



AGENDA STAFF REPORT

AGENDA LOCATION: Contract Review Board

MEETING DATE: February 27, 2017

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Authorization to enter into contract with Kennedy/Jenks Engineers to complete work in support of a Clean Water State Revolving Fund loan application

BACKGROUND: As directed by City Council on December 12, 2016, staff has applied for a loan from the Oregon Department of Environmental Quality (DEQ) in the amount of \$2 million for the Wastewater Treatment Plant Upgrade Project. The funding requested is allocated through the Clean Water State Revolving Fund (CWSRF) Loan Program. The amount of the requested loan coincides with the costs to add the design and construction of the Co-Gen systems to the scope of work for the project. Taking out this loan is one of the ways the project team is utilizing to try to bring in outside funding to construct the Co-Gen systems as there is an opportunity to have up to \$500,000 of the loan principal forgiven, essentially turning it into a grant.

Kennedy/Jenks Engineers is the engineering firm that is already engaged in the plant upgrade project as part of the design-build team. The scope of work for the proposed contract is identified in the attached proposal and provides support work to fulfill DEQ requirements related to CWSRF funding. In general, those tasks include completing the application process with post-application submittals, meeting the requirements to demonstrate value engineering, completing an environmental report for the project, developing Performance Standards and a Plan of Operations for the facilities to be constructed, conducting a Performance Evaluation Review after the improvements are constructed and in operation, and development of Operations and Maintenance manuals for the new systems. City staff does not have the resources, experience, or expertise to effectively fulfill these requirements. It had previously been estimated that this work could cost as much as \$200,000, as presented to Council in December 2016; the proposal received from Kennedy/Jenks is for \$137,140.

Time is of the essence to get this contract in place because each step of the DEQ process takes time, and ground-breaking construction activities for the project elements that are being funded by CWSRF monies cannot occur before the environmental review is completed, including review by DEQ and other agencies and a 30-day public notice by DEQ, and an official award of the funding is received. If we start this application and environmental review work immediately, we hope to begin construction of the Co-Gen systems in late May/early June.

On a related note, staff has also applied for funding through the Oregon Department of Energy (ODOE) Renewable Energy Development Grant Program. Originally, we had been told that, to receive this funding, the Co-Gen systems had to be constructed and on-line by December 31, 2017 which is when the funding program is set to expire. Working through Regional Solutions last week, we learned that we actually have 3 years from the time the funding is awarded to complete the project, so the project delays associated with the CWSRF funding will not put the ODOE funding, if awarded, at risk.

Another bit of good news received this week is that we are now being told by DEQ the receipt of a CWSRF loan only “federalizes” the portions of the project for which those monies are being used (in our case Co-Gen) rather than the whole project. In essence, this means that only about 20% of our project will have these additional requirements on it. And, we’re also now being told that we can break ground on the elements of the project that are not CWSRF funded which, if true, will allow construction to begin in March on the non-Co-Gen project elements.

BUDGET IMPLICATIONS: The budget developed for the project anticipated spending \$180,000 to support the CWSRF loan application and fulfill the requirements associated with that funding. The proposal from Kennedy/Jenks Engineers is for \$137,140, well within the budgeted amount.

COUNCIL ALTERNATIVES

- A. **Staff Recommendation:** *Authorize the City Manager to enter into contact with Kennedy/Jenks Engineers to provide engineering services in support of DEQ Clean Water State Revolving Fund Loan administration in an amount not to exceed \$137,140.*
- B. Alternative 1: Deny authorization for the contract and direct staff on how to proceed.

24 February 2017

Mr. David Anderson
Public Works Director
City of The Dalles
1215 West 1st St
The Dalles, OR 97058

Subject: Engineering Services
DEQ Clean Water State Revolving Fund Loan Administration
K/J Proposal No. P17018

Dear Mr. Anderson:

This proposal outlines the scope of work and fee estimate to provide loan administration services for the Oregon Department of Environmental Quality's (DEQ's) Clean Water State Revolving Fund (CWSRF) Loan Program. This work is for Phase 2.0 under the design build contract with Mortenson to perform the City of The Dalles (City) wastewater treatment plant (WWTP) upgrades project for only the following improvements: Primary Filtration, Methane Gas Compression/Filtration and Conditioning, Microturbine systems and associated piping, electrical, and structural modifications. This scope of work includes:

1. Application for the loan to secure funding for the upgrades (completed under separate contract).
2. Pre-Construction services to demonstrate the project satisfies program requirements,
3. Services during construction including coordination of contractor submittals between the City and DEQ. Ensuring the project meets performance goals as required by the loan program.
4. Providing an operations and maintenance manual that meets CWSRF standards.

Scope of Work

Phase 1: CWSRF Loan Application Requirements

Complete the DEQ mandated application process. Coordinate with the assigned DEQ reviewer to determine specific post-application submittals required for this project. Complete post-application submittals summarized in the following tasks.

Task 1.1 Retroactive Biddability Review. Kennedy/Jenks Consultants (Kennedy/Jenks) will retroactively complete pre-bid documentation checklist for the project by ensuring Mortenson has completed the documentation required to comply with SRF program

requirements, including: prevailing wage rate certifications and forms required to demonstrate disadvantaged business enterprise (DBE), among others.

Task 1.2 Application Assistance. Coordinate with City staff to identify the information that must be developed or compiled by the City for the CWSRF Application for December 9, 2016. Work to complete the attachments has been completed. **No budget is included for this task.**

Task 1.3 Application Follow on Requirements. Follow up with required attachments to the CWSRF application, including VE study, LUCS statement and preconstruction record keeping as required by DEQ. Documentation of the VE study will be compiled from the internal VE led by Mortenson.

Task 1.4 Environmental Report Services. Prepare an environmental report to comply with DEQ's State Environmental Review Process (SERP), as required for the CWSRF application. Prepare an Environmental Assessment (EA), which must include solicitation of written responses from federal "cross-cutter" agencies with regard to various environmental laws (could take at least 60 days).

Please note that this project may be deemed exempt from the EA process and we are currently determining if this is the case. However, we are requesting authorization to proceed with this task as it could contain critical long-lead items, such as a wetlands delineation and an archeological determination. Kennedy/Jenks would like to act quickly to subcontract for these services should they be needed.

Phase 2: Loan Administration during Construction

Task 2.1 Performance Standards and Plan of Operations. A performance standards report including test methods will be completed following final design as a means for DEQ to assure the project will perform as designed. Kennedy/Jenks will issue a performance standards report to DEQ for the improvements including: Primary Filtration, Methane Gas Compression/Filtration and Conditioning and Microturbine systems. The Plan of Operations is a sequence of operations submitted prior to startup and will demonstrate to DEQ how the startup will commence without a process upset for the same systems.

Task 2.2 Performance Certification. Following construction, performance data will be recorded by plant staff and Kennedy/Jenks will conduct performance testing as a part of plant startup to ensure equipment meets the performance standards for the processes listed in Task 2.1. A performance certification report will be issued to DEQ summarizing a review of the ongoing performance data and the field testing during startup.

Task 2.3 Loan Document Administration. Kennedy/Jenks will facilitate the SRF pre-construction meeting with the City and DEQ where loan program roles and responsibilities for Mortenson, the City and Kennedy/Jenks will be assigned. Kennedy/Jenks will attend the meeting and provide minutes electronically to the attendees. During construction, Kennedy/Jenks will submit documentation for loan disbursement

requests on a monthly basis and maintain electronic record keeping as required by CWSRF for the duration of the project. Kennedy/Jenks will assist Mortenson and the City in coordinating certified wage reports and Kennedy/Jenks will submit to CWSRF. Kennedy/Jenks will submit required documentation in accordance with CWSRF requirements, including; change orders, DBE utilization reports and disbursement requests.

Task 2.4 Operation and Maintenance Manual. Prepare Draft Operations and Maintenance Manual to DEQ CWSRF Standards. Submit to City. Incorporate Draft comments and submit final O&M manual to City and DEQ. Final O&M manual to be electronic bookmarked PDF submitted to both City and DEQ.

Deliverables

Kennedy/Jenks will provide the following deliverables to the City and DEQ as described in the schedule below.

Assumptions

This proposal is based on the following assumptions:

1. SRF loan reporting requirements are limited to a portion of the scope funded by CWSRF loan, namely: Primary Filtration, Methane Gas Compression/Filtration and Conditioning, Microturbine systems and associated piping, electrical, and structural modifications.
2. The O&M manual described in Task 2.4 will cover all improvements under the Phase 2 design build contract with Mortenson.
3. Assumes that all or part of requirements for a State Environmental Review Process could be required prior to release of loan funds. Scope is required and Task 1.4 if needed.
4. The City will track Certified Payroll from Mortenson and submit to Bureau of Labor and Industries as required. City to provide Certified Payroll reports to Kennedy/Jenks. Kennedy/Jenks to coordinate with Mortenson on requirements to obtain certified wage reports from subcontractors. Kennedy/Jenks to submit wage reports to CWSRF as required.
5. City to provide plant operating data and daily monitoring reports following startup of the improvements for a period of six months to complete the Performance Certification.
6. Kennedy/Jenks to provide CM services under a separate contract with Mortenson Construction. Startup services are not included in this contract.
7. No budget is included for a "Corrective Action Plan" should a process fail to meet performance standards. We do not anticipate that a Corrective Action Plan will be necessary.

Schedule and Deliverables

The following schedule milestones assume that Kennedy/Jenks receives Notice to Proceed by March 1, 2017 and is worst case considering that the environmental assessment needs to be completed.

- Complete biddability review requirements. Mid-March 2017
- Draft Environmental Assessment documents: Mid-May 2017
- Conduct the Pre-construction Conference: End of May 2017
- Ongoing Loan Disbursement Requests and Recordkeeping: June 2017 to May 2018
- Draft Performance Standards Report: Mid-June 2017
- Draft O&M Manual, anticipated during November 2017 prior to 50% project completion
- Initiation of Operation Form: Following substantial completion: Early March, 2018
- Loan Certification Form: Immediately following startup: Mid-March 2018
- Performance Certification Report: Six months following startup: September 2018
- Complete the Final O&M Manual: November 2018

Fee Estimate

This work order will be completed using the Budget Estimate in Attachment 1. Any additional budget will require the written approval by the City.

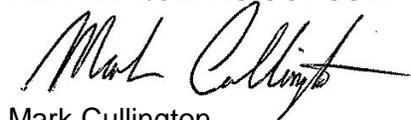
Authorization

We propose to complete this scope of work on a time-and-materials basis under Kennedy/Jenks' Standard Conditions dated 1 January 2007 included as Attachment 2, and the Schedule of Charges included as Attachment 3. If this proposal meets with your approval, please sign below and return a copy to Kennedy/Jenks. If you have any questions regarding this proposal, please contact Jennifer Coker at 503-423-4076.

We are excited about this opportunity to work with you and the City on this important project. Please contact us if you have any questions about our proposal.

Very truly yours,

KENNEDY/JENKS CONSULTANTS, INC.



Mark Cullington
Principal



Jennifer Coker, PE
Project Manager

AUTHORIZATION:

CITY OF THE DALLES

By: _____
(Signature)

(Print Name)

Title: _____

Date: _____

Enclosures: 1. Budget Estimate
2. Standard Terms and Conditions
3. Schedule of Charges

Proposal Budget Estimate

Kennedy/Jenks Consultants

CLIENT Name: City of The Dalles
 PROJECT Description: CWSRF Loan Administration
 Proposal/Job Number: P17018 Date: 2/24/2017

January 1, 2017 Rates	Eng-Sci-7, Hummm	Eng-Sci-6, Coker	Eng-Sci-5, Spargo	Eng-Sci-4, Bosse, Harrison	Eng-Sci-3,	CAD-Designer	Project Admin.	Total	KJ Labor	Sub Pacific Habitat and Archeology	Total Labor	Total Subs	ODC Expenses	Total Labor + Subs + Expenses
Classification:								Hours	Fees	Fees				Fees
Hourly Rate:	\$202	\$191	\$181	\$171	\$160	\$140	\$119							
Phase 1 - CWSRF Loan Application Requirements														
1.1 - Retroactive Biddability Review	2	8	12	24			4	50	\$8,684		\$8,684	\$0	\$0	\$8,684
1.2 - Application Assistance (Completed)								0	\$0		\$0	\$0	\$0	\$0
1.3 - Application Follow-on Requirements, VE, LUCS	2	12	8	24		16	12	74	\$11,916		\$11,916	\$0	\$0	\$11,916
1.4 - Environmental Reporting Services	4	8	8	52		16	16	104	\$16,820	\$14,300	\$16,820	\$14,300	\$250	\$31,370
Phase 1 - Subtotal	8	28	28	100	0	32	32	228	\$37,420	\$14,300	\$37,420	\$14,300	\$250	\$51,970
Phase 2 - Administration During Construction														
2.1 - Performance Standards and Plan of Operations	8	32		62			8	110	\$19,282		\$19,282	\$0	\$250	\$19,532
2.2 - Performance Certification Report	4	24	40	58			4	130	\$23,026		\$23,026	\$0	\$250	\$23,276
2.3 - Loan Document Administration	4	12		60			12	88	\$14,788		\$14,788	\$0	\$250	\$15,038
2.4 - Operation and Maintenance Manual	4	8		136		2	8	158	\$26,824		\$26,824	\$0	\$500	\$27,324
Phase 2 - Subtotal	20	76	40	316	0	2	32	486	\$83,920	\$0	\$83,920	\$0	\$1,250	\$85,170
AllTasks Total	28	104	68	416	0	34	64	714	\$121,340	\$14,300	\$121,340	\$14,300	\$1,500	\$137,140

Client: City of The Dalles

Contract/Proposal Date: 2/24/2017

Standard Conditions

March 30, 2016

CLIENT and KENNEDY/JENKS CONSULTANTS, INC. ("CONSULTANT") agree that the following provisions shall be a part of their agreement.

1. **TERMS OF PAYMENT.** CLIENT will be invoiced at the end of the first billing period following commencement of work and at the end of each billing period thereafter. Payment in full of an invoice must be received by CONSULTANT within thirty (30) days of the date of such invoice.
2. **EFFECT OF INVOICE.** The work performed shall be deemed approved and accepted by CLIENT as and when invoiced unless CLIENT objects within thirty (30) days of invoice date by written notice specifically stating the details in which CLIENT believes such work is incomplete or defective, and the invoice amount(s) in dispute. CLIENT shall pay undisputed amounts as provided for in the preceding paragraph.
3. **INTEREST; SUSPENSION OF WORK.** Failure of CLIENT to make full payment of an invoice so that it is received by CONSULTANT within said thirty (30) days of the date thereof subjects the amount overdue to a delinquent account charge of one percent (1%) of the invoice amount per month, compounded monthly, but not to exceed the maximum rate permitted by law. Failure of CLIENT to submit full payment of the undisputed portion of an invoice within thirty (30) days of the date thereof subjects this agreement and the work herein contemplated to suspension or termination in accordance with paragraph 13 at CONSULTANT's discretion.
4. **ADVANCE PAYMENT: WITHHOLDING OF WORK PRODUCT.** CONSULTANT, without any liability to CLIENT, reserves the right to withhold any services and work products herein contemplated pending payment of CLIENT's undisputed outstanding indebtedness as required by CONSULTANT. Where work is performed on a reimbursable basis, budget may be increased by amendment to complete the scope of work. CONSULTANT is not obligated to provide services nor is CLIENT obligated to pay any amount in excess of the authorized budget.
5. **STANDARD OF CARE.** CONSULTANT's services performed under this agreement will be performed using all reasonable efforts in a manner consistent with the care and skill ordinarily exercised by reputable and experienced members of the profession in good standing practicing under similar conditions at the same time and in the same or similar locality. When the findings and recommendations of CONSULTANT are based on information supplied by CLIENT and others reasonably relied upon, such findings and recommendations are presumed correct to the best of CONSULTANT's knowledge and belief. No warranty, express or implied, is made or intended by this agreement, except for the foregoing statement of the applicable standard of care. No entity other than CLIENT or CONSULTANT shall be construed as a beneficiary to this Agreement.
6. **INSURANCE COVERAGE.** CONSULTANT is protected by Worker's Compensation insurance as required by applicable state laws and will maintain employer's liability coverage. During the performance of this agreement CONSULTANT will maintain professional liability insurance with a limit of \$2 million on a claims made, annual aggregate basis, and commercial general liability and automobile liability insurance each with a limit of not less than \$2 million on an occurrence basis
7. **ALLOCATION OF RISK.** CLIENT and CONSULTANT have discussed the risks associated with this project and the extent to which those risks should be shared by CLIENT and by CONSULTANT, and have agreed:
(a) To the fullest extent permitted by law, except in the case of gross negligence, willful misconduct, or violation of law applicable to

CONSULTANT'S services, CLIENT agrees to limit the liability of CONSULTANT, its officers, employees, and sub-consultants to CLIENT, such that the total aggregate liability, including all attorney's fees and costs shall not exceed the total fees paid for CONSULTANT's services on this project or up to the limits of all insurance coverage that is or should be maintained pursuant to paragraph 6, whichever is greater. (b) All damages such as loss of use, profits, anticipated profits, and the like losses properly characterized by law as consequential damages, for which CONSULTANT is not liable. (c) CLIENT shall give written notice to CONSULTANT of any claim of negligent act, error or omission within two (2) years after the completion of the work performed by CONSULTANT. Failure to give notice herein required shall constitute a waiver of said claim by CLIENT.

8. **SERVICES DURING CONSTRUCTION.** Any construction inspection or testing provided by CONSULTANT is for the purpose of determining compliance by contractors with the provisions of project documents only. CLIENT agrees that CONSULTANT will have no inspection responsibilities at the jobsite except to the extent specifically provided for in the agreed upon scope of work. CONSULTANT shall not otherwise be held in any way to guarantee any contractor's work, or the means, methods or appliances used by any contractor nor guarantee a contractor's compliance with laws and regulations nor guarantee against contractor's errors, omissions, or defective work. Any statements of estimated construction costs furnished by CONSULTANT are based on professional opinions and judgment, and CONSULTANT will not be responsible for fluctuations in construction costs.
9. **SERVICES BY CLIENT.** CLIENT will provide access to site of work, obtain all permits, provide all legal services in connection with the project, and provide environmental impact reports and energy assessments unless specifically included in the scope of work. CLIENT shall pay the costs of checking and inspection fees, zoning application fees, soils engineering fees, testing fees, surveying fees, and all other fees, permits, bond premiums, and all other charges not specifically covered by the scope of work. CLIENT shall designate to CONSULTANT the location of all subsurface utility lines and other subsurface man-made objects (in this agreement collectively called "buried utilities") within the boundaries of the jobsite. CONSULTANT will conduct at CLIENT's expense such additional research as in CONSULTANT's professional opinion is appropriate to attempt to verify the location of buried utilities at the jobsite, but CLIENT shall remain responsible for the accurate designation of their location and, shall indemnify, defend, and absent CONSULTANT's gross negligence, willful misconduct, or violation of law applicable to CONSULTANT'S services, hold CONSULTANT harmless from any claims or loss arising from the failure to accurately locate buried utilities.
10. **COMPLIANCE WITH LAWS.** CLIENT and CONSULTANT shall each use reasonable care in its efforts to comply with laws, codes, ordinances and regulations in force at the time of the performance by each under this agreement, insofar as such laws are applicable to a party's performance. Unless otherwise provided for in the scope of work of this agreement or by law, the responsibility for making any environmental disclosures or reports to any third party, for notifying all governmental authorities of the discovery of hazardous materials on the jobsite, and for taking corrective, remedial, or mitigative action shall be solely that of CLIENT.
11. **USE OF DOCUMENTS.** Drawings, reports, writings and other original documents (documents) furnished by CONSULTANT are for the exclusive use of CLIENT and CONSULTANT retains all intellectual property rights including copyrights other than intellectual property contributed by CLIENT. Documents are furnished to CLIENT upon CLIENT's specific agreement that it assumes all liability resulting from the further distribution of such documents, or any portion of them, and that CLIENT will indemnify CONSULTANT and hold it harmless for use other than in connection with this project against any claims associated with (i) the unauthorized use of such documents or (ii) CLIENT or any

person acting on its behalf editing, abridging, or modifying any document prepared by CONSULTANT without CONSULTANT's express written consent.

12. **ELECTRONIC OR MAGNETIC DATA.** Documents provided by CONSULTANT in electronic or magnetic formats are provided under the following conditions unless detailed otherwise in the scope of work or by a written amendment. Documents are provided in CONSULTANT's standard software formats. CLIENT recognizes that electronic or magnetic data and its transmission can be easily damaged, may not be compatible with CLIENT'S software formats and systems, may develop inaccuracies during conversion or use, and may contain viruses or other destructive programs, and that software and hardware operating systems may become obsolete through no fault of CONSULTANT. As a condition of delivery of electronic or magnetic data, CLIENT agrees to defend indemnify and hold CONSULTANT, its subconsultants, agents and employees harmless from and against all claims, loss, damages, expense and liability arising from or connected with its use, reuse, misuse, modification or misinterpretation except to the extent attributable to CONSULTANT's breach of this agreement, negligence, willful misconduct, or violation of law applicable to CONSULTANT'S services.
13. **TERMINATION.** This agreement may be terminated by either party by written notice should the other party fail substantially to perform its obligations under this agreement and continue such default after the expiration of a seven (7) day notice period.
14. **PRECEDENCE OF CONDITIONS.** Should any conflict exist between the terms herein and the terms of any purchase order or confirmation issued by CLIENT, the terms of these Standard Conditions shall prevail in the absence of CONSULTANT's express written agreement to the contrary.
15. **ASSIGNMENT: SUBCONTRACTING.** Neither CLIENT nor CONSULTANT shall assign any of its rights including a right to sue, or delegate its duties under this agreement without the written consent of the other.
16. **FORCE MAJEURE.** Any delay or default in the performance of any obligation of CONSULTANT under this agreement resulting from any cause(s) beyond CONSULTANT's reasonable control shall not be deemed a breach of this agreement. The occurrence of any such event shall suspend the obligations of CONSULTANT as long as performance is delayed or prevented thereby, and the fees due hereunder shall be equitably adjusted.
17. **MERGER: WAIVER: SURVIVAL.** This agreement and the Proposal to which it is attached constitutes the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations and/or agreements, written or oral. One or more waivers of any term, condition or other provision of this agreement by either party shall not be construed as a waiver of a subsequent breach of the same or any other provision. Any provision hereof which is legally deemed void or unenforceable shall not void this entire agreement and all other provisions shall survive and be enforceable.
18. **APPLICABLE LAW.** This agreement shall be interpreted and enforced according to the laws of the State of Oregon. In the case of invalidity or unenforceability of any provision or portion thereof, the provision shall be rewritten and enforced to the maximum extent permitted by law to accomplish as near as possible the intent of the original provision.
19. **INFRINGEMENT.** CONSULTANT shall defend any suit or other proceeding for infringement or misappropriation of any patent, copyright, trade secret or other proprietary right brought against CLIENT based upon CONSULTANT's services and work product and shall indemnify CLIENT against any liability, loss, damage, costs or expenses (including attorneys' fees and court costs) of any kind or nature incurred in connection with any such proceeding.
20. **INDEMNIFICATION.** CONSULTANT shall , indemnify and hold CLIENT and its agents, employees and related companies ("CLIENT Indemnitees") harmless from any losses, damages, liabilities, costs, claims (including claims of CONSULTANT's employees), expenses (including attorneys' fees and court costs), suits, actions, judgments, fines, penalties or damages of every nature and description (collectively, "Losses") suffered or incurred by CLIENT Indemnitees to the proportionate extent caused by the breach, willful misconduct, violation of law applicable to CONSULTANT's services or negligent acts or omissions of CONSULTANT in its performance of this agreement except to the extent that any Loss is caused by the negligence (sole or concurrent) of CLIENT Indemnitees. As to any claim made by CLIENT Indemnitees hereunder, CONSULTANT waives any insulation from liability or immunity from suit with respect to injuries to CONSULTANT's employees which may be extended to CONSULTANT as a result of any agreements made by CONSULTANT to or with such employees or under any applicable workers' compensation statute or similar law or judicial decision.
21. **CONFIDENTIALITY.** CONSULTANT shall not at any time, either prior to or after termination or completion of this agreement, without CLIENT's prior express written consent, use (except for CLIENT's direct benefit as authorized herein), disclose or allow to be disclosed to others (except for its subcontractors and others authorized by the CLIENT for CLIENT's direct benefit as authorized herein) any confidential or proprietary information or trade secret regarding CLIENT's business, facilities, products, customers, processes, techniques or operations learned by CONSULTANT incident to its performance hereunder. All drawings, specifications, documents, performance guarantees and other data delivered by CLIENT to CONSULTANT in connection with this agreement shall be subject to this confidentiality obligation.
22. **SAFETY RULES.** In performing this agreement, CONSULTANT will comply with all safety rules, regulations and policies of CLIENT that are provided to CONSULTANT and which apply to its employees and to CONSULTANTS and sub-CONSULTANTS and their employees. CONSULTANT will provide its employees with all proper training (including hazard communication training) and personal protective equipment necessary for them to carry out their work in a safe and efficient manner and shall familiarize its employees with all applicable regulations and CLIENT safety rules, regulations and policies. CONSULTANT shall notify CLIENT immediately of any unsafe working condition in violation of law or CLIENT safety rules, regulations and policies that are provided to CONSULTANT and are applicable to CONSULTANT's services observed by CONSULTANT or its employees or sub-CONSULTANTS while they are carrying out their work and CONSULTANT shall not require its employees or sub-CONSULTANTS to continue to work in any such unsafe area until such condition is corrected or otherwise ceases to exist. CONSULTANT shall ensure that its sub-CONSULTANTS understand and specifically agree to comply with this paragraph 22.
23. **ALCOHOLIC BEVERAGES AND DRUGS.** CONSULTANT hereby acknowledges that CLIENT has informed CONSULTANT of its policy that being under the influence of, bringing in, possessing, providing, manufacturing, or other production of, buying, selling or using alcoholic beverages, unauthorized drugs or controlled substances on CLIENT property or in CLIENT vehicles, is strictly prohibited. CONSULTANT understands and agrees to follow this policy during the performance of this agreement.
24. **OFAC AND ANTICORRUPTION LAWS.** CONSULTANT represents and warrants that none of its employees, owners, agents, or other persons acting on its behalf have accepted a bribe or illegal payment in connection with this agreement.

CONSULTANT represents and warrants that CONSULTANT and its directors, managers, partners, principals, officers, and employees are familiar with the anti-bribery and anticorruption laws and regulations applicable to CONSULTANT and CLIENT, including the U.S. Foreign Corrupt Practices Act (collectively, "Anticorruption Laws") and that none of them has violated or will violate any Anticorruption Laws. In particular, none of CONSULTANT and its directors, managers, partners, principals, officers, and employees has offered, made, promised to make, authorized, or ratified, and CONSULTANT shall not

(and shall cause its directors, managers, partners, principals, officers, and employees not to) offer, make, promise to make, authorize, or ratify, whether in connection with the transactions contemplated by this agreement or any other transaction involving CLIENT, anything of value (for example, money, gift, entertainment):

(i) to any (A) officer or employee of a government or any department, agency, or instrumentality thereof (including any state-owned or controlled enterprise) or of a public international organization, (B) person acting for or on behalf of any such government or department, agency, or instrumentality, or (C) political party or party official or candidate for public office (A, B, and C are collectively, "Government Officials"); or

(ii) to any other person or entity while knowing or having reasonable grounds to believe that any portion of those payments or transfers will be offered, made, or promised, directly or indirectly, to a Government Official;

in each case, in order to obtain or retain business for or with, or to direct business to, any person or to secure any improper advantage.

The parties hereto reject any activity connected directly or indirectly to bribery of either domestic or foreign public officials, financing of terrorism, and money laundering ("Crimes"). In relation to the above, the parties hereto hereby agree to comply with all applicable laws and regulations related to any Crimes ("Regulations"). In the event that, due to the execution of this agreement, any of the parties and/or any of their legal representatives, executives, and employees are sanctioned by a competent authority because of the commission of any Crime or violation of any Regulations, the diligent party shall be entitled to immediately terminate this agreement without prejudice to any other rights that such party may otherwise possess.

25. **FREE COMPETITION.** CLIENT promotes and respects free competition, not only because of the strict enforcement of the existing regulations but as a healthy business practice and a fundamental principle that affects all aspects of CLIENT's economic activities. CONSULTANT agrees that, as a condition to CLIENT entering into this agreement and during the term of this agreement, CONSULTANT will comply with all applicable antitrust laws and regulations. In the event that CONSULTANT, due to its own acts or omissions in connection with this agreement or those of its representatives, management personnel, or employees, is declared by a competent authority to have violated any antitrust laws or regulations, CLIENT shall be entitled to immediately terminate this agreement without prejudice to any other rights that CLIENT may otherwise possess.

26. **CONSULTANT'S PERSONNEL.** CONSULTANT shall comply with all labor laws applicable to CONSULTANT's personnel, including laws related to their employment, health, safety, welfare, immigration, and emigration, and shall grant them all their legal rights. CONSULTANT shall require its personnel to obey all applicable laws, including those concerning safety at work. CONSULTANT shall cause its personnel to be appropriately qualified, licensed, skilled, and experienced in their respective trades or occupations, as applicable.

Attachment 3

Client/Address: Mr. David Anderson
Public Works Director
City of The Dalles
1215 West 1st St
The Dalles, OR 97058

Contract/Proposal Date: 23 February 2017

2017 Custom Schedule of Charges

Date: January 1, 2017

PERSONNEL COMPENSATION

Classification	Hourly Rate
Aide.....	\$110
Administrative Assistant	\$119
Project Administrator	\$119
CAD-Technician	\$140
Designer-Senior Technician	\$145
Engineer-Scientist-Specialist 1	\$135
Engineer-Scientist-Specialist 2	\$150
Engineer-Scientist-Specialist 3	\$160
Engineer-Scientist-Specialist 4	\$171
Engineer-Scientist-Specialist 5	\$181
Engineer-Scientist-Specialist 6	\$191
Engineer-Scientist-Specialist 7	\$202
Engineer-Scientist-Specialist 8.....	\$202

Direct expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work, will be at cost for items such as:

- a. Maps, photographs, 3rd party reproductions, 3rd party printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, contractors, and other outside services.
- c. Rented vehicles, local public transportation and taxis, travel and subsistence.
- d. Project specific telecommunications and delivery charges.
- e. Special fees, insurance, permits, and licenses applicable to the work.
- f. Outside computer processing, computation, and proprietary programs purchased for the work.

Reimbursement for vehicles used in connection with the work will be at the federally approved mileage rates or at a negotiated monthly rate.

Rates for professional staff for legal proceedings or as expert witnesses will be at rates one and one-half times the Hourly Rates specified above.

Excise and gross receipts taxes, if any, will be added as a direct expense.

The foregoing Schedule of Charges is incorporated into the agreement for the services provided, effective January 1, 2017 through December 31, 2017. After December 31, 2017, invoices will reflect the Schedule of Charges currently in effect.