

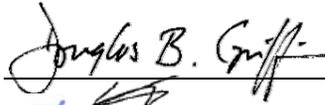
**CITY OF PALMER
ACTION MEMORANDUM NO. 12-039**

Subject: Authorize the City Manager to Increase the Professional Services Agreement With AlaskChem Engineering to \$25,000 For Professional Services Concerning the Wastewater Treatment Plant Discharge Permit

Agenda of: May 8, 2012

Council Action: Authorized _____

Approved for presentation by:

City Manager City Attorney City Clerk	 _____  _____  _____
--	--

Certification of Funds:

Total amount of funds listed in legislation:	\$ <u>10,000</u>
This legislation (√):	
<input type="checkbox"/> Has no fiscal impact	
Creates:	
<input checked="" type="checkbox"/> A negative fiscal impact in the amount of:	\$ <u>10,000</u>
<input type="checkbox"/> A positive fiscal impact in the amount of:	\$ _____
<input checked="" type="checkbox"/> Funds are budgeted from this (these) line item(s):	
➤ 24-40-01-6220 (Grant #671161)	\$ <u>10,000</u>
➤	\$ _____
<input type="checkbox"/> Funds are not budgeted. Budget modification is required. Affected line item(s):	
➤	\$ _____
Unrestricted/undesignated fund balance (after budget modification)	\$ _____
Director of Finance signature certifying funds:	 _____

Attachment(s):

- Professional Services Agreement With AlaskChem Engineering
- Ralph Hulbert Statement of Qualifications
- DEC Approval to Use Grant #671161 Monies

Summary statement: On December 23, 2011, a sole source, non-competitive Professional Services Agreement contract was entered into with Ralph Hulbert P.E. d/b/a AlaskChem Engineering to provide technical assistance and specialized professional advice on environmental and regulatory compliance issues regarding the Palmer Waste Water Treatment Plant (WWTP).

The Alaska Pollution Discharge Elimination System (APDES) permit for the WWTP was scheduled to expire on November 31, 2011 but was placed on "administrative extension" by the Alaska Department of Environmental Conservation (DEC) because the WWTP was not in compliance and a new discharge permit was not issued. Instead, the DEC is requiring a lengthy legal document known as a Compliance Order By Consent (COBC) which will outline the steps and time-frame necessary to bring the WWTP into compliance.

To date, Mr. Hulbert has assisted the City with several crucial aspects including, but not limited to, the following:

1. The Alaska Department of Environmental Conservation's development of the Compliance Order By Consent for the 2007 permit
 - a. Considerations in structuring the COBC for the City of Palmer
 - b. Research and prepare technical memorandum on compliance efforts
 - c. Findings & Recommendations
2. Capability of WWTP to comply with 2007 and expected 2012 limits
 - a. Evaluate existing system performance
 - b. Request vendor information for potential system and component upgrades
 - c. Evaluate vendor systems and components for system integration and meeting compliance goals
3. Regulatory Environment (EPA/DEC)
 - a. Evaluate durability of permit limits for design life of system upgrades
 - b. Evaluate capability of existing technology to meet future limits
 - c. Compile research findings on local effects of discharge on salmon
 - d. Evaluate and advise requesting DEC review of ammonia and nutrient standards regarding effects on salmon

Mr. Hulbert is a long time local resident of Palmer with extensive historical knowledge of the WWTP, salmon habitat, and is readily available to consult with the City and attend meetings regarding the above mentioned issues. Mr. Hulbert's rate for his professional services is highly competitive and represents an excellent value for the City of Palmer.

It has become clear, as work has proceeded with the COBC process, that additional professional services will be required from AlaskChem Engineering over the next several months. To date, the City has been billed \$18,500 for work performed by AlaskChem Engineering which exceeds the original \$15,000 agreement amount by \$3,500. Therefore, the Administration requests City Council approval to increase the Professional Services Agreement amount to \$25,000.

The Alaska Department of Environmental Conservation approved an expenditure of \$15,000 from grant number 671161 to pay for AlaskChem Engineering services. Another \$10,000 is budgeted from the Water/Sewer Enterprise Fund under the Contractual Services line item.

Justification for Sole Source Contract with Ralph Hulbert, P.E., d/b/a AlaskChem Engineering

Mr. Ralph Hulbert, the principal for AlaskChem Engineering, was hired as a "Consultant" under the initial contract. Mr. Hulbert is uniquely qualified for this role because of his personal and professional knowledge of the environmental and regulatory issues regarding the WWTP.

Mr. Hulbert's work on the WWTP began in 1998 with a review of the pre-treatment ordinance and sludge management, continued into 1999 analyzing the proposed WWTP design, further assisted in 2008 with discharge permit regulations relevant to ammonia, and continued into 2011 addressing compliance and regulatory issues.

He has actively participated in, and assisted the City with, valuable analysis regarding environmental and regulatory issues which bear directly on present issues relevant to the high ammonia levels, effluent discharge, and sub-soils.

Mr. Hulbert is a local resident and readily available to consult with the City, attend meetings regarding the WWTP and COBC, and provide vast historical perspective regarding environmental issues.

Mr. Hulbert's billable rate is highly competitive and represents a good value for the City of Palmer.

For these reasons the administration recommends an increase to the sole source, non-competitive contact with Mr. Ralph Hulbert P.E. aka AlaskChem Engineering.

Administration recommendation: Approve action memorandum 12-039.

PROFESSIONAL SERVICES AGREEMENT

Engineering Services for Waste Water Treatment Plant Discharge Compliance

THIS AGREEMENT made and entered into this 23rd day of December 2011, by and between the City of Palmer, Alaska, a municipal corporation (City) and Ralph J. Hulbert, P.E., d/b/a AlaskChem Engineering.

Section 1. Definition

In this Agreement:

- A. The term "City" means the City of Palmer.
- B. The term "Consultant" means Ralph J. Hulbert, d/b/a AlaskChem.
- C. The term "Manager" means the manager of the City of Palmer or his authorized representative.

Section 2. Employment of Consultant

The City hereby agrees to engage the Consultant and the Consultant hereby agrees to perform the services hereafter set forth.

Section 3. Consultants 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 the 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 4. Scope of Services

The Consultant shall perform all the services provided for by this Agreement which are described with particularity in Appendix "A," entitled Scope of Services, attached hereto and incorporated by reference as if fully set forth herein.

Section 5. Personnel

Personnel shall be limited to employees of Ralph J. Hulbert, d/b/a AlaskChem Engineering.

Section 6. Time of Performance

The services of the Consultant shall commence upon execution of this Agreement by the City and shall be completed by September 30, 2012. The period of performance may be extended for additional periods only by the mutual written agreement of the parties.

Section 7. 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 not exceeding \$15,000 as set forth in Appendix "A," attached hereto and incorporated herein by reference, for services required by this Agreement.

B. Travel or per diem required for the performance of services pursuant to this Agreement shall be subject to Appendix "A."

C. Except as otherwise provided in this Agreement, 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 Agreement duties. 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.

Section 8. Method and Time of Payment

A. The City will pay to the Consultant the amount set forth in Appendix "A" which shall constitute the full and complete compensation for the Consultant's professional services. That sum will be paid on receipt of billings submitted pursuant to a schedule set forth in Appendix "A". If not identified within Appendix "A", normal billing cycle is 30 calendar days from receipt of an approved invoice. A billing is a summary of expenditures to date by line item categories (e.g., Personal Services, Travel, Contractual, Commodities and Equipment).

B. No payment will be disbursed until the completed task and associated expenditures have been approved by the City.

C. All invoices must be submitted and addressed as follows: City of Palmer, 231 W. Evergreen Avenue, Palmer, Alaska 99645

D. It is expressly understood and agreed that in no event shall the total compensation due the Consultant exceed FIFTEEN THOUSAND DOLLARS [\$15,000].

Section 9. 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 prepared by the Consultant under 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 Appendix "a" of this Agreement only for work completed to the City's satisfaction in accordance with Appendix "A" of this Agreement and the other terms of this Agreement.

Section 10. Termination for Convenience of City

The City may terminate this contract 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 Section 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 Appendix "A" of this Agreement only for work completed to the City's satisfaction in accordance with Appendix "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 11. 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. 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. The City will determine whether the event preventing the Consultant from performing is a cause beyond the Consultant's control.

Section 12. Modifications

A. The parties may mutually agree to modify the terms of the Agreement. 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.

Section 13. Equal Employment Opportunity

A. The Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam war 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 war 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 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, or status as a disabled veteran, or veteran of the Vietnam war era. The Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement.

C. The Consultant shall keep such records and submit such reports concerning the equal opportunity employment provisions set forth in subsection 13 (A) for applicants for employment and employees as the City may require.

Section 14. 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 their personal interest or the interest of any corporation, partnership or association in which they are, directly or indirectly, interested or having any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

Section 15. 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 16. 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 no person having any such interest shall be employed.

Section 17. Findings Confidential

To the extent permitted or required by law 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 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 its records with respect to all matters covered by this Agreement and 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.

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 laws of the State of Alaska and the City of Palmer 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 protection 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. All actions taken by the Consultant under this Agreement 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 Consultant 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. Agreement Administration

A. The City Manager, or their designee, will be the representative of the City administering this Agreement.

B. The services to be furnished by the Consultant shall be administered, supervised, and directed by Ralph J. Hulbert, d/b/a AlaskChem Engineering. In the event that the individual named above or any of the individuals identified in the proposal to

perform work under the Agreement is unable to serve for any reason, the Consultant shall appoint a successor in interest subject to a written approval of the City of Palmer.

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:

1. Consultants Statement of Qualifications

Section 26. Defense and Indemnification

A. Consultant shall defend, indemnify and hold harmless and save the City, its elected officials, officers, employees, representatives and agents, from and against any and all claims, actions, suits, proceedings, claims, demands, losses, costs and expenses, or liability of any nature, kind or character, including legal costs and owed by the City and for errors and omissions committed by Consultant, its officers, employees, independent consultants and agents, which may arise out of Consultant's performance of the services described in this Agreement, unless such losses or damages are proven to be caused by the City's own negligence or that of its officers or employees.

B. The Consultant shall be responsible under this clause for any and all legal actions or claims of any character resulting from injuries, death, economic loss, damages, violation of statutes, ordinances, constitutions or other laws, rules or regulations, contractual claims, or any other kind of loss, tangible or sustained by any person, or property arising from Consultant's or Consultant's officers, agents, employees, partners, attorneys, suppliers, and subcontractor's performance or failure to perform this Agreement in any way whatsoever. This defense and indemnification responsibility includes claims alleging acts or omissions by the City or its agents which are said to have contributed to the losses, failure, violations, or damage. However, Consultant shall not be responsible for any damages or claim arising from the sole negligence or willful misconduct of the City, its agents, or employees.

C. The City does not and shall not waive any rights that it may have against Consultant under this Section, because of the acceptance by the City, or the deposit with the City, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not said insurance policies are determined to be applicable to the claim, demand, age, liability, loss, cost or expense described herein.

D. If any portion of this clause is voided by law or court of competent jurisdiction, the remainder of the clause should remain enforceable.

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

It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of the Agreement to create in the public or any member thereof a third party benefit hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

It is highly recommended that Consultant confer with their respective insurance companies or brokers to determine if their insurance program complies with the City's Insurance requirements.

The Consultant shall procure and maintain the following insurances:

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services office form number CG 0001 (Edition 01/96) covering Commercial General Liability.
2. Insurance Services office form number CA 0001 (Edition 6/92) covering Automobile Liability, symbol 1 "any auto".
3. Worker's Compensation insurance as required by the State of Alaska and Employers Liability Insurance.
4. Professional Liability insurance against liability arising out of the rendering or failure to render professional services under this agreement on a form acceptable to the City.

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability:

\$1,000,000 combined single limit per occurrence for bodily injury, property damage, personal injury and advertising injury. The general aggregate limit shall be \$2,000,000. The general aggregate limits shall apply separately to each project.

If the general liability insurance is written on a claims made form, the Consultant shall provide insurance for a period of two years after final payment of this agreement. The policy(s) shall evidence a retroactive date, no later than the beginning of this agreement.

2. Auto Liability:

\$100,000 combined single limit per accident for bodily injury and property damage.

3. Worker's Compensation and Employers Liability:

Worker's Compensation shall be statutory as required by the State of Alaska. Employers liability shall be endorsed to the following minimum limits:

Bodily injury by Accident -	\$1,000,000 each accident
Bodily injury by Disease -	\$1,000,000 each employee
Bodily injury by Disease -	\$1,000,000 policy limit

4. Professional Liability:

\$1,000,000 combined single limit per occurrence. The general aggregate limit shall be \$1,000,000. The professional liability insurance shall be maintained in effect until final acceptance by the City of the completed project.

If the professional liability insurance is written on a claims made form, the Consultant shall provide insurance for a period of two years after final payment of this agreement. The policy(s) shall evidence a retroactive date, no later than the beginning of this agreement.

5. Excess Liability:

In order to meet the required minimum limits of insurance it is permissible for the Consultant to combine an excess liability or umbrella policy with the general liability, auto liability or employers liability. In the instance where the Consultant purchases an excess liability or umbrella policy the occurrence limit and the aggregate limit may be of the same amount.

C. Deductibles and Self-Insured Retention

Prior to work commencing any deductible or self-insured retention must be declared and approved by the City. The Consultant may be requested to demonstrate how the deductible or self-insured retention will be funded in the event of a claim. At the option of the City, the Consultant shall reduce or eliminate such deductibles or self-insured retention

as respects the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability, Automobile Liability

a. The City, its Administrator, officers, officials, employees and volunteers are to be covered as additional insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant premises owned, occupied or used by the Consultant or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitation on the scope of protection afforded to the City, its Administrator, officers, officials, employees and volunteers.

b. The Consultant's insurance coverage shall be primary insurance as respects the City, its Administrator, officers, officials, employees and volunteers. any insurance or self-insurance maintained by the City, its Administrator, officers, officials, employees and volunteers shall be excess of the Consultant insurance and shall not contribute to it.

c. The Consultant insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Worker's Compensation and Employer's Liability

The insurer shall agree to waive all rights of subrogation against the City, its Administrator, officers, officials, employees and volunteers for losses arising from work performed by the Consultant or any subcontractor for the City.

3. All Insurance

Each insurance policy required by this agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after 30 days prior written notice for nonpayment of premium or fraud on the part of the Consultant or 60 days prior written notice for any other reason by certified mail, return receipt requested, has been given to the City. Such notice shall be mailed by the Consultant to the attention of the City's Purchasing Officer.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a Best's rating of no less than A-: VII.

F. Verification of Coverage

Consultant shall furnish the City with certificates of insurance and with certified copies of all endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms acceptable to the City. All certificates are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

G. Subcontractors

Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all requirements stated herein.

H. Lapse in Coverage

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.

Section 29. 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 30. 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 their choice, and is executing this Agreement of their own free will.

Section 31. Compliance with Law

Consultant shall comply with all applicable federal, State of Alaska and City laws, regulations, statutes and ordinances in performing its 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 of Palmer
231 West Evergreen Avenue
Palmer, Alaska 99645

Consultant: Ralph J. Hulbert, d/b/a AlaskChem Engineering
P.O. Box 1846
Palmer, AK 99645

Section 33. Consultants' Violations of Tax Obligations

A. Any consultant in arrears on a City obligation, including, but not limited to tax, assessment, lease, sale, or rental payments, whether as an individual, or as a representative of a business, organization, firm, corporation, or partnership, shall not be awarded the Agreement if the delinquency is not cured within ten calendar days of receipt of written notice sent by the City of the delinquency.

B. This Agreement can be terminated for cause, pursuant to Section 8, if it is determined that a Consultant whether the amounts owed are in the name of the Consultant as an individual or as a representative of a firm, business, corporation, or partnership, is in arrears of any taxation, lease or rental agreement that is due to the City that is not remedied within 10 calendar days of notification by regular mail.

C. The City reserves any right it may have to offset amounts owed by an individual, firm, corporation or business for delinquent City taxes, moneys owed on sales, assessments, leases and rental agreements, against any amount owing to the same under Agreement between the City and the same.

Section 34. Fund Verification

Fund source and verification of funds for this project:

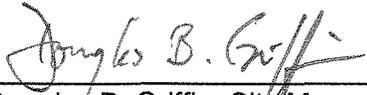
Funding Source: 02-01-50-6030

[Signature]
Verified by

12/23/11
Date

CITY OF PALMER

RALPH J. HULBERT, D/B/A ALASKACHEM
ENGINEERING



Douglas B. Griffin, City Manager



Ralph J. Hulbert, P.E.

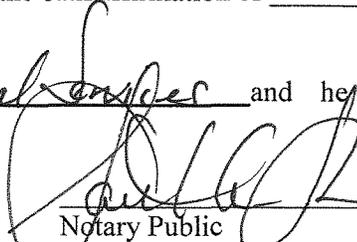
STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On December 23, 20011, Ralph J. Hulbert personally appeared before me,

- 1. who is personally known to me
- 2. whose identity I proved on the basis of AK DL
- 3. whose identity I proved on the oath/affirmation of _____, a credible witness

to be the signer of the Agreement for professional services and he acknowledged that he signed it.

SAMANTHA J. TOMASI
Notary Public, State of Alaska
Commission # 110832
My Commission Expires
July 10, 2012

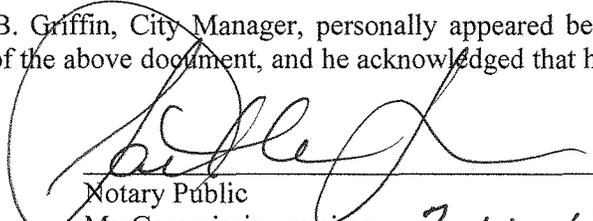


Notary Public
My Commission expires: 7-10-12

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On December 23, 20011, Douglas B. Griffin, City Manager, personally appeared before me, who is personally known to me, to be the signer of the above document, and he acknowledged that he signed it on behalf of the City of Palmer.

SAMANTHA J. TOMASI
Notary Public, State of Alaska
Commission # 110832
My Commission Expires
July 10, 2012



Notary Public
My Commission expires: 7-10-12

Appendix A

Scope of Services

In general terms, the Consultant will provide expert analysis and recommendations as requested by the Public Works Superintendent in order to bring the Palmer wastewater treatment plant discharge into compliance.

Tasks include assisting the City of Palmer regarding:

1. The Alaska Department of Environmental Conservation's development of the Compliance Order By Consent for the 2007 permit
 - a. Considerations in structuring the COBC for the City of Palmer
 - b. Research and prepare technical memorandum on compliance efforts
 - c. Findings & Recommendations
2. Capability of WWTP to comply with 2007 and expected 2012 limits
 - a. Evaluate existing system performance
 - b. Request vendor information for potential system and component upgrades
 - c. Evaluate vendor systems and components for system integration and meeting compliance goals
3. Regulatory Environment (EPA/DEC)
 - a. Evaluate durability of permit limits for design life of system upgrades
 - b. Evaluate capability of existing technology to meet future limits
 - c. Compile research findings on local effects of discharge on salmon
 - d. Evaluate and advise requesting DEC review of ammonia and nutrient standards regarding effects on salmon
4. Compensation
 - a. Hourly rate is \$100.00 per hour.
 - b. Not to exceed \$15,000.
 - c. Work accomplished thru the end of November = \$9,810.00.
 - d. Travel per diem as mutually agreed upon.

END OF SECTION

September 23, 2011

Tom Cohenour, Superintendent
City of Palmer, Public Works
231 W. Evergreen Ave.
Palmer, AK 99645

Re: Statement of Qualifications, Professional Services for WWTP Compliance Assistance

I am pleased to present this brief requested SOQ for assisting the City with WWTP issues.

As a chemical engineer (Alaska registration EC8066) augmented by many graduate level courses in wastewater treatment, I have the requisite background and training. AlaskChem Engineering, my sole-proprietor business since 1997, is licensed, bonded, insured, and experienced in providing this type of consulting services. Another asset is a lifetime Palmer area residency, enabling me to provide local “reality checks” and effective solutions.

My prior work for the City WWTP dates to 1998, starting with review of a pretreatment ordinance. Next, I researched sludge management issues, found that the preferred composting would not work, and then suggested disinfection by mixing with local waste lime – a cheap solution still being used. In 1999, the major City contractor proposed an entirely new WWTP be built based on assumptions of imminent erosion from the Matanuska and potential new regulations. I analyzed these assumptions, described their site-specific and economic uncertainties, and recommended further investigation before designing a new plant with limited life. The City heeded this advice.

In 2008, the City requested my services for independent analyses of design-build contractors proposals intended to comply with the difficult 2007 permit limits. I analyzed the assumptions, both for the regulations and WWTP designs. The 2007 permit was based on then outdated data; current data would result in drastically lowered ammonia limits. The regulators and compliance proposals did not recognize or communicate this critical information. Considering post 2011 permit limits or Matanuska dynamics, all of the proposals including regional WWTPs were infeasible or too expensive. My first recommendation included working with regulators to develop rational and durable permit limits. This remains a critical priority with the, requiring in-depth knowledge of the permitting bases and calculations. As an alternative to NPDES, recommendations included constructed wetlands and/or soil absorption.

Having observed the salmon in the delta streams for decades, I questioned the presumption that the discharge harmed salmon. Initial recommendations to study effects on salmon as a permit basis could not be addressed due to program transfer. I then embarked on a self-funded salmon study program of the delta, now in its fourth year, covering egg, fry, and spawning stages. The results indicate a net benefit of the discharge to salmon. A peer reviewed research program studying effects on salmon appears to be a step in developing a rational permit.

The City requested I review their contractor's proposal for a large covered structure. My recommendations included a much simpler more affordable covering and media more likely to meet the 2007 limits. I solicited and received proposals, and recommended LEMNA's package of covers, aeration, and media. The contractor used LEMNA for the covering, but selected different blowers and left out the critical media.

For this professional services contract, I suggest assisting you as directed with the following tasks:

- **Compliance Order By Consent:** Provide assistance in research and preparation of the COBC. Two components that we discussed include a history of Palmer's efforts to come into compliance and a technical memorandum of the status upgrades including performance predictions for ammonia. This needs to be completed within a month.
- **Negotiate achievable post-2011 permit:** The goal is cost effective long-term compliance, and the path may be quite complex and time consuming. Major factors include the performance of the WWTP upgrades regarding ammonia, the limits in the renewed permit, and future ammonia standards. It may be several months before Tetra-Tech calculates the new permit, but hopefully we can see the deliberative process now. It will take a couple years to see how close the upgrades reliably can come to future compliance. Meanwhile, the state criteria on which the permit is based are in the midst of the 2010-2013 triennial review and harsher national ammonia limits are proposed. Since any decrease in ammonia limits could result in a new plant, it is critical to interject sound science into this triennial review process. My existing salmon studies may open the door and the proposed USACE grant or similar studies could result in the required data.

I propose a rate of \$100/hour for tasks and conditions outlined by you.

Thank you for your consideration.

Sincerely,



Ralph Hulbert, P.E.

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
MUNICIPAL GRANTS & LOANS PROGRAM

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April 6, 2012

Tom Cohenour, Public Works Director
City of Palmer
231 W. Evergreen Avenue
Palmer, AK 99645

Re: **AlaskChem Engineering - Contract Concurrence**
Palmer - Waste Water Treatment Plant Improvements, Phase I
ARRA ACWF Loan No. 671161

Dear Mr. Cohenour:

I have reviewed the professional services contract with AlaskChem Engineering, and give concurrence. The contract, dated December 23, 2011, is for a not-to-exceed, eligible amount of \$15,000, and has a completion date of September 30, 2012. During my review, it was noted that AlaskChem Engineering will assist the City of Palmer during the development of the Compliance Order by Consent for the waste water treatment plant permit, and assessing the waste water treatment plants ability to meet the permit limits.

Thank you for your submittal, and please call 269-7437 or email susan.start@alaska.gov if you have any questions or comments.

Sincerely,



Susan Start
Project Engineer