CONTRACTOR's start-up checklist, prepare and coordinate a start-up plan and procedures for CITY personnel use, supervise during start up procedures, trouble shoot and assist the CITY staff during the period of initial operation.

The start-up process will include a planned, systematic approach to verify that facility systems operate as intended and there is an orderly transition from construction phase to routine operation. The start-up program will include four phases with estimated durations as follows:

Start-up Plan: CONSULTANT will prepare a start-up plan and procedures for the CITY staff and CONTRACTOR. The start-up plan will include identification of key milestone activities necessary for orderly start-up of the facilities. The milestone activities will include coordination of chemical deliveries, completion of any construction activities required for substantial completion, coordination of required CONTRACTOR maintenance activities, etc.

- A) The CONSULTANT will start-up and test new facilities. Following a sequentially coordinated initial start-up of the facility, the facility/process would be operated continuously.
- B) The CONSULTANT will verify that each process, associated mechanical equipment, associated hydraulic control devices, and conveyance components operate properly under actual operating conditions. This includes the verification that all hardwired electrical control interlocks and safeguards are functioning properly.
- C) The CONSULTANT will maintain documentation of the areas of operational concern encountered during the manual start-up phase with a determination of whether the item of concern is a CONTRACTOR warranty issue or requires a design modification. The CONSULTANT will monitor the documented concerns and promptly notify the CONTRACTOR of all warranty issues.
- D) Design modifications will be promptly evaluated by the CONSULTANT and recommendations shall be presented to the CITY for a determination of the necessity for implementation.
- E) The CONSULTANT will complete the necessary check out of the instrumentation system components and initial loading of the control software simultaneously computer operation mode can be verified for each process.

**EXHIBIT B
FEE SCHEDULE**

I. LABOR SUMMARY																
TASK No.	TASK DESCRIPTION	Staff Hours										TOTAL HOURS	LABOR COST	SUBS	TOTAL COST	
		Principal \$195	Senior PM \$180	Project Engineer \$125	Design Engineer \$105	CM \$160	Senior INSP \$125	INSP \$115	Tech \$80	Clerical \$65						
SECTION 200 - PROJECT ADMINISTRATION SERVICES DURING CONSTRUCTION																
210	Representation on Behalf of Owner	240	400	240		400						80	1360	\$ 214,000		\$ 214,000
220	Administer the Construction Schedule		420	160		400						80	1060	\$ 160,800		\$ 160,800
225	Perform Site Visits	80	420	800	1200								2500	\$ 317,200		\$ 317,200
230	Review Shop Drawings & Test Results	80	1600	2400	3220		400				800	8500	\$ 1,043,700	\$ 75,000	\$ 1,118,700	
240	Issue Interpretations & Clarifications	80	800	1000	2000		200			320	4400	\$ 540,400	\$ 80,000	\$ 600,400		
250	Certify Progress Payments		80	80	40	400	440	240					1280	\$ 171,200		\$ 171,200
260	Substantial & Final Completion	4	40	64	40	120	80						348	\$ 48,180		\$ 48,180
	SUBTOTAL - PROJECT ADMINISTRATION	484	3760	4744	6500	1320	1120	240	0	1280	19448	\$ 2,495,480	\$ 135,000	\$ 2,630,480		
SECTION 300 - ENGINEERING SERVICES DURING CONSTRUCTION																
320	Minor Changes, Change Order Requests etc	80	600	1160	1800	400			600	180	4800	\$ 576,000		\$ 576,000		
330	Material Testing			80	160		400	240			860	\$ 101,900	\$ 150,000	\$ 251,900		
340	Record Drawings	16	40	240	280				1200	320	2086	\$ 186,520	\$ 45,000	\$ 231,520		
350	Manufacturer O&M Manuals		40	160	240				80	40	560	\$ 61,400		\$ 61,400		
370	Special Inspections						520	360				\$ 106,400	\$ 325,000	\$ 431,400		
	SUBTOTAL - PROJECT ADMINISTRATION	96	680	1620	2480	400	920	600	1880	520	8316	\$ 1,032,220	\$ 520,000	\$ 1,552,220		
SECTION 400 - RESIDENT ENGINEERING SERVICES DURING CONSTRUCTION																
410	Filed Administration					860	720	720		1400	3700	\$ 392,800		\$ 392,800		
420	On-site Inspection and Review of the work					1200	3600	10800			15600	\$ 1,872,000	\$ 125,000	\$ 1,997,000		
430	Completion					540	800	800		400	2540	\$ 299,000		\$ 299,000		
	SUB TOTAL - RESIDENT ENGINEERING	0	0	0	0	2600	5120	12320	0	1800	21840	\$ 2,563,800	\$ 125,000	\$ 2,688,800		
SECTION 500 - SPECIAL SERVICES																
510	Warranty		40	120	160	80	200	240			840	\$ 103,600		\$ 103,600		
515	Training		24	80	120		160	160			544	\$ 65,320		\$ 65,320		
540	Operations Manual	6	80	160	120				120	80	566	\$ 62,970		\$ 62,970		
550	Instrumentation and Control System	16		200	400		120	120	80	0	936	\$ 105,320		\$ 105,320		
555	Startup Testing and MDPO Coordination	40	200	800	720	400	1400	2200	80	40	5680	\$ 691,400		\$ 691,400		
	Printing Costs	0	0	0	0						0	\$ -	\$ 75,000	\$ 75,000		
	SUBTOTAL - SPECIAL SERVICES	62	344	1160	1520	480	1880	2720	280	120	8566	\$ 1,028,610		\$ 1,103,610		
	TOTAL - LABOR SUMMARY	642	4784	7524	10500	4800	9040	15880	2160	3720	59170	\$ 7,120,110	\$ 780,000	\$ 7,975,110		

AWRF Treatment Plant Expansion to 22MGD

EXHIBIT C
INSURANCE REQUIREMENTS

1. 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 A-6, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY.
2. 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.
3. 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.
4. If any of the insurance policies are not renewed prior to expiration, payments to the 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 CONSULTANT.
5. 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.
6. 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.
7. 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 CONSULTANT's acts, errors, mistakes, omissions, work or service.
8. 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 CONSULTANT. 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 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.
9. 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.
10. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the CONSULTANT with reasonable promptness in accordance with the CONSULTANT's information and belief.

11. 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 CONSULTANT until such time as the CONSULTANT shall furnish such additional security covering such claims as may be determined by the CITY.

C.1 PROOF OF INSURANCE - CERTIFICATES OF INSURANCE

1. Prior to commencing work or services under this Agreement, CONSULTANT shall furnish to CITY Certificates of Insurance, issued by 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.
2. 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.
3. All Certificates of Insurance shall identify the policies in effect on behalf of 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.
4. 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 CONSULTANT of any deficiencies in such policies and endorsements, and such receipt shall not relieve CONSULTANT from, or be deemed a waiver of CITY's right to insist on, strict fulfillment of CONSULTANT's obligations under this Agreement.

C.2 REQUIRED COVERAGE

1. Such insurance shall protect CONSULTANT from claims set forth below which may arise out of or result from the operations of CONSULTANT under this Contract and for which CONSULTANT may be legally liable, whether such operations be by the CONSULTANT or by a Sub-consultant or subconsultant 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.
2. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
3. Claims for damages because of bodily injury, occupational sickness or disease, or death of the CONSULTANT's employees;
4. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the CONSULTANT's employees;
5. Claims for damages insured by usual personal injury liability coverage;
6. Claims for damages, other than to Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;

7. 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 "1" "any auto" policy form CA00011293 or equivalent thereof.
8. Claims for bodily injury or property damage arising out of completed operations;
9. Claims involving contractual liability insurance applicable to the CONSULTANT's obligations under the Indemnification Agreement;
10. Claims for injury or damages in connection with one's professional services;
11. 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.

C.2.1 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 CONSULTANT's operations and products, and completed operations.

C.2.2 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 CONSULTANTS, 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.

C.2.3 Automobile Liability

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 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.

C.2.4 Worker's Compensation and Employer's Liability

CONSULTANT shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over 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, CONSULTANT will require the subconsultant to provide

Workers' Compensation and Employer's Liability to at least the same extent as required of CONSULTANT.

If CONTRACTOR is a sole proprietor and has no employees, CITY will accept a "Sole Proprietor Waiver" in lieu of Workers' Compensation insurance.

C.2.5 Professional Liability

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 CONSULTANT, with a claims made policy limit of not less than \$1,000,000.

EXHIBIT D

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

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the 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 Consultant shall attest that it and all SUBCONTRACTORS performing work under the cited contract meet all conditions contained herein.

Project Number/Division: WW1013 AWRP Treatment Plant Exp. To 22MGD		
Company Name (as listed in the contract):		
Street Name and Number:		
City:	State:	Zip Code:

I hereby attest that:

1. The 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 Consultant has identified all 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 Consultant (Employer) or Authorized Designee:



Printed Name: STEVE TODD

Title: PRINCIPAL

Date (month/day/year): 5-31-12



CERTIFICATE OF LIABILITY INSURANCE

WILSO-1

OP ID: WD

DATE (MM/DD/YYYY)

05/31/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Professional Underwriters of Arizona, Inc. P.O. Box 5419 Scottsdale, AZ 85261-5419	480-483-0440	CONTACT NAME:	
	480-948-7752	PHONE (A/C, No, Ext):	FAX (A/C, No):
		E-MAIL ADDRESS:	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A : RLI Insurance Company	
		INSURER B :	
		INSURER C :	
		INSURER D :	
		INSURER E :	
		INSURER F :	
INSURED	Wilson Engineers, LLC 9633 S. 48th Street, Ste 290 Phoenix, AZ 85044-8626		
		NAIC # 13056	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY						EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	X	X	PSB0001272	11/08/11	11/08/12	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person)	\$ 10,000
	<input checked="" type="checkbox"/> Contractual Liab						PERSONAL & ADV INJURY	\$ 1,000,000
	<input checked="" type="checkbox"/> Bkt AI & WOS						GENERAL AGGREGATE	\$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COM/POP AGG	\$ 2,000,000
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC							\$
A	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO	X	X	PSA0001073	11/08/11	11/08/12	BODILY INJURY (Per person)	\$
	<input checked="" type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS	X					PROPERTY DAMAGE (Per accident)	\$
	<input checked="" type="checkbox"/> Bkt AI							\$
	<input checked="" type="checkbox"/> Bkt WOS							\$
	UMBRELLA LIAB						EACH OCCURRENCE	\$
	EXCESS LIAB						AGGREGATE	\$
	DED							\$
	RETENTION \$							\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH)						E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	Professional Liab		X	RDP0005422	11/08/11	11/08/12	Per Claim	1,000,000
	Archtct/Engineer			RETRO 1/1/81			Ann Agg	2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Airport Water Reclamation facility (AWRF) Treatment Plant Expansion to 22MGD Construction Management Services #NW1013-451

City of Chandler, its agents, representatives, officers, directors, officials and employees are additional insured as indicated. Coverages

CERTIFICATE HOLDER**CANCELLATION**

CITYC01 City of Chandler PW-Contract Admin Mail Stop 407 POB 4008 Chandler, AZ 85244-4008	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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NOTEPAD:

HOLDER CODE CITYC01
INSURED'S NAME Wilson Engineers, LLC

WILSO-1
OP ID: WD

PAGE 2
DATE 05/31/12

afforded are primary and noncontributory basis,waiver of subrogation and
severability of interests included.
Valuable Papers \$100,000
Should any of the above described policies be cancelled before the
expiration date thereof, the insurer affording coverage will mail 30 days
written notice to the certificate holder *Except 10 days for nonpayment.

Attached:
PPB304 06 10
PPA300 06 10
WC000313

WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 03 13 (00)-01

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

DESIGNATED ORGANIZATION:

ALL PERSONS OR ORGANIZATIONS THAT ARE PARTIES TO A CONTRACT
THAT REQUIRES YOU TO OBTAIN THIS AGREEMENT, PROVIDED YOU
EXECUTED THE CONTRACT BEFORE THE LOSS

DATE OF ISSUE: 11-20-07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**RLIPack[®] FOR DESIGN PROFESSIONALS
BLANKET ADDITIONAL INSURED ENDORSEMENT**

BLANKET WAIVER OF SUBROGATION, PRIMARY & NONCONTRIBUTORY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM - SECTION II - LIABILITY

1. **C. WHO IS AN INSURED** is amended to include as an additional Insured any person or organization that you agree in a contract or agreement requiring insurance to include as an additional insured on this policy, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by you or those acting on your behalf:

- a. In the performance of your ongoing operations;
- b. In connection with premises owned by or rented to you; or
- c. In connection with "your work" and included within the "product-completed operations hazard".

2. The insurance provided to the additional Insured by this endorsement is limited as follows:

- a. This insurance does not apply on any basis to any person or organization for which coverage as an additional insured specifically is added by another endorsement to this policy.
- b. This insurance does not apply to the rendering of or failure to render any "professional services".
- c. This endorsement does not increase any of the limits of insurance stated in **D. Liability And Medical Expenses Limits of Insurance**.

3. The following is added to **SECTION III H.2. Other Insurance - COMMON POLICY CONDITIONS (BUT APPLICABLE ONLY TO SECTION II - LIABILITY)**

However, if you specifically agree in a contract or agreement that the insurance provided to an

additional insured under this policy must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with that other insurance, provided that:

- a. The "bodily injury" or "property damage" for which coverage is sought occurs after you have entered into that contract or agreement; or
- b. The "personal and advertising injury" for which coverage is sought arises out of an offense committed after you have entered into that contract or agreement.

4. The following is added to **SECTION III K. 2. Transfer of Rights of Recovery Against Others to Us - COMMON POLICY CONDITIONS (BUT APPLICABLE TO ONLY TO SECTION II - LIABILITY)**

We waive any rights of recovery we may have against any person or organization because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" performed by you, or on your behalf, under a contract or agreement with that person or organization. We waive these rights only where you have agreed to do so as part of a contract or agreement with such person or organization entered into by you before the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" offense is committed.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

BLANKET ENDORSEMENT

A. Broad Form Named Insured

The following is added to the **SECTION II – LIABILITY Coverage, Paragraph A.1. Who Is An Insured Provision:**

Any business entity newly acquired or formed by you during the policy period, provided you own fifty percent (50%) or more of the business entity and the business entity is not separately insured for Business Auto Coverage. Coverage is extended up to a maximum of one hundred eighty (180) days following the acquisition or formation of the business entity.

This provision does not apply to any person or organization for which coverage is excluded by endorsement.

B. Employees As Insureds

The following is added to the **SECTION II – LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured Provision:**

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

C. Blanket Additional Insured

The following is added to the **SECTION II – LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured Provision:**

Any person or organization that you are required to include as an additional insured on this coverage form in a contract or agreement that is executed by you before the "bodily injury" or "property damage" occurs is an "insured" for liability coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in **SECTION II – LIABILITY COVERAGE.**

The insurance provided to the additional insured will be on a primary and non-contributory basis to the additional insured's own business auto coverage if you are required to do so in a contract or agreement that is executed by you before the "bodily injury" or "property damage" occurs.

D. Blanket Waiver Of Subrogation

The following is added to the **SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer Of Rights Of Recovery Against Others To Us:**

We waive any right of recovery we may have against any person or organization to the extent required of you by a contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.

E. Employee Hired Autos

1. The following is added to the **SECTION II – LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured Provision:**

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. Changes In General Conditions:

Paragraph 5.b. of the **Other Insurance Condition** in the **BUSINESS AUTO CONDITIONS** is deleted and replaced with the following:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

F. Fellow Employee Coverage

SECTION II – LIABILITY COVERAGE, Exclusion B.5. does not apply if you have workers compensation insurance in-force covering all of your employees.

G. Auto Loan Lease Gap Coverage

SECTION III – PHYSICAL DAMAGE COVERAGE, C. Limit Of Insurance, is amended by the addition of the following:

In the event of a total "loss" to a covered "auto" shown in the Schedule of Declarations, we will pay any unpaid amount due on the lease or loan for a covered "auto", less: