

CITY OF PALMER ACTION MEMORANDUM No. 09-034

SUBJECT: Authorize the City Manager to Execute Amendment No. 2 to the Professional Services Agreement with Hattenburg Dilley and Linnell Engineering Consultants in the Amount of \$139,085 for the Construction Management Services of the Blueberry Area Water and Street Improvements Project

AGENDA OF: June 9, 2009

Council action:	Authorized
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Approved for presentation by B. B. Allen, City Manager *B. B. Allen*

Route To:	Department/Individual:	Initials/Date:	Remarks:
X	Originator – Public Works Director	<i>CR</i> 05/19/09	
X	City Clerk	<i>JR</i> 6/2/09	
X	City Attorney	<i>[Signature]</i> 6/2/09	
X	Director of Administration	<i>HW</i> 5/21/09	
	Director of Community Development		
	Director of Community Services		
	Director of Public Safety		
	Director of Public Works		

Attachment(s): Amendment Number 1
 Amendment Number 2
 Hattenburg Dilley and Linnell Engineering Consultants Fee Proposal

Certification of Funds:

	No fiscal impact.	
X	Funds are budgeted from this account number:	02-0000-1700
	Funds are not budgeted. Budget modification is required. Affected account number:	

Director of Administration Signature: *Kellie Vuch*

Summary statement: Authorize Hattenburg Dilley & Linnell Engineering Consultants (HDL) to provide construction administration and inspection services for the Blueberry Area Water and Street Improvement Project in the amount of \$139,085.

The City of Palmer entered into a Professional Services Agreement (PSA) with HDL on August

15, 2008, for engineering services on the Blueberry Area Water and Street Improvements in the amount of \$394,652. Amendment number one was executed on December 3, 2008, for additional geotechnical and surveying services to include Cottonwood Avenue, Denali Street to Gulkana Street and Diomedea Street to Fireweed Avenue which increased the PSA by \$20,545 for a total of \$415,197.

Amendment number two will authorize HDL to provide construction administration and inspection services for the Blueberry Area Water and Street Improvements project which was awarded to Prosser-Dagg Construction Co. LLC. The construction and administration cost has been reduced from previous years to reduce duplications of quality control by the contractor and the engineer. Attached is a breakdown of HDL's proposal for these costs.

This amendment number two will authorize construction administration services through the close-out of the project and will bring the total PSA to \$554,282.00.

Administration recommendation: Approve action memorandum no. 09-034.

May 4, 2009

File: 78-050

Carter Cole, Public Works Director
City of Palmer
231 W. Evergreen Avenue
Palmer, AK 99645

Re: Fee Proposal for Construction Phase Services
Blueberry Area Water and Street Improvements

Dear Mr. Cole,

As requested, Hattenburg Dilley & Linnell (HDL) has prepared and presents this fee proposal for construction phase engineering services for the Blueberry Area Water and Street Improvements project.

PROJECT DESCRIPTION

The Blueberry project will replace approximately 4,900 feet of existing, deteriorated steel water main and associated hydrants and water services. The project will also improve approximately 3,900 feet of existing gravel roads with gravel subbase, base, AC pavement, curb and gutter, sidewalks, storm drain collection, and street lighting. Improvements to existing paved streets will include new pavement and ADA-accessible sidewalks. The project area is bounded by Arctic Avenue to the north, Cottonwood Avenue to the south, Alaska Street to the west and Denali Street to the east. The project area also includes approximately 500 feet of Dahlia Avenue west of Gulkana Street.

SCOPE OF WORK

We understand that the scope of work is generally to provide limited construction phase services during the project's 26-week anticipated duration. We understand that full-time inspection is not desired, but that quality assurance material testing and periodic construction inspection may be requested. We understand that electrical field inspections, including electrical substantial and final completion inspections, are not desired. Based on these understandings, scope of work is as follows:

Project Start-up / Review of Submittals and Shop Drawings. HDL will review material and equipment submittals, shop drawings, samples, and quality control submittals. EDC, Inc. will review street lighting material submittals. HDL will attend a pre-construction conference.

Assistance During Construction. HDL will review administrative submittals including schedules, quality control testing reports, traffic control plans, storm water pollution prevention plan and inspection reports, and contract closeout submittals. HDL and EDC will answer contractor questions during construction using the written Design Clarification/Variation Request (DCVR) process. HDL will visit the site briefly (approximately one-hour) each day to observe the construction. We will prepare a written daily report of our

Scott Hattenburg, PE

Lorie Dilley, PE/CPG

Dennis Linnell, PE

David Lundin, PE

observations. HDL will review daily construction reports generated by the contractor and relay to the City representative any potential concerns or items that may require additional attention during construction. We will attend weekly construction meetings. We will review the contractor's bi-weekly pay requests, verify completed pay item quantities, provide a written report of our findings, and make recommendations for payment by the City. We will prepare RFP's, review contractor proposals and prepare Change Orders for any unanticipated and/or additional directed work. HDL and EDC will participate in formal substantial and final completion inspections and prepare a substantial completion inspection report and list of deficient items.

Construction Inspection & Quality Assurance Material Testing. As requested, we have excluded providing full-time construction inspection and quality assurance material testing services. However, we have included allowances for 40 hours of on-site inspection in addition to our daily site visits and \$2,000 for field and/or laboratory material testing, if these services are requested by the City. We have not included periodic inspection of electrical work, per your request.

Record Drawings/Closeout. HDL and EDC will review the contractor's construction markups and will prepare electronic record drawings. We will submit record drawings to the City on Mylar and in Adobe PDF format; final AutoCAD files will also be submitted on CD for your records. HDL will submit record drawings to ADEC and apply for Approvals to Operate the new water and sewer pipelines on behalf of the City. For the construction contract closeout, we will request a release of liens and a claims statement from the contractor and will distribute a project completion and acceptance certificate for execution.

BASIC ASSUMPTIONS

The following basic assumptions were used to prepare this estimate:

1. The City will be the primary point of contact for verbal and written communications and will provide coordination and oversight of contractor activities. HDL will coordinate directly with the City representative.
2. The City will provide inspection of buried utility installation and backfill, which is consistent with the customary standard of care for quality assurance of buried utility construction. The City's inspector will observe and document the construction with photographs and written daily reports, detailing the equipment, labor, inspections, testing, progress and activities occurring each day. Copies of reports will be provided to HDL daily for review.
3. HDL has excluded any significant level of inspection other than what is observed during daily, random, "stop-by" site visits. HDL on-site inspection and material testing will be on an as-requested basis.
4. Only Substantial Completion and Final Completion electrical inspections will be provided.
5. City will verify the implementation of approved Traffic Control Plans and will provide SWPPP inspections.

RE: Fee Proposal for Construction Phase Services
Blueberry Area Water and Street Improvements
May 4, 2009
Page 3 of 3

SCHEDULE

Our fee is based on a contract performance period of May 1, 2009 through October 31, 2009 (26 weeks). If the contractor's work extends beyond the contract performance period, there may be additional cost to our work.

COST PROPOSAL

We propose to provide construction phase services on a time-and-expenses basis using our published hourly labor rates and receiving reimbursement for subcontracts and expenses at cost plus 10%. Based on the scope of work and schedule, we expect the cost of our services not to exceed **\$139,085** as shown on the attached detailed fee estimate worksheet and subconsultant proposal from EDC.

We have prepared our estimate of the time required to perform the proposed scope of services based on our previous experience with the contractor and the contract performance period. Additional budget may be necessary if additional design is required, if claim negotiation is required, or if the contractor's work extends beyond the performance period.

We look forward to working with you on this project. If you have any questions, you can contact me at 746-5230.



Sincerely,

HATTENBURG DILLEY & LINNELL, LLC

A handwritten signature in blue ink, appearing to read 'David Lundin'.

David Lundin, P.E.
Associate/Civil Engineer

Attach: Fee Proposal Worksheet (1 page)
EDC Fee Proposal (1 page)

FEE PROPOSAL
Task 8 - Construction Phase Services
Blueberry Area Water and Street Improvements
Palmer, Alaska

<u>TASK</u>	<u>ACTIVITY</u>	<u>QTY</u>	<u>RATE</u>	<u>LABOR</u>	<u>SUB- CONTRACT</u>	<u>REIMB</u>	<u>SUB- TOTAL</u>	<u>TOTAL</u>
8.0	Construction Phase Services.....							\$137,910
	<u>Project Start-up / Review of Submittals & Shop Drawings</u>							\$11,340
	Project Manager	24 hrs	@ \$140	\$3,360				
	Project Engineer	60 hrs	@ \$90	\$5,400				
	EDC Inc. (allowance)	1 L.S.	@ \$1,800		\$1,800			
	Clerical	12 hrs	@ \$65	\$780				
	<u>Assistance During Construction (26 weeks)</u>							\$101,330
	Principal-in-Charge	24 hrs	@ \$160	\$3,840				
	Project Manager, 8 hrs/wk	208 hrs	@ \$140	\$29,120				
	Project Engineer, 20 hrs/wk	520 hrs	@ \$90	\$46,800				
	Vehicle (1/2 time)	78 days	@ \$75			\$5,850		
	EDC Inc. (allowance)	1 L.S.	@ \$2,200		\$2,200			
	Clerical, 8 hrs/wk	208 hrs	@ \$65	\$13,520				
	<u>Construction Inspection & Quality Assurance Material Testing (allowance)</u>							\$5,800
	Inspection by request	40 hrs	@ \$90	\$3,600				
	Testing by request	1 L.S.	@ \$2,000	\$2,000				
	Reimbursables	1 L.S.	@ \$200			\$200		
	<u>Record Drawings/Closeout</u>							\$19,440
	Project Manager	16 hrs	@ \$140	\$2,240				
	Project Engineer	40 hrs	@ \$90	\$3,600				
	Drafting	140 hrs	@ \$85	\$11,900				
	EDC Inc. (allowance)	1 L.S.	@ \$1,200		\$1,200			
	Reimbursables	1 L.S.	@ \$500			\$500		
Subtotal Task 8				\$126,160	\$5,200	\$6,550		\$137,910
10% Markup on subcontracts and reimbursables					\$520	\$655		\$1,175
Total Task 8				\$126,160	\$5,720	\$7,205		\$139,085



ENGINEERING DESIGN & CONSULTING
An Alaskan Owned Professional Corporation

EDC, INC.

213 W. Fireweed Lane
Anchorage, AK 99503

May 1, 2009

Dave Lundin
Hattenburg, Dilley, & Linnell
202 W Elmwood Ave., Suite 1
Palmer, AK 99645

Subject: Blueberry Area Water and Street Improvements – Construction Management
Services Proposal

Dear Dave:

This proposal is for providing electrical construction management services in association with the planned Blueberry Area Water and Street Improvements in Palmer. This proposal is based on the following:

SCOPE OF WORK:

EDC, Inc. will provide electrical construction management services for the street lighting improvements on E. Blueberry St., S. Bonanza St., E. Cottonwood Ave., E. Blueberry Ave., E. Birch Ave. and S. Chugach St.. Services shall include review of shop drawings, submittals, responding to RFI's, issuing clarifications and producing record drawings. This proposal also includes two on-site inspections (pre-final and final).

FEE: The proposed fee to perform the above scope of work will be billed on a time and material basis with a not-to-exceed amount **\$5,200.**

Please feel free to contact me if you have any questions concerning this proposal.

Sincerely,

EDC, INC.

John A. Pepe, P.E.

AMENDMENT NUMBER 1

PROFESSIONAL SERVICES AGREEMENT

Between the City of Palmer and Hattensburg, Dilley & Linnell

For Blueberry Area Water and Street Improvements

This amendment is made and entered into this 3rd day of December, 2008, by and between the City of Palmer (City) and Hattensburg, Dilley & Linnell (Consultant) as authorized by the Council on November 18, 2008. This document amends the Professional Services Agreement dated August 15, 2008, (the Agreement) between the City and Consultant for the provision of professional services for the Blueberry Area Water and Street Improvements, as follows:

1. Add Geotechnical investigation and surveying for the following streets:
Cottonwood Avenue – Denali Street to Gulkana Street;
Diomedea Street – Fireweed Avenue to Fern Avenue,
as described in the attached letter from the Consultant dated October 16, 2008 consisting of two 2 pages hereinafter referred to as “Exhibit A” are made a part of the professional services agreement.
2. It provides for additional payment to the consultant on a time and material basis for the services included in this amendment, in an amount not to exceed \$20,545.00.
3. These additional services increase the not to exceed total compensation amount in section 6.D. of the agreement as follows:

Professional Services Agreement	\$394,652.00
Previous Amendments	\$-0.00
Sub-Total	\$394,652.00
Amount of this Amendment	\$20,545.00
Total	\$415,197.00

All other provisions of this Agreement remain unchanged.

CITY OF PALMER



B.B. Allen, City Manager Date
12.3.08

CONSULTANT

 12-1-08

for Scott Hattensburg, P.E. Date

PROFESSIONAL SERVICES AGREEMENT
Engineering Services ~~Area~~ Blueberry Area Water and Street Improvements

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THIS Agreement made and entered into this 15th day of August, **2008**, by and between the City of Palmer, an Alaska municipal corporation (the City), and Hattenburg Dilley & Linnell Engineering (Consultant).

Section 1. Employment of Consultant. The City hereby agrees to engage the Consultant and the Consultant hereby agrees to perform the services hereafter set forth.

Section 2. Consultant's Representation and Warranty, and Manner of Performance.

(A) Consultant hereby represents and warrants to the City, and the City relies upon said representations and warranties, that Consultant is a professional in the subject area in which services are to be provided and that Consultant has more than adequate experience, skill, knowledge, and competence to perform the services set forth in this Agreement.

(B) Consultant accepts the relationship of trust and confidence between it and the City. Consultant covenants to perform its services under this Agreement with due diligence, due care, and in a good and professional manner.

Section 3. Scope of Services. The Consultant shall perform all the services provided for by this Agreement which are described generally and with particularity in Exhibit A, containing a fee proposal and scope of work for the project, attached hereto and incorporated by reference as if fully set forth herein.

Section 4. Personnel. Consultant's personnel shall be limited to Consultant employees and those persons approved by the City Manager.

Section 5. Time of Performance. The services of the Consultant shall commence upon execution of this contract by the City and shall terminate, subject to Sections 8 and 9, on December 1, 2009. The period of performance may be extended for additional periods only by the mutual written agreement of the parties.

Section 6. Compensation.

(A) Subject to the provisions of this Agreement, the City shall pay the Consultant a total sum for all services and expenses for the term of this Agreement in accordance with the provisions of Exhibit A attached hereto and incorporated herein by reference.

(B) Travel required for the performance of services pursuant to this Agreement shall be subject to Exhibit A.

(C) Except as otherwise provided in this Agreement and Exhibit A, the City shall not provide any additional compensation, payment, use of facilities, service or other thing of value to

the Consultant in connection with performance of his duties under this Agreement. The parties understand and agree that, except as otherwise provided in this section, administrative overhead and other indirect or direct costs the Consultant may incur in the performance of its obligations under this Agreement have already been included in computation of the Consultant's fee and may not be charged to the City.

(D) Total compensation for all services and expenses due Consultant arising under this Agreement shall not exceed the amount of Three Hundred Ninety-Four Thousand, Six Hundred Fifty-Two dollars (\$394,652 .00).

Section 7. Method and Time of Payment.

(A) The City will compensate the Consultant in accordance with Exhibit A, which compensation shall constitute the full and complete compensation for the Consultant's services and performance under this Agreement. Payments will be made on receipt of billings submitted pursuant to the schedule set forth in Exhibit A. A billing is a summary of expenditures to a date by line descriptive categories. Documentation of expenditures need not be submitted with billings but must be retained by the Consultant in the event the City requests said documentation.

(B) No payment will be disbursed until approved by the City. The City Manager shall review Consultant's billings in a timely manner, and to request from the Consultant necessary explanations or additional documentation within fifteen (15) days of receive of billing by the City.

Section 8. Termination of Agreement for Cause. If, through any cause, the Consultant shall fail to fulfill in a timely and proper manner the obligations under this Agreement, or if the Consultant shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Consultant of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. All finished or unfinished documents, data, studies, surveys and reports or other material (to include without limitation data and information kept on computer, disk, video, tape, etc.) prepared by the Consultant arising out of or connected with this Agreement are the property of the City and shall be delivered to the City by or upon the effective date of termination. The Consultant shall be entitled to receive compensation in accordance with the payment provisions of Exhibit A of this Agreement only for work completed to the City's satisfaction in accordance with Exhibit A of this Agreement and the other terms of this Agreement.

Section 9. Termination for Convenience of City. The City may terminate this Agreement at any time by giving written notice to the Consultant of such termination and specifying the effective date of such termination. All finished or unfinished documents and other materials as described in paragraph 8 above are the property of the City and shall be delivered to the City by or upon the effective date of execution of this section. The Consultant shall be entitled to receive compensation in accordance with the payment provisions of Exhibit A of this Agreement only for work completed to the City's satisfaction in accordance with Exhibit A of this Agreement and the other terms of this Agreement. If this Agreement is terminated due to the

fault of the Consultant, section 8 of this Agreement shall govern the rights and liabilities of the parties.

Section 10. Causes Beyond Control. In the event the Consultant is prevented by a cause or causes beyond control of the Consultant from performing any obligation of this Agreement, non-performance resulting from such cause or causes shall not be deemed to be a breach of this Agreement which will render the Consultant liable for damages or give rights to the cancellation of the Agreement for cause, provided that Consultant duly and timely notifies the City in writing of the cause or causes, which writing must be titled "Cause or Causes Beyond Control of Consultant." However, if and when such cause or causes cease to prevent performance, the Consultant shall exercise all reasonable diligence to resume and complete performance of the obligation with the least possible delay. The phrase "cause or causes beyond control," as used in this section, means any one or more of the following causes which are not attributable to the fault or negligence of the Consultant and which prevent the performance of the Consultant: fire, explosions, acts of God, war, orders or law of duly constituted public authorities, and other major uncontrollable and unavoidable events, all of the foregoing which must actually prevent the Consultant from performing the terms of the Agreement as set forth herein. Events which are peculiar to the Consultant and would not prevent another consultant from performing, including, but not limited to financial difficulties, are not causes beyond the control of the Consultant. Based on Consultant's "Cause or Causes Beyond Control of Consultant," the City will determine whether the event preventing the Consultant from performing is a cause beyond the Consultant's control.

Section 11. Modifications.

(A) The parties may mutually agree to modify the terms of the Agreement only by means of an agreement in writing signed by both parties. Modifications to the Agreement shall be incorporated into the Agreement by written amendments.

(B) It is expressly understood that the City may require changes in the scope of services and an unreasonable refusal by the Consultant to agree to modification in the scope of services will be the basis for termination of the Agreement for cause. It is expressly understood that the total amount of compensation for successful performance of the Agreement will not be modified, under any circumstances, without prior written approval of the City. The above notwithstanding, if a change in the scope of services significantly changes the amount of work required of Consultant or requires services Consultant is not qualified to perform so that it would not be reasonable for Consultant to perform all the work or provide the qualified personnel for less than the not-to-exceed amount set out in Section 6(D), then the City's failure to reasonably increase said not-to-exceed amount will excuse Consultant's refusal to agree to the modification in the scope of services.

Section 12. Equal Employment Opportunity. The Consultant will not discriminate against any employee or applicant for employment in violation of law, to include without limitation, because of race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam era. The Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without

regard to their race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam era. Such actions shall include, but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; selection for training, including apprenticeship; and participation in recreational and educational activities. The Consultant agrees to post in conspicuous places in its office available for employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam era. The Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement.

Section 13. Interest of Members of City and Others. No officer, member or employee of the City and no member of its governing body, and no other public official of the governing body shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested or having any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

Section 14. Non-Assignability.

(A) The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of the City, thereto; provided, however that claims for money due or to become due to the Consultant from the City under this Agreement may be assigned by court order or to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the City, or the Consultant shall be responsible to the City for any moneys due the assignee of this Agreement which are paid directly to the Consultant.

(B) The Consultant shall not delegate duties or otherwise subcontract work or services under this Agreement without the prior written approval of the City.

Section 15. Interest of Consultant. The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Consultant further covenants that in the performance of this Agreement it shall not knowingly employ any person having any such interest and that it shall reasonably inquire of all its employees to determine that they have no such interest.

Section 16. Findings Confidential Except as required by law, including court orders directing disclosure, any reports, information, data, etc., given to or prepared or assembled by the Consultant under this Agreement which the City requests to be kept confidential shall not be

made available to any individual or organization by the Consultant without the prior written approval of the City.

Section 17. Officials Not to Benefit. No members of the Congress of the United States and no resident commissioner shall be admitted to any share or part thereof or to any benefit to arise from this Agreement. No member of the legislature or officer of the state of Alaska or the City shall be admitted to any share or part hereof or to any benefit to arise from this Agreement.

Section 18. Publication, Reproduction and Use of Materials. No material produced, in whole or in part, under this Agreement shall be subject to copyright in the United States or in any other country. The City shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data or other materials prepared under this Agreement.

Section 19. Audits and Inspections. At any time during normal business hours and as often as the City may deem necessary, there shall be made available for examination all of Consultant's records with respect to all matters covered by this Agreement and Consultant will permit representatives of the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement. Except in case of emergency, Consultant must make such records available upon five (5) day's notice. In case of emergency, Consultant must make such records available immediately upon request. In performing such audits and investigations, the City and its representatives shall not unduly interfere with the ability of Consultant to perform his duties under this Agreement.

Section 20. Jurisdiction; Choice of Law. Any civil action arising from this Agreement shall be brought in the superior court for the third judicial district of the state of Alaska at Palmer. The law of the state of Alaska shall govern the rights and obligations of the parties.

Section 21. Non-Waiver. The failure of the City at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of the City thereafter to enforce each and every provision hereof.

Section 22. Permits, Laws and Taxes. The Consultant shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to the performance under this Agreement. In performing its obligations under this Agreement, Consultant shall comply with all applicable statutes, ordinances, rules and regulations. The Consultant shall pay all taxes pertaining to its performance under this Agreement.

Section 23. Relationship of the Parties. The Consultant shall perform its obligations hereunder as an independent contractor of the City. The City may administer this Agreement and monitor the Consultant's compliance with this Agreement but shall not supervise or otherwise direct the Consultant except to provide recommendations and to provide approvals pursuant to this Agreement.

Section 24. Administration of this Agreement.

(A) The City Manager or his designee will be the representative of the City administering this Agreement.

(B) The services to be furnished by the Consultant shall be administered by the City Manager. In the event that Consultant is unable to serve for any reason to perform his obligations under this Agreement, the Consultant shall appoint a successor in interest but such appointment will be subject to a written approval of the City.

Section 25. Integration. This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the parties. To the extent they are not inconsistent with the terms of this Agreement, the following documents are incorporated by reference into this Agreement as if fully set forth herein:

Section 26. City Held Harmless.

(A) The Consultant shall indemnify, defend, save and hold harmless from any lawsuit, action, claim or liability, including reasonable attorney's fees and costs, arising out of or related to any wrongful or negligent act, error or omission of the Consultant or any sub-consultant as a result of the Consultant's or any sub-consultant's performance pursuant to this Agreement.

(B) The Consultant shall not indemnify, defend, save and hold the City harmless from any lawsuit, action, claim or liability, including reasonable attorney's fees and costs, arising out of wrongful or negligent acts, errors or omissions solely of the City occurring during the course of or as a result of the performance of this Agreement.

(C) Where lawsuits, actions, claims or liability, including reasonable attorney's fees and costs, arise out of wrongful or negligent acts of both the Consultant and the City occurring as a result of the performance of this Agreement, the Consultant shall indemnify, defend, save and hold the City harmless from only that portion of the lawsuit, action, claim or liability, including reasonable attorney's fees and costs, arising out of or related to any wrongful or negligent act, error or omission of the Consultant or any sub-consultant as a result of the consultant's or any sub-consultant's performance pursuant to this Agreement.

Section 27. Interpretation and Enforcement. This Agreement is being executed by the parties following negotiations between them. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The titles of sections in this Agreement are not to be construed as limitations or definitions but are for identification purposes only.

Section 28. Consultant Insurance.

(A) The Consultant will provide the City with a certificate of errors and omissions insurance from the Consultant's insurance company in an amount of \$1,000,000. The insurance shall remain in force through the term of this Agreement whether occurrence or claims-made and if claims-made then for a minimum of three years after final payment to the Consultant by the City.

(B) The Consultant will, at its own expense, secure and maintain and will file with the City the following proper and acceptable insurance coverage, including defense and indemnification of the City. The insurance coverage will be secured with an insurance company acceptable to the City.

(1) Worker's Compensation Insurance in compliance with the laws of the state of Alaska, AS 23.30, et. seq., and federal jurisdiction where the work is being performed, covering all employees engaged in the performance of the work specified in this Agreement. Employer's liability limits shall be: \$100,000 each accident; \$500,000 disease--policy limit; and \$100,000 disease--each employee.

(2) Comprehensive General Liability or Commercial General Liability Coverage: Limit \$1,000,000 Bodily Injury and Property Damage, combined Single Limit. Coverage to include:

- Premises Operation
- Products/Completed Operations
- Independent Contractors
- Blanket Contractual
- Broad Form Property Damage
- Personal Injury with Exclusion "C" deleted

(3) Comprehensive Automobile Liability: Limit \$1,000,000 Bodily Injury and Property Damage, Combined Single Limit. Coverage to include:

- All Scheduled Vehicles
- Hired Vehicles
- Non-owned Vehicles

(4) Unemployment Insurance by payment of employment security taxes for all employees hired by the Consultant to work on this project. In the event of the Consultant's failure to pay such taxes, the City will withhold an amount sufficient to pay such taxes from any payments owed to the Consultant by the City. The City also reserves the right to contact the Alaska State Department of Labor, in order to determine whether unemployment security taxes have been paid by the Consultant. The City further reserves the right to withhold that portion of employment security taxes owed to any employees pending notification of the Consultant's unemployment security tax clearance from the Alaska State Department of Labor.

(C) A lapse in insurance coverage is a material breach of this Agreement, which shall result in immediate termination of the Agreement, pursuant to Section 8.

(D) Each policy of insurance required by this section shall provide for no less than 30 days' advance notice to the City prior to cancellation. Each policy (other than for worker's compensation) shall name the City as an additional insured. Each policy shall be endorsed to waive all rights of subrogation against the City by reason of any payment made for claims under the above coverage. Consultant's insurance coverage shall be primary to any coverage carried by the City, which may cover the work specified in this Agreement. Consultant's insurance carrier must be an admitted carrier in the State of Alaska or must be Best rated A+7 or better.

Section 29. Understanding. The Consultant acknowledges that the Consultant has read and understands the terms of this Agreement, has had the opportunity to review the same with counsel of its choice, and is executing this Agreement of his own free will.

Section 30. Severability. If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Agreement shall remain in full force and effect.

Section 31. Compliance with Law. Consultant shall comply with all applicable Federal, State of Alaska and City laws, regulations, and ordinances in performing his duties hereunder.

Section 32. Notices. Any notice required pertaining to the subject matter of the Agreement shall be personally delivered or mailed by prepaid first-class, registered or certified mail to the following address:

City: City Manager
City of Palmer
231 W. Evergreen Ave.
Palmer, AK 99645

Consultant: Hattenburg, Dilley & Linnell
3335 Arctic Boulevard, Suite 100
Anchorage, AK 99503

CITY OF PALMER


B.B. Allen, City Manager

CONSULTANT:


Scott Hattenburg, P.E. / Principal

July 9, 2008

File: 78-050

Greg Wickham, Acting Public Works Director
Sara Jansen, Public Works Administrator
City of Palmer
231 West Evergreen Avenue
Palmer AK 99645

Re: Fee Proposal for Engineering Services
Blueberry Area Water and Street Improvements - City of Palmer

Dear Mr. Wickham and Ms. Jansen:

Hattensburg Dilley & Linnell (HDL) is pleased to present this fee proposal for design phase engineering services for the Blueberry Area Water and Street Improvements project. The primary project area is northeast of the city center, between Arctic and Cottonwood Avenues on the north and south and Denali and Alaska Streets on the east and west. The affected streets are shown on the attached Figure 1. The proposed project is identified in Palmer's "Programs for Progress" and is consistent with the water system improvements and street paving program projects identified for construction in 2009.

The Blueberry project area has a mixture of residential and commercial uses. Recent construction of multi-family housing on Bonanza Street and the expansion of commercial development in the city center, as well as the Palmer Skateboard Facility and anticipated construction of a walking trail along the railroad corridor, have and will continue to increase vehicle and pedestrian traffic in the area and have increased the demand on the water system. All streets in the project area are gravel with no sidewalks and little or no street lighting. The additional traffic causes deterioration of the road surface and increased maintenance requirements, dust and air pollution, and increased safety concerns for pedestrians. The 50-year old steel water mains are undersized for the existing land use and are in poor condition. Fortunately, City maintenance personnel have not had to repair any significant leaks in the area, however replacement of pipe in adjacent areas indicates that the pipe is deteriorated and substantial leaks are imminent. Replacement parts for the fire hydrants in the area are no longer available. The needed improvements include replacement of the water mains, hydrants and services, extension of the storm drain collection system, subgrade replacement and paving, handicap accessible sidewalks, and installation of street lighting.

Included in the project area is an at-grade crossing of the Alaska Railroad Corporation (ARRC) track at Blueberry Avenue. This track is very rarely used and the current end of track is about 250 feet past the crossing. We will coordinate with ARRC to determine if the crossing should be maintained or if the track can be removed with ARRC's agreement to a future at-grade crossing at Dogwood Avenue.

Scott Hattensburg, PE

Lorie Dilley, PE/CPG

Dennis Linnell, PE

David Lundin, PE

The project includes replacing the water main in the alley between Chugach Street and Denali Street, north of Blueberry Avenue. The alley is only 20 feet wide and also includes

overhead power lines and underground telephone lines. Replacement of the water main within the alley will likely require relocating utilities and obtaining temporary construction easement. We will investigate if there are alternatives to replacing the main in the alley, such as constructing a new main in Valley Way and relocating private services, and recommend to the City of the most feasible alternative.

Also included in the project is the replacement of a 10-inch steel water main between Elmwood Avenue and Dahlia Avenue, along the Eklutna Street alignment across the baseball fields (see Figure 1). These baseball fields are regarded as some of the best fields in the State and replacement of the water main in its current location will cause significant disturbance to the fields. We will determine if an alternate solution to disturbing the baseball fields, such as installing a main in Dahlia Street, will provide the necessary flow and connectivity to eliminate the baseball field crossing.

SCOPE OF SERVICES

We propose to provide professional services required for design of the needed improvements and to assist the City with competitive bidding and selection of a contractor to construct the work. We understand that the improvements are to be constructed under one contract and are planned for the 2009 construction season. The City may chose to revise the project elements, however at this time we anticipate the following improvements:

Birch Avenue – Chugach Street to Denali Street

- Replace 465 lf of existing gravel road with residential street section, including 24 feet of paving, subgrade improvement, and curb and gutter.
- Install sidewalk on both sides of street.
- Install street lighting.

Blueberry Avenue (East) – Chugach Street to Denali Street

- Replace 6-inch steel water main with 450 lf of 8-inch DIP.
- Replace 500 lf of existing gravel road with residential street section, including 24 feet of paving, subgrade improvement, and curb and gutter.
- Construct sidewalk on both sides of street.
- Install street lighting.

Chugach Street – Cottonwood Avenue to Blueberry Avenue

- Replace 6-inch steel water main with 760 lf of 8-inch DIP.
- Replace 775 lf of existing gravel road with residential street section, including 24 feet of paving, subgrade improvement, and curb and gutter.
- Construct sidewalk on one side of street.
- Install storm drain collection and 620 lf of piping from Blueberry to Birch and west across private property and Valley Way to the ARRC ditch.
- Install street lighting.

Chugach-Denali Alley – Blueberry Avenue to the north end of the alley

- Replace 4-inch steel water main with 250 lf of 6-inch DIP.
- Reconnect two services to stubouts on Arctic Avenue rather than to new main in alley.

Cottonwood Avenue (East) – Valley Way to Denali Street

- Replace 6-inch steel water main with 430 lf of 8-inch DIP.
- Replace 670 lf of existing gravel road with residential street section, including 24 feet of paving, subgrade improvement, and curb and gutter.
- Construct sidewalk on one side of street.
- Install street lighting.

Cottonwood Avenue (West) – Alaska Street to Colony Way

- Replace 6-inch steel water main with 150 lf of 8-inch DIP.
- Replace 350 lf of existing gravel road with residential street section, including 24 feet of paving, subgrade improvement, and curb and gutter.
- Construct sidewalk on both sides of street.
- Install street lighting.

Blueberry Avenue (West) – Alaska Street to Valley Way

- Replace 6-inch steel water main with 300 lf of 8-inch DIP.
- Replace 675 lf of existing gravel road with residential street section, including 24 feet of paving, subgrade improvement, and curb and gutter.
- Construct sidewalk on both sides of street.
- Replace railroad at-grade crossing
- Install street lighting.

Bonanza Street – Cottonwood Avenue to north end

- Replace 6-inch steel water main with 800 lf of 8-inch DIP.
- Replace 950 lf of existing gravel road with residential street section, including 24 feet of paving, subgrade improvement, and curb and gutter.
- Construct sidewalk on both sides of street.
- Install street lighting.

Eklutna Alignment – Across baseball fields, Elmwood Street to Dahlia Street

- Replace 10-inch steel water main with 480 lf of 10-inch DIP.
- Remove and reinstall baseball field appurtenances (backstops, dugouts, baseline fence, and turf).

The length of road to be improved is approximately 4,385 lf and the total length of water main to be replaced is approximately 3,620 lf.

HDL's work will include overall project management, a geotechnical investigation, a design survey, environmental review and permitting, water system and street improvement design, assistance with public involvement, assistance with establishing a special assessment

district, and bidding assistance. We will subcontract to EDC Inc., an electrical engineering firm, for street lighting design and to Dryden and LaRue for easement acquisition services.

Task 1 - Geotechnical Investigation

HDL will provide a geotechnical investigation utilizing test borings. We anticipate advancing sixteen, 15-foot deep soil borings to identify subsurface conditions. We do not anticipate encountering or mapping bedrock or groundwater. Split-spoon samples will be obtained from the surface, 2.5-foot, 5-foot, 10-foot, and 15-foot depths. We will field classify soil samples and perform laboratory gradation and moisture content testing on select samples. We will determine frost susceptibility of existing street subgrade soil and develop design recommendations for trench and pipe foundation, subgrade improvements, and paving sections. The deliverable for this task will be a report including a summary of the field program and our recommendations supported with soil bore logs and laboratory test results.

Task 2 – Surveying

HDL's survey crew will perform a comprehensive design survey of the project area. Survey control will be established using existing monuments and benchmarks. We will research existing record plats and will search for existing record monuments. We will use the existing data to identify the right of way (ROW) within the project area; we do not anticipate establishing any property corners or replatting existing lots. We will tie our survey to the existing MSB vertical datum at the intersection of Cobb Street and Evergreen Avenue.

Topographic data will be gathered by taking cross sections every 50 feet for the width of the ROW plus twenty foot beyond on each side. Planimetric data for all surface improvements and utilities within these limits will also be gathered. Large improvements and significant drainage features outside these limits that may impact design will also be located. We will meet with each utility agency within the project area to coordinate utility locates and gather as-built data. On previous projects the City of Palmer has located the buried water and sewer utilities and exposed buried manholes and valve boxes for the design survey. We assume that they will again help us with this task. We will as-built invert elevations of existing sewer and storm pipes at manholes and catch basins and will measure depths to valves on water mains. We will inventory the existing street signs. With the field survey complete, we will reduce all data, develop a Triangulated Irregular Network (TIN) surface model, and deliver the final design survey drawings to our in-house designers. We anticipate performing the work in late summer with no ice or snow cover. Our scope does not include re-platting existing lots or rights-of-way, or extensive title research; however these services can be added later if necessary. Assistance with acquisition of easements and temporary construction permits is included in Task 6.

Task 3 – Environmental Review and Permits

The use of federal funds (EPA grant) requires compliance with National Environmental Policy Act (NEPA) regulations. We anticipate that the work under this contract is eligible for a Categorical Exclusion (CE). We will provide the necessary research, assist the City with public notices, obtain the State Historic Preservation Office Letter of Concurrence that no

historic properties will be affected, and complete the required environmental documentation for approval of a CE from EPA.

We will submit a completed Coastal Zone Project Questionnaire and anticipate the only permit required for this project will be the Approval to Construct from the Alaska Department of Environmental Conservation (ADEC). We will complete the required permit application and coordinate with ADEC for plan review. We have included in our fee an estimate of the ADEC review fee, assuming up to two waivers.

Task 4 - Design

- a. Design Study Report. HDL will prepare an abbreviated Design Study Report, generally following the ADOT/PF format, the purposes of which are to identify and evaluate the proposed improvements and provide the design rationale. The report will include: a description of the project location and existing facilities; the purpose of the project; details of relevant design standards; a description of the typical street sections; discussion of the horizontal and vertical alignments, driveways, signage, erosion and sediment control, drainage, water, existing soil conditions, bicycle and pedestrian facilities, illumination, and landscaping; discussion of the existing right of way and any new right of way or easements required for the project; discussion of utilities in the project area and identify any conflicts and relocations necessary; and evaluation of design alternatives for the water main across the baseball fields and in the Chugach-Denali alley. A draft of the report will be provided with each progress submittal.
- b. Construction Plans and Specifications. We will prepare a complete set of construction documents; including plans prepared using AutoCAD® 2005 and a Project Manual of bidding and contract documents and modifications to the City of Palmer Standard Specifications. The plans will include water, street and stormwater plans and profiles, cross-sections, details, striping and signage plans, and intersection grading plans. We anticipate the following civil drawing sheets plus additional electrical drawing sheets:

- 1 Cover Sheet / Drawing Index
- 1 Notes, Abbreviations and Legend
- 1 Sheet Map, Project Layout Plan
- 1 Existing Water System Plan
- 1 Survey Control Diagram
- 7 Demolition Plans
- 2 Typical Sections
- 1 Summary Table
- 14 Plan and Profile – Water, Street and Storm
- 8 Intersection Grading and Curb Layout
- 9 Sign and Striping Layout and Details
- 3 Civil Details
- 49 Civil Sheets + Electrical Sheets

- c. Street Lighting. We anticipate new street lighting for all streets. New street lights will be luminaires on steel poles with concrete or driven-pile foundations similar to the standard details and specifications. LED fixtures will be used to reduce long-term

- power costs. We have teamed with EDC for the electrical design work including light layout, conduit and conductor sizing, and pole, foundation, load center and junction box details. We anticipate EDC will coordinate with MEA for extension of power to new load centers. See the attached proposal from EDC.
- d. Construction Cost Estimate. We will prepare a preliminary construction cost estimate when the design is approximately 65% complete and then update the construction cost estimate at final design to reflect final quantities and pay items determined in the final detailing of the work. Quantities will be updated and we will re-examine and update unit prices to provide an accurate final estimate.
- e. Quality Assurance (QA) Program. HDL will perform an internal review of documents. Our internal QA review will be performed by an independent senior-level professional engineer with a minimum of 20 years experience. Comments will be addressed and resolved, and documents updated prior to submission to the City. The design documents will be submitted to the City for comments at approximately 65% completion and at 95% completion. We will submit to ADEC for plan review at 100% complete design. ADEC will review final plans and specifications and accept the design prior to bidding the project. HDL will coordinate comments received and will resolve and respond in writing to each comment. Once the design is approved in writing by the City of Palmer, bidding can proceed.
- f. Deliverables. The deliverables for this task will be bid-ready plans, stamped and signed by a registered professional engineer in the State of Alaska, a bid-ready Project Manual with bidding and contract documents and special provisions, and an Engineer's Construction Cost Estimate. We anticipate the bid-document distribution will be through the City's web-site; we will provide deliverables in hardcopy and Adobe PDF format. We have included in our fee the cost of reproduction for 12 plan sets for the City, agencies, and consultant team.

Task 5 – Public Involvement and Special Assessment District Assistance

- a. Public Involvement. We recommend actively informing the public of the proposed project. We anticipate conducting two informal public meetings; one when the design is approximately 35% complete and another when the design is approximately 95% complete. We will present an overview of the project, design features, and be available to answer questions. We will prepare an informative mailer to notify adjacent residents of the meetings and will prepare a mailing list. We anticipate the notice will be mailed by the City. We also anticipate the City will place a public notice in the local newspaper and on their web-site.
- b. Special Assessment District Assistance. We anticipate that this project will be partially funded by a Special Assessment District (SAD). We will assist the City by identifying the cost of improvements that are to be included in the SAD, based on the recent Lucas Area SAD, and preparing a drawing of the SAD boundary. We will attend the SAD public hearing and be available to present the project to the City Council and public.

Task 6 - Easements

We anticipate there will be permanent easements required from two lots; one to accommodate construction of a storm drain pipe from Chugach to the ARRC ditch and one to accommodate construction of Cottonwood Avenue from Alaska Street to Colony Way. We also anticipate temporary construction easements will be required from five lots to accommodate construction of the water main in the Chugach-Denali alley. HDL will prepare written legal descriptions and exhibits for temporary construction and permanent utility easements. Dryden and LaRue, our right of way consultant, will prepare easement agreements and make offers on behalf of the City. The level of effort required is highly dependent on the cooperation of landowners and the total number of parcels required. The attached proposal from Dryden and LaRue details the anticipated services to be provided. Extended negotiations may result in additional fee. We anticipate that the initial easement offers will be based on a factor of 2008 Borough assessed valuation.

We anticipate the excavation for water services will encroach on private property so that the key box can be installed at the property line in accordance with the City standard drawings. Additionally, each driveway will need to be graded to match the new street elevation. To protect property owners, the contractor and the City, right of entry needs to be obtained from each property owner. We will assist the City by preparing right of entry agreements and contacting each property owner in-person or via US mail to obtain their signature. If there are property owners who are not agreeable, the City will be required to limit their work to the right of way or negotiate to obtain temporary construction easements.

Task 7 - Bidding Assistance

HDL will assist the City with bidding the project. We will conduct a pre-bid conference, respond to bidders' questions, prepare addenda as necessary, tabulate bids and check proposals for completeness, review bonding and insurance submittals, and provide a written recommendation for award based on the lowest responsive bid.

BASIC ASSUMPTIONS

The following basic assumptions were used to prepare this estimate:

1. The improvements will be designed in one package and bid one time. All improvements will be included in the base bid, with no alternates.
2. No bedrock or groundwater will be encountered.
3. There will be no landscaping component to the project, except to topsoil and seed the disturbed areas. If landscaping plantings are desired, we can team with a landscape designer to perform this work for an additional fee.
4. Construction Administration and Inspection (CA) is not included in this fee estimate. The CA scope, level of effort, and fee will be determined when the design is complete and can be added as a contract amendment.
5. Design and construction of natural gas, power, telephone and cable television utility relocations, if necessary, are not included and will be provided by the utility companies. Design of power extensions to street light

load centers is not included and will be provided by the utility company. We will provide coordination of this work on behalf of the City.

6. Traffic Control Plans are not included in our scope of services, but will be required of the construction contractor.
7. Design of a temporary water system is not included in our scope of services.
8. Storm Water Pollution Prevention Plan is not included in our scope of services, but will be required of the construction contractor.

SCHEDULE

Upon notice to proceed we will commence field work as soon as possible. We anticipate bid-ready documents will be ready in March 2009. Our anticipated delivery date could be affected an extended DEC plan review period or by significant revisions required by City review or public comment. Our milestone schedule is estimated as follows:

July 29, 2008	Notice to Proceed issued by City / Begin Design
August-September 2008	Survey / Geotechnical Field Investigation
October 15, 2008	Draft DSR, 35% plans, & geotechnical report complete
October 29, 2008	First Public Meeting
December 15, 2008	Update DSR and 65% plans complete
February 16, 2009	Update DSR and 95% plans complete
February 16, 2009	Submit for DEC approval
February 18, 2009	Second Public Meeting
February 24, 2009	Public Hearing/Establish Special Assessment District
March 16, 2009	Design Complete / Begin bidding
April 14, 2009	Open bids
April 28, 2009	Contract Award
May 15, 2009	Notice to Proceed with Construction

ESTIMATED PROJECT COST

The total project cost includes construction, professional services, utility relocations, easement acquisition, and City project administration. Our preliminary estimate of the project cost is as follows:

Construction:

Birch Avenue – Chugach Street to Denali Street	\$229,500
Blueberry Avenue (East) – Chugach Street to Denali Street.....	\$326,800
Chugach Street – Cottonwood Avenue to Blueberry Avenue.....	\$576,910
Chugach-Denali Alley – Blueberry Avenue to north end	\$147,900
Cottonwood Avenue (East) – Valley Way to Denali Street	\$376,800
Cottonwood Avenue (West) – Alaska Street to Colony Way	\$177,000
Blueberry Avenue (West) – Alaska Street to Valley Way	\$392,925
Bonanza Street – Cottonwood Avenue to north end	\$488,025
Eklutna Alignment – Across baseball fields, Elmwood St. to Dahlia St.	\$177,726
Subtotal Estimated Construction Cost	\$2,893,586
Plus 15% Contingency.....	<u>\$434,038</u>
Estimated Total Construction Cost.....	\$3,327,624

Non-Construction:

Professional Services (estimated at 22% of construction estimate)	\$732,077
Utility Relocations.....	\$100,000
Easement Acquisition.....	<u>\$50,000</u>
Subtotal Estimated Non-construction Cost	\$882,077
Subtotal Preliminary Project Cost Estimate	\$4,209,701
City Project Administration (estimated at 3%).....	<u>\$126,291</u>
TOTAL PRELIMINARY PROJECT COST ESTIMATE	\$4,335,992

FEE

We propose to provide the aforementioned services on a time and expenses basis at our published hourly labor rates and standard 5% mark-up of subcontracts and reimbursable expenses for a fee not to exceed \$394,652.00 as detailed on the attached worksheet.

We appreciate the opportunity to provide this proposal and look forward to assisting the City with these important projects. If you have any questions, you can contact me at 746-5230.

Sincerely,

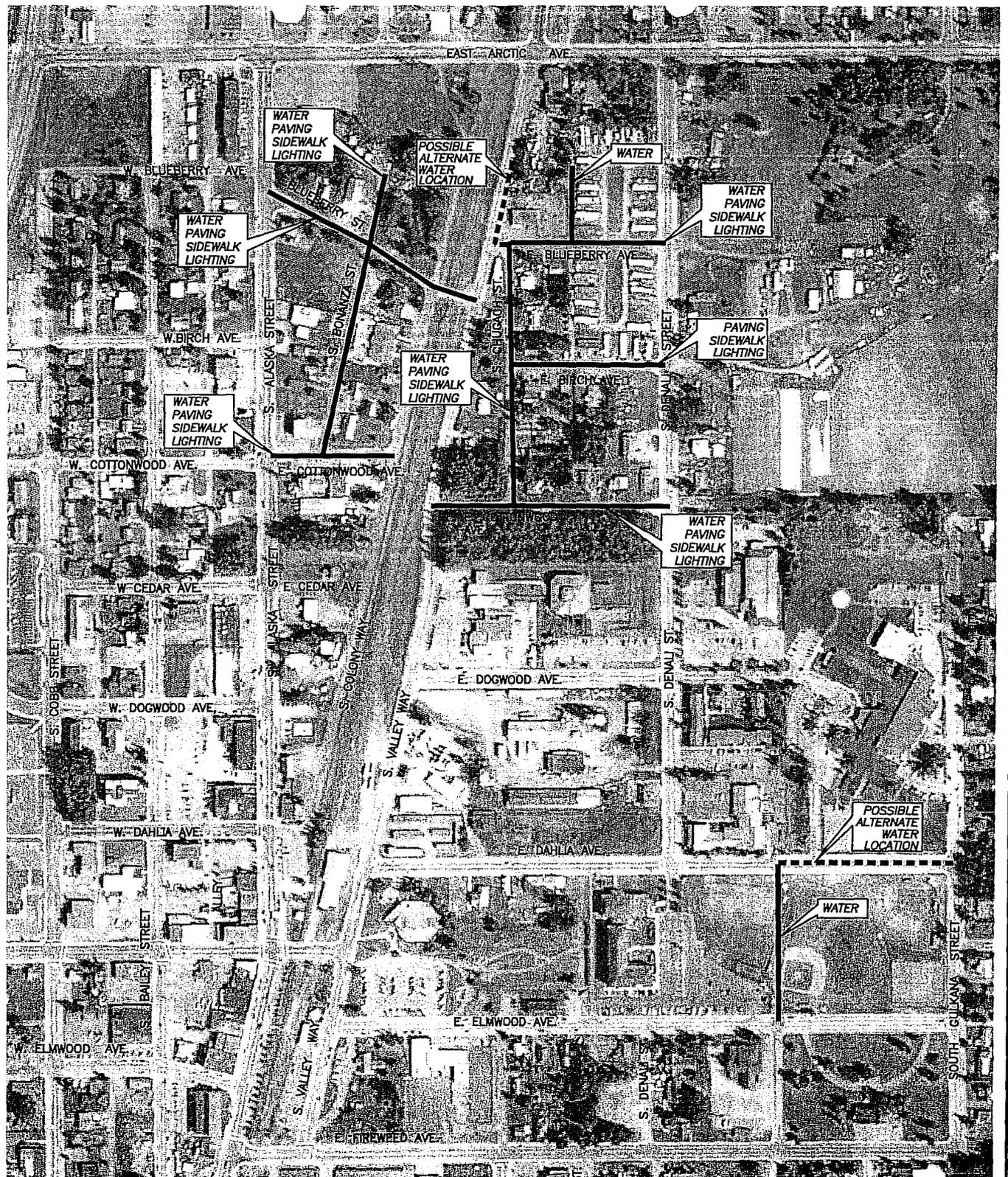
HATTENBURG DILLEY & LINNELL, LLC



David Lundin, P.E.
Associate/Senior Engineer

Attach: Figure 1

- Fee Worksheet (3 pages)
- EDC Proposal (dated July 7, 2008)
- Dryden and LaRue Proposal (dated July 8, 2008)



HDL HATTENBURG DILLEY & LINNELL
Engineering Consultants

- ENGINEERING
- EARTH SCIENCE
- PROJECT MANAGEMENT
- PLANNING

EXHIBIT A
(907) 744-2120
Palmer, Alaska
www.hdl.com

BLUEBERRY AREA WATER AND STREET IMPROVEMENTS
CITY OF PALMER
PALMER, ALASKA

DATE: 6-23-08

DRAWN BY: CAB

SHEET: FIGURE 1

SCALE: 1"=400'

CHECKED BY: DWL

JOB NO.: 78-050

Project: Blueberry Area Water and Street Improvements

Engineer: Hattenburg Dilley & Linnell

Scope: Design and Bidding

Date Prepared: 07/09/08

ITEM	ACTIVITY	QTY	RATE	LABOR	SUBCONTRACT	REIMB	ITEM TOTAL	TOTAL
1.0	Geotechnical Investigation.....							\$32,885
	<u>Research & Exploration Plan</u>						\$4,560	
	Principal Geotech Engineer	16 hrs	@ \$145	\$2,320				
	Proj. Mgr/Associate Eng.	8 hrs	@ \$120	\$960				
	Project Geologist	16 hrs	@ \$80	\$1,280				
	<u>Fieldwork</u>						\$16,800	
	Project Geologist	64 hrs	@ \$80	\$5,120				
	Utility Locates	16 hrs	@ \$80	\$1,280				
	Mob/Demob Drill Rig	2 ea	@ \$700			\$1,400		
	Drilling per hole	15 ea	@ \$600			\$9,000		
	<u>Laboratory Analysis</u>						\$3,325	
	Grain Size/Atterburg Limit	25 ea	@ \$75	\$1,875				
	P200	20 ea	@ \$35	\$700				
	Moisture Content	75 ea	@ \$10	\$750				
	<u>Memo Report and Recommendations</u>						\$8,200	
	Principal Geotech Engineer	16 hrs	@ \$145	\$2,320				
	Project Geologist	48 hrs	@ \$80	\$3,840				
	Drafter	24 hrs	@ \$85	\$2,040				
2.0	Surveying.....							\$70,200
	<u>Research</u>						\$4,040	
	Survey Manager	16 hrs	@ \$125	\$2,000				
	Survey Technician	24 hrs	@ \$85	\$2,040				
	<u>Survey Control and Right-of-Way</u>						\$12,960	
	Survey Manger	40 hrs	@ \$125	\$5,000				
	2-Man Survey Crew	32 hrs	@ \$185	\$5,920				
	Survey Technician	24 hrs	@ \$85	\$2,040				
	<u>Topographic Survey</u>						\$22,120	
	Survey Manger	24 hrs	@ \$125	\$3,000				
	2-Man Survey Crew	88 hrs	@ \$185	\$16,280				
	Survey Technician	24 hrs	@ \$85	\$2,040				
	Reimbursable Expense	1 ea	@ \$800			\$800		
	<u>Utility Locates</u>						\$11,440	
	Survey Manger	16 hrs	@ \$125	\$2,000				
	2-Man Survey Crew	40 hrs	@ \$185	\$7,400				
	Survey Technician	24 hrs	@ \$85	\$2,040				
	<u>Topographic and Control Drawings</u>						\$19,640	
	Survey Manager	32 hrs	@ \$125	\$4,000				
	Drafter	184 hrs	@ \$ 85	\$15,640				

EXHIBIT A

ITEM	ACTIVITY	QTY	RATE	LABOR	SUBCONTRACT	REIMB	TOTAL	TOTAL
3.0	Environmental Review & Permits							\$8,730
	<u>Categorical Exclusion & Permits</u>						\$8,730	
	Project Manager	4 hrs	@ \$120	\$480				
	Staff Engineer	16 hrs	@ \$95	\$1,520				
	Environmental Specialist	60 hrs	@ \$85	\$5,100				
	DEC Review Fee	1 sum	@ \$1,630			\$1,630		
4.0	Design							\$220,740
	<u>Project Oversight & Quality Assurance</u>						\$6,240	
	Proj. Mgr/Associate Eng.	24 hrs	@ \$120	\$2,880				
	Principal-in-Charge	16 hrs	@ \$145	\$2,320				
	Clerical	16 hrs	@ \$65	\$1,040				
	<u>Design Study Report</u>						\$4,760	
	Associate Engineer	8 hrs	@ \$120	\$960				
	Senior Designer	40 hrs	@ \$95	\$3,800				
	<u>Plan Sheets (49 Civil Sheets)</u>						\$159,260	
	Associate Engineer	294 hrs	@ \$120	\$35,280				
	Senior Designer	686 hrs	@ \$95	\$65,170				
	Designer/Drafter	686 hrs	@ \$85	\$58,310				
	Reimbursables	1 sum	@ \$500			\$500		
	<u>Street Lighting (see attached proposal)</u>						\$32,500	
	EDC, Inc	1 allow	@ \$32,500		\$32,500			
	<u>Specifications & Bidding Documents</u>						\$10,220	
	Associate Engineer	24 hrs	@ \$120	\$2,880				
	Senior Designer	60 hrs	@ \$95	\$5,700				
	Clerical	16 hrs	@ \$65	\$1,040				
	Reproduction	12 sets	@ \$50			\$600		
	<u>Construction Cost Estimating</u>						\$7,760	
	Associate Engineer	16 hrs	@ \$120	\$1,920				
	Senior Designer	40 hrs	@ \$95	\$3,800				
	Designer/Drafter	24 hrs	@ \$85	\$2,040				

ITEM	ACTIVITY	QTY	RATE	LABOR	SUBCONTRACT	REIMB	TOTAL	TOTAL
5.0	Public Involvement & Special Assessment District Assistance							\$11,570
	<u>Public Meetings (2 meetings)</u>						\$7,530	
	Project Manager	16 hrs	@ \$120	\$1,920				
	Principal-in-Charge	6 hrs	@ \$145	\$870				
	Staff Engineer	32 hrs	@ \$90	\$2,880				
	Designer/Drafter	16 hrs	@ \$85	\$1,360				
	Reimbursables	1 sum	@ \$500			\$500		
	<u>Special Assessment District Assistance</u>						\$4,040	
	Project Manager	16 hrs	@ \$120	\$1,920				
	Staff Engineer	16 hrs	@ \$90	\$1,440				
	Designer/Drafter	8 hrs	@ \$85	\$680				
6.0	Easements							\$37,920
	<u>Easements (2 permanent, 5 temporary)</u>						\$33,360	
	Project Manager	8 hrs	@ \$120	\$960				
	Survey Manager	32 hrs	@ \$125	\$4,000				
	Drafter	40 hrs	@ \$85	\$3,400				
	Dryden & LaRue, Inc (see attached proposal)	1 allow	@ \$25,000		\$25,000			
	<u>Right of Entry Agreements</u>						\$4,560	
	Project Manager	8 hrs	@ \$120	\$960				
	Staff Engineer	40 hrs	@ \$90	\$3,600				
7.0	Bidding Services							\$9,010
	<u>Pre-Bid Conference (1 each)</u>						\$1,700	
	Project Manager	6 hrs	@ \$120	\$720				
	Staff Engineer	8 hrs	@ \$90	\$720				
	Clerical	4 hrs	@ \$65	\$260				
	<u>Assistance During Bidding</u>						\$5,940	
	Principal-in-Charge	4 hrs	@ \$145	\$580				
	Proj. Mgr/Associate Eng.	16 hrs	@ \$120	1,920				
	Staff Engineer	24 hrs	@ \$90	\$2,160				
	Drafting Technician	12 hrs	@ \$85	\$1,020				
	Clerical	4 hrs	@ \$65	\$260				
	<u>Bid Review & Tabulation</u>						\$1,370	
	Associate Engineer	4 hrs	@ \$130	\$520				
	Staff Engineer	8 hrs	@ \$90	\$720				
	Clerical	2 hrs	@ \$65	\$130				
	Subtotal			\$319,125	\$57,500	\$14,430		\$391,055
	5% Markup				\$2,875	\$722		\$3,597
	TOTAL			\$319,125	\$60,375	\$15,152		\$394,652



July 7, 2008

David Lundin, P.E.
Hattenburg, Dilly & Linnel
3335 Arctic Blvd
Anchorage, AK 99503

Subject: Fee Proposal – City of Palmer, Blueberry Area Water and Street
Improvements

Dear Dave:

This proposal is for electrical engineering design services in support of the planned water and street improvements in the Blueberry Avenue area of Palmer, Alaska. This proposal is based on the following:

SCOPE OF WORK:

EDC, Inc. will provide input to the Design Study Report to include a description of the proposed improvements and design criteria for the new illumination systems.

EDC, Inc. will provide the electrical design of the new street lighting along all streets scheduled for new paving and sidewalks. These include E. Blueberry St., S. Bonanza St., E. Cottonwood Ave., E. Blueberry Ave., E. Birch Ave. and S. Chugach St. The street lighting design includes new electrical services, power distribution, lighting layout, conduit and conductor sizing, conduit routing, and pole, foundation, load center and junction box details. We will coordinate with MEA for extension of power to the new load center locations.

It is anticipated that the design will require the following sheets:

- E1 – Electrical Site Plan, Legend & Abbreviations
- E2 thru E9 – Lighting Plans
- E10 - J-Box & Luminaire Schedule
- E11 – Junction Box Standard Details
- E12 – Electrolier and Foundation Standard Details

The scope of work will include developing special provisions to the City of Palmer Standard Specifications for Highway Construction, and an engineer's construction cost estimate.

EDC, Inc. will also provide bidding assistance to include attending a pre-bid conference, responding to bidders' questions and preparing addenda as necessary.

SUBMITTALS – The drawings, special provisions and estimate will be submitted for City of Palmer review at the 65% and 95% stage. Final bid ready documents will be provided after all City and agency comments have been addressed.

Mr. David Lundin, P.E.

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July 7, 2008

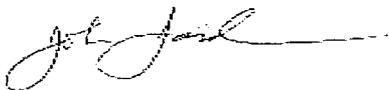
ASSUMPTIONS – HDL will provide the layout base sheets for EDC's use in AutoCAD format. Relocation of power, telephone and cable television utility lines and/or equipment, if necessary, is not included. Construction management is not included in the scope of work under this proposal.

DELIVERABLES - (1) One full size "D" and/or 1/2 size copy of the stamped and signed drawings on translucent bond for each electrical sheet. (1) copy of the Special Provisions to the City of Palmer Standard Specifications for Highway Construction. (1) copy of the engineer's construction cost estimate on 8-1/2 x 11 bond. Electronic copies of the drawings, special provisions and construction cost estimate will be provided as requested.

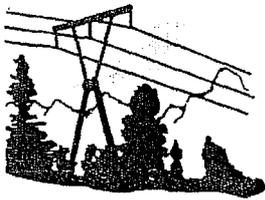
FEE – The fee to perform the above scope of work is estimated to be **\$32,500** and will be billed on a time and material basis at our standard rates.

If you have any questions, or wish to discuss my understanding of the Scope, please do not hesitate in giving me a call.

Sincerely,



John Faschan, P.E./ EDC, INC.



Dryden & LaRue, Inc.

CONSULTING ENGINEERS & RIGHT OF WAY SERVICES

3305 Arctic Blvd., Suite 201, Anchorage, Alaska 99503-4575
Phone: (907) 349-6613 • Fax: (907) 373-7749
www.dryden-larue.com

July 8, 2008

David Lundin, P.E.
Hattenburg Dilley & Linnell
808 South Bailey Street, Ste 102
Palmer, AK 99645

Subject: Right of Way Services
Blueberry Area Water & Street Improvements – City of Palmer

Dear David,

On June 25, 2008 you contacted the Right of Way section of Dryden & LaRue, Inc. (Dryden) and requested a proposal for right of way acquisition services for the above referenced project. In response to that inquiry, we are pleased to submit a proposal for providing acquisition services to acquire Permanent Access/Utility Easements and Temporary Construction Easements.

Acquisition Services:

After reviewing the information that you provided to us regarding this project, we can provide acquisition services for 1 Permanent Public Use Easement, 1 Permanent Utility Easement and 5 Temporary Construction Easements. This includes drafting the letters of offers, easement documents, presentation of offers, 1 or 2 follow up meetings with the owners and transmittal of original signed documents acceptable for recordation. In the event a negotiated settlement cannot be obtained, we will develop the package of materials required by the City of Palmer attorney to file an action for eminent domain. We understand the schedule for acquisitions would be about October 2008 through April 2009 to meet a construction start up of June 2009.

Dryden's right of way team consists of our Department Manager, Daniel W. Beardsley, Dave Williams and/or Donna Williams as Acquisition Agents, and a clerical staff.

Compensation:

The Not to Exceed estimate for Right of Way Services is \$25,000 based on actual hours of service performed multiplied by the hourly rates, plus authorized expenses directly chargeable to the work at the rates specified below. A monthly

status report, recapping negotiations will be submitted. Should additional contacts become necessary or additional easements or driveway permits added to the scope, written approval for additional fees will be required for Dryden agents to continue negotiating.

Hourly Rates:

Daniel W. Beardsley, SR/WA	\$131.00
David E. Williams, SR/WA, RW-RAC	\$117.00
Donna M. Williams, RW-RAC	\$117.00
Clerical	\$ 47.00

Expenses:

Automobile	\$0.505 per mile
Copies	\$0.25per page
Other	Actual cost plus 10%

Our team will be available to begin this work after a Subcontractor Agreement with Hattenburg Dilley & Linnell (HDL) has been signed and Dryden has been issued a Notice to Proceed. It is understood that HDL will provide us with the legal descriptions, parcel plats and approved property owner compensation directives from the City of Palmer before this work can begin.

We look forward to the opportunity to work with you again on another City of Palmer project.

Sincerely,

Dryden & LaRue, Inc.



Daniel W. Beardsley, SR/WA
Right of Way Services Manager