

## **City of Grand Island**

## Tuesday, December 20, 2005 Council Session

## Item G10

#2005-352 - Approving Engineering Services Contracts - Utilities Department

Staff Contact: Gary R. Mader; DaleShotkoski

City of Grand Island City Council

## **Council Agenda Memo**

**From:** Gary R. Mader, Utilities Director

Dale Shotkoski, Asst. City Attorney/Purchasing

Meeting: December 20, 2005

**Subject:** Engineering Services Agreements – Utilities Department

**Item #'s:** G-10

**Presenter(s):** Gary R. Mader, Utilities Director

#### **Background**

The Utilities Department utilizes the services of engineering firms for a variety of projects related to the electric and water utilities. For major projects (like the combustion turbines, transmission line reconstruction, water twenty year study, etc.) the Department utilizes the Request for Proposals provisions as included in the City Purchasing Code.

However, the Utilities Department also utilizes engineering services for much smaller projects. These small projects are done in accordance with the Purchase Order and Price Quotes provisions of the Purchasing Code.

The types of small projects for which engineering services may be used include;

- ✓ High Pressure Pipe Supports the main steam lines at PGS operate at 1000° Fahrenheit and 1800 psi. Because of the thermal expansion issues, the support systems for these lines require specialty engineering and design. Recently, one of the pipe supports on the main steam line failed. After 25 years of plant operation, this critical system was evaluated.
- ✓ Superheater Engineering Evaluation the superheater is a boiler component that sees the most severe operating conditions. It is not unusual for these components to be replaced during the operating life of a power plant boiler. Engineering analysis can indicate the present condition of the superheater and project remaining life, allowing scheduling of this major component replacement if/when necessary.

Other small projects for which engineering services may be required include feedwater heater performance, and water reservoir pump performance. This approach of soliciting price quotes for smaller project engineering services has worked satisfactorily until

recently. The Department is finding that engineering firms are increasingly reluctant to provide even small project quotes for services without a contract. In discussing this issue with the Legal Department, this is an overall trend in business; where less and less work is done without a document to define the basic obligations and limits of liability of the parties. Two of the firms with which the Department has worked over the years have requested the execution of a service agreement. Others will likely follow in the future.

#### **Discussion**

In order to maintain the ready access to engineering assistance for small projects, a standard contract for that service can be put in place with firms with whom the Department has worked satisfactorily in the past. Proposed agreements with the firms of Sargent and Lundy (the engineering firm for the Combustion Turbine project) and Black and Veatch (power plant controls replacement) are attached. The Legal Department has reviewed the proposed service agreements.

#### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

- 1. Move to approve the Engineering Service Agreements from Black & Veatch and Sargent & Lundy.
- 2. Refer the issue to a Committee.
- 3. Postpone the issue to future date.
- 4. Take no action on the issue presented in this motion.

#### Recommendation

City Administration recommends that the Council approve the Engineering Services Agreements for the Utilities Department with Black & Veatch of Kansas City, Missouri and Sargent & Lundy of Chicago, Illinois. The Purchase Order and Price Quote provisions of the City Purchasing Code will continue to be used to set costs and obtain competitive pricing for smaller engineering service needs.

#### **Sample Motion**

Motion to approve the Engineering Services Agreements for the Utilities Department with Black & Veatch of Kansas City, Missouri and Sargent & Lundy of Chicago, Illinois.

Service Agreement SA-2229 September 20, 2005

RaNae Edwards, City Clerk
City of Grand Island
City Hall
100 E. First Street
P. 0. Box 1968
Grand Island, Nebraska 68802-1968

Dear City Clerk:

Sargent & Lundy, L.L.C. (an Illinois limited liability company, hereinafter "S&L"), is pleased to present the following as the basis for providing consulting, engineering and construction management services as required by you from time to time for all study and report activities, backfit and plant betterment projects or minor design projects of undefined or indefinite scope. Separate agreements will be prepared to cover authorization of any major design project.

#### SCOPE OF SERVICES

The scope of our services shall include conceptual engineering, environmental permitting, Performa analysis, specification preparation and bid evaluation, design of piping, construction management, associated services and other engineering services as requested, including the assignment of personnel in the field. Any resulting authorization given by you shall reference this Agreement and the terms and conditions stated herein shall be applicable.

This Agreement does not establish any commitment or obligation on the part of City of Grand Island to procure or S&L to provide such services.

#### II. COMPENSATION FOR SERVICES

Compensation for services will be determined, billed and paid as follows:

A. Time of personnel - at the Fixed Hourly Rates by Category in effect at the time the services are rendered for the number of hours devoted to the project.

Rates effective for the calendar 2005 are attached hereto as Exhibit 1. If S&L's services extend beyond December 31, 2005, we shall provide you with rates effective for the subsequent calendar year(s) prior to their January 1 effective date.

Included in the rates are salary and wage-related expenses such as sick and personal leave; vacation and holiday pay; home office overtime premium; health and retirement benefits; group life and Workers' Compensation Insurance premiums; and federal, state and local payroll taxes imposed on employers such as FICA, excise, and unemployment office overhead expenses such as rent, light, and salaries and wages of certain personnel while engaged in the internal administration of S&L, and profit.

- B. Computer and reprographic services as specified on Exhibit 1.
- Traveling expenses, including transportation, room, board, and other similar expenses at actual cost.
- D. Services of outside consultants approved by you at actual cost plus Ten Percent (10%) for handling. If such consultants are retained and paid directly by you, we will, if requested, administer the contracts and the handling charge will not apply.

Invoices will be submitted monthly as the work progresses or in accordance with a mutually agreed payment schedule, as appropriate. Payment shall be due within forty-five (45) days of receipt of an approved invoice. In the event of a dispute regarding any invoice, the undisputed amounts will be paid and we will be notified of the amounts in dispute and the basis of the dispute within such forty-five-(45) day period.

We shall have the right, at our sole option, to suspend or terminate the work, either in whole or in part, in the event that any undisputed amounts are not paid within forty-five (45) days of receipt of an invoice. Further, you shall waive any claim against S&L and agree to indemnify, defend and hold S&L harmless from and against any claims arising from such suspension or termination. Additionally, a finance charge shall be assessed on the unpaid balance for each day of a month that any undisputed amount remains unpaid beyond forty-five (45) days, using the prime rate for the last day of the prior month as reported in the Wall Street Journal, plus 5%. For example, if the published rate is 7%, the daily interest rate used for the following month will be (7% + 5%)/360 = 0.0333%.

### III. GENERAL TERMS AND CONDITIONS

- A. We shall render engineering services in accordance with generally accepted engineering practices using current recognized engineering principles and practices.
- B. We will not direct or employ any construction labor and are not to be considered as a general contractor, but rather as your representative on site with only the authority to act in your behalf in matters relating to construction management. In no event shall we be responsible for construction means, methods, techniques, sequences, or procedures.
- C. We will not be responsible for or have control or charge over the acts or omissions of the construction contractors, nor shall our presence on site in any way be interpreted as having the authority to provide instruction to the contractor or to stop work by the construction contractor for any reason.
- D. Job safety is a contractual responsibility of the individual construction contractors and our representation on site will in no way diminish or eliminate that responsibility. Should we observe actual or potential safety hazards during our regular inspection of the work, we shall advise your safety a dministrator. Our failure to note such hazards shall not act to transfer safety responsibility from the construction contractors. It is understood that the project's safety program and first aid facilities will be developed and administered by others. We shall not be responsible for administration of any safety precautions or

programs in connection with the work.

- E. In the event that we, or any affiliate, employee, agent, subcontractor or supplier, furnish any advice or assistance which is not required pursuant to this Agreement, other than advice or assistance given concerning matters within the scope of this Agreement, the furnishing of such advice or assistance will not subject us to any liability whether in contract, guarantee, indemnity, warranty, tort, including negligence, strict liability or otherwise.
- F. Neither you nor we shall be liable for any fault or delay caused by any contingency beyond our control such as wars, strikes, walkouts, fires, natural calamities, or demands or requirements of governmental agencies.
- G. We shall prepare cost estimates and project time schedules as accurately as possible based on current quotations and experience. It is understood, however, that such estimates and schedules are furnished as a guide only and do not constitute guarantees.
- H. Notwithstanding any other provisions of this Contract, the Engineer's liability for all claims of any kind, including those based in whole or in part upon negligence, for any loss or demand arising out of, connected with, or resulting from this Contract, or from the performance or breach thereof, or the use or repair of any part of the project or any services or work provided in this Contract, shall in no case exceed the Engineer's compensation for the services that are associated with such claim. Engineer's aggregate limitation of liability for any and all claims under this Contract shall not exceed \$1,000,000. The Engineer will maintain the following liability coverage effective on the date of this Contract and will maintain such insurance through the term of Contract:
  - a) Commercial General Liability \$1.000,000
  - b) Professional Liability \$1,000,000
  - c) Automobile Liability \$1,000,000

each per claim and annual aggregate.

The Engineer shall furnish satisfactory evidence to the Owner that such insurance is in effect.

Owner and Engineer agree that during the course of the project execution, revisions by the Engineer are normal and are not subject to claims by Owner.

In no event, whether as a result of breach of contract, negligence or otherwise, and whether arising before, during or after completion of the Project shall the Engineer be liable for damages used by reason of the unavailability of any services or work to be performed under this Contract or shutdown or service interruptions of the project (including loss of anticipated profit, loss of use or revenue, inventory or use charges, cost of purchased or replacement power, cost of capital, claims of customers, or inability to fulfill contracts with other parties), or for any other special, incidental, consequential, or indirect damages of any nature, nor shall the Engineer be liable for damages or losses which the Owner may suffer, or incur as a result of claims, suits or other proceedings made or instituted against the Owner by third parties, whether public or private in nature.

SA-2229 September 20, 2005 Page 4

The provisions of the preceding two paragraphs above shall apply to the full extent permitted by law and regardless of fault.

City of Grand Island shall see that all field contractors have general liability insurance for 1. the project and name the City of Grand Island and S&L as additional insured.

This Agreement may be terminated for the convenience of either party at any time by providing thirty (30) days prior written notice.

If you find these terms acceptable, please signify your acceptance by signing one of the enclosed originals and returning it to us for our files.

Should you issue a confirming purchase order, which may contain certain standard terms and conditions in conflict with those contained herein, it is understood that this Agreement shall govern.

Yours very truly,

Robert E. Barnowski Commercial Manager

(312) 269-3899

ACCEPTED (DATE) CITY OF GRAND ISLAND BY \_\_\_\_\_ Title:

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# CITY of GRAND ISLAND FOSSIL POWER TECHNOLOGY HOURLY BILLING RATES BY CLASSIFICATION EFFECTIVE FOR THE CALENDAR YEAR 2006

Billing	2006 Billing
Classification	Rate
Principal	162.00
Manager	121.00
Project Associate	109.00
Senior Associate	98.00
Associate II	78.00
Associate I	69.00
Senior Designer	86.00
Designer	66.00
Drafter	55.00
Administrative II	60.00
Administrative I	46.00

#### Notes:

- (1) Home Office Computer and reprographics usage charges as well as miscellaneous charges, such as telephone, special mailings, office space, general overhead, etc. will be billed at \$5.00 per man-hour.
- (2) Travel charges will be billed at actual cost.
- (3) Billing rates are considered to be proprietary to Sargent & Lundy, L. L. C. Please treat them as confidential.
- (4) Expert consultants are available upon request.
- (5) Personnel assigned to the site for more than four consecutive weeks will require a Per Diem of \$ 2400 per month in addition to the above rates. These costs include a trip home every month. This cost includes the use of a computer, but all other field office costs, such as cell phones, etc. will be billed to the City at cost.
- (6) Billing Classifications include one or more S&L position categories that are typically grouped under a classification on the basis of similarities in position function, experience factors, and/or wage levels. Acceptance of this schedule includes the rates shown, the period of time for which they are effective, and the combination of individual position categories that comprise each classification.

## Agreement for General Engineering Services

Between

The City of Grand Island

And

Black & Veatch

November 2005

#### Contents

Article 1 – Effective Date Article 2 – Governing Law Article 3 – Services to be performed by Engineer Article 4 – Compensation Article 5 – Owner's Responsibilities Article 6- Changes Article 7 – Standard of Care Article 8 – Liability and indemnification Article 9 – Insurance Article 10 – Limitation of Responsibility Article 11 – Opinions of Cost and Schedule Article 12 – Reuse of Documents Article 13 – Termination Article 14 – Delay in performance Article 15 – Communications Article 16 – Waiver Article 17 – Severability Article 18 – Integration Article 19 – Successors and Assigns Article 20 – Assignment Article 21 – Third Party Rights

Article 22- Limitations

#### Agreement For General Engineering Services

THIS AGREEMENT, between THE CITY OF GRAND ISLAND (Owner) and BLACK & VEATCH CORPORATION (Engineer);

#### Witnesseth:

WHEREAS, Owner intends to make modifications to their existing power stations (the Project); and,

WHEREAS, Owner requires certain engineering services in connection with the Project (the Services); and,

WHEREAS, Engineer is prepared to provide the Services:

NOW THEREFORE, in consideration of the promises contained in this Agreement, Owner and Engineer agree as follows:

#### **Article 1 – Effective Date**

The effective date of this Agreement shall be November 4, 2005.

#### **Article 2 – Governing Law**

This Agreement shall be governed by the laws of the State of Nebraska.

#### Article 3 – Services to be performed by Engineer

Engineer shall perform the Services described in Exhibit A, Scope of Services.

#### **Article 4 – Compensation**

Owner shall pay Engineer in accordance with Exhibit A, Compensation. The Schedule of Labor Rates included in Exhibit A shall be reviewed annually.

#### **Article 5 – Owner's Responsibilities**

Owner shall issue a Purchase Order for the Services described in Exhibit A that contains the following paragraph:

The	work	will	be	perform	ned	per	Agreement	for	General	Engineering	Services
date	d Nov	emb	er. 4	4 2005 a	and	Exhi	bit A CGI-		dated		•

Owner shall be responsible for all matters as mutually agreed during project meetings. It is further agreed between the Parties that nothing contained in an individual Purchase Order shall modify or supersede the terms and conditions contained herein,

#### **Article 6- Changes**

It is the desire of the parties to keep changes in the scope of Services at a minimum. The parties recognize, however, that such changes may become necessary and agree that they shall be handled in accordance with this Article. Owner may initiate a change by advising Engineer in writing of the change believed to be necessary. As soon thereafter as practicable, Engineer shall prepare and forward to Owner a cost estimate of the change that shall include the adjustment to Engineer's compensation, schedule of payments, project schedule, and completion date applicable thereto. Engineer shall be reimbursed for the costs incurred to prepare such estimate. Owner shall advise Engineer in writing of its approval or disapproval of the change. If Owner approves the change, Engineer shall perform the Services as changed. Engineer may initiate changes by advising Owner in writing that in Engineer's opinion a change is necessary. If Owner agrees, it shall advise Engineer and, thereafter, the change shall be handled as if initiated by Owner.

#### Article 7 – Standard of Care

Engineer shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily possessed and exercised by a professional engineer under similar circumstances.

If, during the one year period following completion of the Services under the applicable Request for Services, it is shown there is an error in the Services caused solely by Engineer's failure to meet such standards and Owner has notified Engineer in writing of any such error within that Period, Engineer shall re-perform, at no additional cost to Owner, such Services within the original Scope of Services as may be necessary to remedy such error.

Engineer shall have no liability for defects in the Services attributable to Engineer's reliance upon or use of data, design criteria, drawings, specifications, or other information furnished by Owner or third parties retained by Owner.

The obligations and representations contained in this Article 7 are Engineer's sole warranty and guarantee obligations and Owner's exclusive remedy in respect of quality of the Services. Owner's failure to (a) properly operate and maintain the Facilities or (b) allow Engineer to promptly make such tests and perform such remedial services as Engineer may deem appropriate, shall relieve Engineer of its guarantee relative to such improper operation and maintenance or the subject of such test or service.

EXCEPT AS PROVIDED IN THIS ARTICLE, ENGINEER MAKES NO OTHER WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, RELATING TO ENGINEER'S SERVICES AND ENGINEER DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

#### **Article 8 – Liability and Indemnification**

#### 8.1 General

Having considered the potential liabilities that may exist during their performance of the Services, the benefits of the Project, and the Engineer's fee for the Services, and in consideration of the promises contained in this Agreement, Owner and Engineer agree to allocate and limit such liabilities in accordance with this Article.

#### 8.2 Indemnification

Engineer and Owner each agrees to defend, indemnify, and hold harmless each other, its agents and employees, from and against legal liability for all claims, losses, damages, and expenses for bodily injury, death, or third party property damage to the extent caused by the indemnifying party's negligent acts, errors, or omissions. In the event such claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Engineer and Owner, such liability shall be borne by each party in proportion to its own negligence.

#### 8.3 Consequential Damages

To the fullest extent permitted by law, Engineer shall not be liable to Owner for any loss of profits or revenue; loss of use; loss of opportunity; loss of goodwill; cost of substitute facilities, goods or services; cost of capital; cost of replacement power; governmental and regulatory sanctions; and claims of customers for such damages; or for any special, incidental, indirect or consequential damages resulting in any way from the performance of the Services.

#### 8.4 Survival

Upon completion of all Services, obligations, and duties provided for in this Agreement, or if this Agreement is terminated for any reason, the terms and conditions of this Article shall survive.

#### 8.5 Total Liability

The total cumulative liability of Engineer and any of Engineer's related companies to Owner for all claims, losses, damages, and expenses resulting in any way from the performance of this Agreement shall not be greater than three times the value of the compensation received by Engineer for each individual Purchase Order up to the sum of one million dollars (\$1,000,000) per occurrence and the actual value thereafter.

#### Article 9 - Insurance

During the performance of the Services under this Agreement, Engineer shall maintain the following insurance:

- (1) General Liability Insurance, with a combined single limit of \$1,000,000 for each occurrence and \$1,000,000 in the aggregate.
- (2) Automobile Liability Insurance, with a combined single limit of \$1,000,000 for each person and \$1,000,000 for each accident.
- (3) Workers' Compensation Insurance in accordance with statutory requirements and Employers' Liability Insurance, with limits of \$500,000 for each occurrence.
- (4) Professional Liability Insurance, with limits of \$1,000,000 annual aggregate.

Engineer shall, upon written request, furnish Owner certificates of insurance which shall include a provision that such insurance shall not be canceled without at least thirty days' written notice to Owner. All Project contractors shall be required to include Owner and Engineer as additional insureds on their General Liability insurance policies.

As between Engineer and Owner, Owner assumes sole responsibility and waives all rights and claims against Engineer for all loss of or damage to property owned by or in the custody of Owner and any items at the job site or in transit thereto (including, but not limited to, construction work in progress) however such loss or damage shall occur, including the fault or negligence of Engineer. Owner agrees to maintain appropriate property insurance and shall require its insurers to waive all rights of subrogation against Engineer for claims covered under any property insurance that Owner may carry. If Owner purchases, or causes a construction contractor to purchase, a buildersall risk or other property insurance policy for a project, Owner shall require that Engineer be included as a named insured on such policy without liability for the payment of premiums.

#### **Article 10 – Limitations of Responsibility**

Engineer shall not be responsible for: (1) construction means, methods, techniques, sequences, procedures, or safety precautions and programs in connection with the Project; (2) the failure of any contractor, subcontractor, vendor, or other Project participant, not under contract to Engineer, to fulfill contractual responsibilities to the Owner or to comply with federal, state, or local laws, regulations, and codes; or (3) procuring permits, certificates, and licenses required for any construction unless such responsibilities are specifically assigned to Engineer in Attachment A, Scope of Services.

#### Article 11 – Opinions of Cost and Schedule

Since Engineer has no control over the cost of labor, materials, or equipment furnished by others, or over the resources provided by others to meet Project schedules, Engineer's opinion of probable costs and of Project schedules shall be made on the basis of experience and qualifications as a professional engineer. Engineer does not guarantee that proposals, bids, or actual Project costs will not vary from Engineer's cost estimates or that actual schedules will not vary from Engineer's projected schedules.

#### Article 12 – Reuse of Documents

All documents, including, but not limited to, drawings, specifications, and computer software prepared by Engineer pursuant to this Agreement are instruments of service in respect to the Project. They are not intended or represented to be suitable for reuse by Owner or others on extensions of the Project or on any other project. Any reuse without prior written verification or adaptation by Engineer for the specific purpose intended will be at Owner's sole risk and without liability or legal exposure to Engineer. Owner shall defend, indemnify, and hold harmless Engineer against all claims, losses, damages, injuries, and expenses, including attorneys' fees, arising out of or resulting from such reuse. Any verification or adaptation of documents will entitle Engineer to additional compensation at rates to be agreed upon by Owner and Engineer.

#### **Article 13 – Termination**

This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The nonperforming party shall have fifteen calendar days from the date of the termination notice to cure or to submit a plan for cure acceptable to the other party.

Owner may terminate or suspend performance of this Agreement for Owner's convenience upon written notice to Engineer. Engineer shall terminate or suspend performance of the Services on a schedule acceptable to Owner. If termination or suspension is for Owner's convenience, Owner shall pay Engineer for all the Services performed and termination or suspension expenses. Upon restart, an equitable adjustment shall be made to Engineer's compensation.

Upon any such termination, Engineer shall be compensated for all costs incurred and compensation earned for Services then performed in accordance with the provisions of the applicable Purchase Order for Services.

#### **Article 14 – Delay in Performance**

Neither Owner nor Engineer shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, terrorism, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses, or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either Owner or Engineer under this Agreement.

Should such circumstances occur, the nonperforming party shall, within a reasonable time of being prevented from performing, give written notice to the other party

describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

#### **Article 15 – Communications**

Any communication required by this Agreement shall be made in writing to the address specified below:

Engineer: Black & Veatch

P.O. Box 8405

Kansas City, Missouri 64114

Attn: Gary D. Morrow

Vice President

Owner: City of Grand Island Nebraska

110 East 1<sup>st</sup> Street P.O. Box 1968

Grand Island, Nebraska 68801

Attn: Gary R. Mader Utilities Director

Nothing contained in this Article shall be construed to restrict the transmission of routine communications between representatives of Engineer and Owner.

#### Article 16 – Waiver

A waiver by either Owner or Engineer of any breach of this Agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

#### Article 17 – Severability

The invalidity, illegality, or unenforceability of any provision of this Agreement or the occurrence of any event rendering any portion or provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement, and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Article shall not prevent this entire Agreement from being void should a provision which is of the essence of this Agreement be determined void.

#### Article 18 – Integration

This Agreement represents the entire and integrated agreement between Owner and Engineer. It supersedes all prior and contemporaneous communications, representations, and agreements, whether oral or written, relating to the subject matter of this Agreement.

#### Article 19 – Successors and Assigns

Owner and Engineer each binds itself and its directors, officers, partners, successors, executors, administrators, assigns, and legal representatives to the other party to this Agreement and to the directors, officers, partners, successors, executors, administrators, assigns, and legal representatives of such other party in respect to all provisions of this Agreement.

#### **Article 20 – Assignment**

Neither Owner nor Engineer shall assign any rights or duties under this Agreement without the prior written consent of the other party. Unless otherwise stated in the written consent to an assignment, no assignment will release or discharge the assignor from any obligation under this Agreement. Nothing contained in this Article shall prevent Engineer from employing independent consultants, associates, and subcontractors to assist in the performance of the Services.

#### **Article 21 – Third Party Rights**

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than Owner and Engineer.

#### **Article 22- Limitations**

The warranties, obligations, liabilities and remedies of the parties, as provided herein, are exclusive and in lieu of any others available at law or in equity. To the fullest extent allowed by law, releases from, and limitations of liability shall apply notwithstanding the breach of contract, tort including negligence, strict liability or other theory of legal liability of the party released or whose liability is limited.

### IN WITNESS WHEREOF, Owner and Engineer have executed this Agreement.

BLACK & VEATCH
By
Gary D. Morrow, Vice President
Date

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#### GENERAL ENGINEERING SERVICES AGREEMENT

#### Between

#### City of Grand Island

And

#### Black & Veatch Corporation

Pursuant to the terms and conditions of the General Engineering Services Agreement executed and made effective as of the 4th day of November, 2005, by and between City of Grand Island ("Client") and Black & Veatch Corporation ("Engineer"), Client hereby requests, and Engineer agrees to perform the following Services for the compensation indicated below:

## BLACK & VEATCH ENERGY SERVICES DIVISION SCHEDULE OF LABOR RATES (Through December, 2006)

Salary Plan		B&V Hourly Rate		
Title	Grade	(\$/Hour)		
OFF Office Services	04*	37.29		
Word processing, document control, clerical	05*	38.02		
accounting services, and related group	06*	42.70		
supervisors.	07*	52.02		
•	08*	55.73		
ADS Administrative Support	01*	29.74		
Office support including clerical and secretarial.	02*	34.88		
	03*	42.91		
	04*	54.43		
	05*	66.55		
GRP Graphics	05*	52.19		
Illustrating functions for graphic presentations.	06*	79.61		
	09	111.19		
TEC Technical Support	04*	55.95		
Technical functions which support engineering	05*	65.98		
and other project efforts.	06*	60.76		
	08	108.73		
SPC Specialized Staff	01	47.97		
Legal, scientific, economic, and related services	02	55.16		
for project assignments. Includes scientists,	03	66.60		
geologists, environmentalists, oceanographers,	04	73.25		
lawyers, economists, etc.	05	96.10		
	06	114.92		
	07	120.38		
	08	140.58		
	09	171.49		
ARC Architecture	01	53.51		
Architectural design, analysis, and management	02	54.73		
of the architectural function.	04	73.44		
	05	92.37		
	06	97.99		
	07	125.09		
ENG Engineering	01	68.71		
Engineering design, analysis, and management.	02	73.20		
Includes departmental and project assignments	03	82.34		
including engineering department management.	04	94.10		
	05	111.54		
	06	127.12		
	07	145.31		
	08	167.46		
	09	165.27		
	97	38.53		

BLACK	( & VEATCH					
ENERGY SE	RVICES DIVISION					
SCHEDULE OF LABOR RATES						
(Through D	December, 2006)					
ADM Administrative/Business	01*	36.53				
Administrative business functions for the firm,	02*	46.24				
including personnel, public relations,	03	60.60				
publications, purchasing, and other functions.	04	71.79				
	05	87.45				
	06	94.69				
	07	135.44				
	08	179.60				
	09	196.88				
FIN Finance	02*	46.48				
Project accounting, financial reporting, planning &	03*	56.65				
analysis, accounting operations, and tax	04	70.33				
	05	89.58				
	06	101.94				
	07	120.36				
	08	175.52				
CST - Consulting	01*	22.92				
Provide advisory services to clients regarding	02*	29.68				
operational and administrative functions	03	39.50				
r	04	50.54				
	05	65.03				
	06	81.52				
	07	96.05				
CNS Construction Services	03	84.50				
Construction service functions, including	04	94.86				
construction management, construction support,	05	106.78				
resident engineering, and project review.	06	118.35				
resident engineering, and project review.	07	127.03				
	08	141.74				
	09	155.51				
	10	163.81				
	11	182.33				
	12	203.29				
ITS Information Science	01	49.10				
Information science functions including systems	02	52.54				
and software analysis, and	03	52.54 68.52				
network/communications consulting.	04	86.28				
network/communications consuming.	05	105.78				
	06	123.33				
	06	123.33				
	08	151.21				
	08	199.85				
	10	232.00				
INT Information Technology	04*	53.49				
	04	0.00				
Information technology functions including		0.00				
systems support, programming, microcomputer						
configurations, and applications support.		0.00				

BLACK & VEATCH ENERGY SERVICES DIVISION SCHEDULE OF LABOR RATES (Through December, 2006)					
PJC Project Controls	01*	58.73			
Professionals who track the cost associated with	02*	65.63			
a project and perform planning and scheduling	03	77.58			
functions related to projects.	04	91.53			
I J	05	107.57			
	06	128.82			
	07	143.56			
	08	158.32			
EST Estimating	03	75.44			
Professionals who assess the cost related to	04	85.96			
projects to assist with the preparation of	05	99.07			
proposals.	06	129.22			
	07	141.55			
PCR Procurement	01*	62.35			
Professionals who secure and administer the	02	62.46			
purchase of goods, commodities, and services.	03	71.30			
	04	79.17			
	05	90.96			
	06	115.68			
	07	138.28			
	08	150.34			
ENT Engineering Technician	01*	47.62			
Technical designers and drafters.	02*	49.32			
	03*	52.81			
	04*	58.43			
	05*	66.00			
	06*	78.74			
	07 *	96.88			
	08	112.46			
	09	127.85			
	10	138.63			
CMG Executive	10	192.17			
Executive Project Managers.	20	214.35			
	30	271.72			
	40	303.77			
PMT Project Management	11	141.28			
	12	155.89			
	13	172.65			
	14	203.26			
	15	244.71			

Rates are subject to annual adjustment.

<sup>\*</sup> Non-exempt.
\*\* Selected positions are non-exempt.

#### RESOLUTION 2005-352

WHEREAS, the City of Grand Island utilizes engineering services for many smaller projects which can be completed in accordance with the purchase order and price quotes provisions of the purchasing regulations within the city code; and

WHEREAS, it has become more prevalent that engineering firms require a contract to proceed with engineering services work despite the size of the project; and

WHEREAS, it has been suggested that a general contract with such engineering firms be approved authorizing the terms of work to be done for various projects, which also allows City staff to comply with the purchase order and price quote provisions of the purchasing regulations; and

WHEREAS, it is recommended that Engineering Services Agreements be entered into with Black & Veatch of Kansas City, Missouri and with Sargent & Lundy of Chicago, Illinois to facilitate the projects while still complying with the city code to obtain competitive pricing for the smaller engineering service needs: and

WHEREAS, the proposed Engineering Services Agreements to perform engineering services work have been reviewed and approved by the City Attorney's office.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Engineering Services Agreements with Black & Veatch of Kansas City, Missouri, and with Sargent & Lundy of Chicago, Illinois for engineering consulting work on various city utility projects is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreements on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, December 20, 2005.

RaNae Edwards, City Clerk