

**PROFESSIONAL SERVICES AGREEMENT
YAQUINA HEIGHTS TANK IMPROVEMENT PROJECT**

THIS AGREEMENT is between the City of Newport, an Oregon municipal corporation (City), and Water Systems Consulting, Inc., a California corporation, which is registered to practice Civil Engineering in the State of Oregon (Consultant).

RECITALS

- A. Pursuant to OAR 137-048-0220, the City of Newport (City) solicited proposals for professional Consulting services to assist the City in the upgrading of the Yaquina Heights Tank.
- B. After reviewing all proposals, the City has selected Water Systems Consulting, Inc. (Consultant) as the most qualified Consultant to provide the proposed services.
- C. Consultant is willing and qualified to perform such services.

TERMS OF AGREEMENT

1. Consultant's Scope of Services

Consultant shall perform professional Consulting services related to Civil Engineering and wastewater collection operations. The City is free to utilize other consultants as it deems appropriate.

2. Effective Date and Duration

This agreement is effective on execution by both parties and shall expire, unless otherwise terminated or extended, after three years. The parties may extend the term by mutual agreement.

3. Consultant's Fee and Schedules

A. Fee

Fees for services under this Agreement shall be based on time and materials and pursuant to the rates shown in Exhibit A, up to a maximum amount payable of \$99,032. Consultant may increase the rates shown in Exhibit A on an annual basis, subject to the written approval of the City. Consultant will alert the City when Consultant is increasing its fees. Consultant will bill for progress payments on a monthly basis. In order to determine the maximum monetary limit for each task, Consultant will submit a schedule and a labor hour estimate based on the rates shown in Exhibit A. Consultant will invoice monthly progress payments based on actual time worked on the project. The maximum monetary limit will not be exceeded without prior written approval by the City. Projects partially completed may be paid for in proportion to the degree of completion.

Consultant will be reimbursed for direct charges such as the cost of printing, postage, delivery services, and subconsultant fees. Unless specifically noted in the Task Order, direct charges will be billed at cost without any markup. Office expenses such as computer cost, telephone calls, and overhead expenses are incidental and are included in the hourly rates shown in Exhibit A.

B. Payment Schedule for Basic Fee

Payments shall be made within 30 days of receipt of monthly billings based on the work completed. Payment by the City shall release the City from any further obligation for payment to the Consultant for service or services performed or expenses incurred as of the date of the statement of services. Payment shall be made only for work actually completed as of the date of invoice. Payment shall not be considered acceptance or approval of any work or waiver of any defects therein.

C. Payment for Contingency Tasks

When agreed to in writing by the City, the Consultant shall provide services described as Contingency Tasks in a Task Order.

D. Certified Cost Records

Consultant shall furnish certified cost records for all billings to substantiate all charges. Consultant's accounts shall be subject to audit by the City. Consultant shall submit billings in a form satisfactory to the City. At a minimum, each billing shall identify the Task Order under such work is performed, work completed during the billing period, percentage of work completed to date, and percentage of budget used to date for each task.

E. Identification

Consultant shall furnish to the City its employer identification number.

F. Payment – General

- 1) Consultant shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
- 2) Consultant shall pay employees at least time and a half pay for all overtime worked in excess of 40 hours in any one week except for individuals under the contract who are excluded under ORS 653.010 to 653.261 or under 29 USC sections 201 to 209 from receiving overtime. Any subcontractors utilized by Consultant under this Agreement will be paid according to the then prevailing wage.
- 3) Consultant shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention incident to sickness or injury to the employees of Consultant or all sums which Consultant agrees to pay for such services and all moneys and sums which Consultant collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
- 4) Consultant shall make payments promptly, as due, to all persons supplying

services or materials for work covered under this contract. Consultant shall not permit any lien or claim to be filed or prosecuted against the City on any account of any service or materials furnished.

- 5) If Consultant fails, neglects or refuses to make prompt payment of any claim for labor, materials, or services furnished to Consultant, sub-consultant or subcontractor by any person as such claim becomes due, City may pay such claim and charge the amount of the payment against funds due or to become due to the Consultant. The payment of the claim in this manner shall not relieve Consultant or its surety from obligation with respect to any unpaid claims.

G. Schedule

Consultant shall provide services under this Agreement in accordance with the Project Schedule.

4. Ownership of Plans and Documents: Records; Confidentiality

A. Definitions. As used in this Agreement, the following terms have the meanings set forth below:

- 1) **Consultant Intellectual Property** means any intellectual property owned by Consultant and developed independently from this Agreement that is applicable to the Services or included in the Work Product.
- 2) **Third Party Intellectual Property** means any intellectual property owned by parties other than City or Consultant that is applicable to the Services or included in the Work Product.
- 3) **Work Product** means the Services Consultant delivers or is required to deliver to City under this Agreement. Work Product includes every invention, discovery, work of authorship, trade secret or other tangible or intangible item and all intellectual property rights therein, and all copies of plans, specifications, reports and other materials, whether completed, partially completed or in draft form.

B. Work Product

- 1) Except as provided elsewhere in this Agreement, all Work Product created by Consultant pursuant to this Agreement, including derivative works and compilations, and whether or not such Work Product is considered a "work made for hire" or an employment to invent, shall be the exclusive property of City. City and Consultant agree that such original works of authorship are "work made for hire" of which City is the author within the meaning of the United States Copyright Act. To the extent that City is not the owner of the intellectual property rights in such Work Product, Consultant hereby irrevocably assigns to City any and all of its rights, title, and interest in all original Work Product created pursuant to this Agreement, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. Upon City's reasonable request, Consultant shall execute such further documents and

instruments necessary to fully vest such rights in City. Consultant forever waives any and all rights relating to original Work Product created pursuant to this Agreement, including without limitation, any and all rights arising under 17 USC §106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

- 2) In the event Consultant Intellectual Property is necessary for the use of any Work Product, Consultant hereby grants to City an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use Consultant Intellectual Property, including the right of City to authorize contractors, Consultants and others to use Consultant Intellectual Property, for the purposes described in this Agreement.
- 3) In the event Third Party Intellectual Property is necessary for the use of any Work Product, Consultant shall secure on City's behalf and in the name of City, an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the Third Party Intellectual Property, including the right of City to authorize contractors, Consultants and others to use the Third Party Intellectual Property, for the purposes described in this Contract.
- 4) In the event Work Product created by Consultant under this Agreement is a derivative work based on Consultant Intellectual Property or is a compilation that includes Consultant Intellectual Property, Consultant hereby grants to City an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the pre-existing elements of Consultant Intellectual Property employed in the Work Product, including the right of City to authorize contractors, Consultants and others to use the pre-existing elements of Consultant Intellectual Property employed in a Work Product, for the purposes described in this Agreement.
- 5) In the event Work Product created by Consultant under this Agreement is a derivative work based on Third Party Intellectual Property, or a compilation that includes Third Party Intellectual Property, Consultant shall secure on City's behalf and in the name of City an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the pre-existing elements of the Third Party Intellectual Property, including the right to authorize contractors, Consultants and others to use the pre-existing elements of the Third Party Intellectual Property, for the purposes described in this Agreement.
- 6) To the extent permitted by the Oregon Constitution and by the Oregon Tort Claims Act, Consultant shall be indemnified and held harmless by City from liability arising out of re-use or alteration of the Work Product by City which was not specifically contemplated and agreed to by the Parties in this Agreement.
- 7) Consultant may refer to the Work Product in its brochures or other literature that Consultant utilizes for advertising purposes and, unless otherwise specified, Consultant may use standard line drawings, specifications and calculations on other, unrelated projects.

C. Confidential Information

- 1)** Consultant acknowledges that it or its employees, Sub-Consultants, subcontractors or agents may, in the course of performing their responsibilities under this Agreement, be exposed to or acquire information that is the confidential information of City or City's residents. Any and all information provided by City and marked confidential, or identified as confidential in a separate writing, that becomes available to Consultant or its employees, Sub-Consultants, subcontractors or agents in the performance of this Agreement shall be deemed to be confidential information of City ("Confidential Information"). Any reports or other documents or items, including software, that result from Consultant's use of the Confidential Information and any Work Product that City designates as confidential are deemed Confidential Information. Confidential Information shall be deemed not to include information that: (a) is or becomes (other than by disclosure by Consultant) publicly known; (b) is furnished by City to others without restrictions similar to those imposed by this Agreement; (c) is rightfully in Consultant's possession without the obligation of nondisclosure prior to the time of its disclosure under this Agreement; (d) is obtained from a source other than City without the obligation of confidentiality; (e) is disclosed with the written consent of City; or (f) is independently developed by employees or agents of Consultant who can be shown to have had no access to the Confidential Information; or (g) is required to be disclosed by law, subpoena, or other court order.
- 2)** Consultant agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Consultant uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than the provision of Services to City under this Agreement, and to advise each of its employees, Sub-Consultants, subcontractors and agents of their obligations to keep Confidential Information confidential. Consultant shall use its best efforts to assist City in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Consultant shall advise City immediately in the event Consultant learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and Consultant will at its expense cooperate with City in seeking injunctive or other equitable relief in the name of City or Consultant against any such person. Consultant agrees that, except as directed by City, Consultant will not at any time during or after the term of this Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Agreement, and that upon termination of this Agreement or at City's request, Consultant will turn over to City all documents, papers, and other matter in Consultant's possession that embody Confidential Information.
- 3)** Consultant acknowledges that breach of this Section 4, including disclosure of any Confidential Information, will give rise to irreparable injury to City that is

inadequately compensable in damages. Accordingly, City may seek and obtain injunctive relief against the breach or threatened breach of this Section 4, in addition to any other legal remedies that may be available. Consultant acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of City and are reasonable in scope and content.

5. Assignment/Delegation

Neither party shall assign or transfer any interest in or duty under this Agreement without the written consent of the other. If City agrees to assignment of tasks to a subcontractor, Consultant shall be fully responsible for the acts or omissions of any subcontractors. Any approval of a subcontractor does not create a contractual relationship between the subcontractor and City.

6. Consultant is Independent Contractor

- A. The City's project director, or designee, shall be responsible for determining whether Consultant's work product is satisfactory and consistent with this Agreement, but Consultant is not subject to the direction and control of the City. Consultant shall be an independent contractor for all purposes and shall not be entitled to compensation other than the compensation provided for under Section 3 of this Agreement. The City's acceptance of the work product as satisfactory does not relieve the Consultant from responsibility for any errors in the work product.
- B. Consultant is an independent contractor and not an employee of City. Consultant acknowledges Consultant's status as an independent contractor and acknowledges that Consultant is not an employee of the City for purposes of workers compensation law, public employee benefits law, or any other law. All persons retained by Consultant to provide services under this Agreement are employees of Consultant and not of City. Consultant acknowledges that it is not entitled to benefits of any kind to which a City employee is entitled and that it shall be solely responsible for workers compensation coverage for its employees and all other payments and taxes required by law. Furthermore, in the event that Consultant is found by a court of law or an administrative agency to be an employee of the City for any purpose, City shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Consultant under the terms of the Agreement, to the full extent of any benefits or other remuneration Consultant receives (from City or third party) as a result of the finding and to the full extent of any payments that City is required to make as a result of the finding.
- C. The Consultant represents that no employee of the City or any partnership or corporation in which a City employee has an interest, has or will receive any remuneration of any description from the Consultant, either directly or indirectly, in connection with the letting or performance of this Agreement, except as specifically declared in writing.
- D. Consultant and its employees, if any, are not active members of the Oregon Public Employees Retirement System.
- E. Consultant certifies that it currently has a City business license or will obtain one prior to

delivering services under this Agreement.

- F. Consultant is not an officer, employee, or agent of the City as those terms are used in ORS 30.265.

7. Indemnity

- A. The City has relied upon the professional ability and training of the Consultant as a material inducement to enter into this Agreement. Consultant represents to the City that the work under this Agreement will be performed in accordance with the professional standards of skill and care ordinarily exercised by members of the Civil Engineering profession under similar conditions and circumstances as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of an Consultant's work by the City shall not operate as a waiver or release. Acceptance of documents by City does not relieve Consultant of any responsibility for design deficiencies, errors or omissions.
- B. Consultant shall defend (except for professional liability claims), hold harmless and indemnify the City, its officers, and employees from all losses arising from third-party claims to the extent caused by the negligent acts or omissions of Consultant or its subcontractors, sub-Consultants, agents or employees under this Agreement. This indemnification does not extend to indemnification for negligent or otherwise wrongful acts or omissions of the City. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the validity of the remainder of this indemnification.
- C. Consultant shall save and hold harmless the City, its officers, agents, and employees from all losses arising from third-party claims, to the extent caused by the professional negligent acts, errors or omissions of Consultant or its subcontractors, sub-Consultants, agents or employees in performance of professional services under this Agreement. Any design work by Consultant that results in a design of a facility that does not comply with applicable laws including accessibility for persons with disabilities shall be considered a professionally negligent act, error or omission.
- D. As used in subsections B and C of this section, a claim for professional responsibility is a claim made against the City in which the City's alleged liability results directly or indirectly, in whole or in part, from the quality of the professional services provided by Consultant, regardless of the type of claim made against the City. A claim for other than professional responsibility is a claim made against the City in which the City's alleged liability results from an act or omission by Consultant unrelated to the quality of professional services provided by Consultant.

8. Insurance

Consultant and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this Agreement as detailed in this section. The insurance shall cover all risks arising directly or indirectly out of Consultant's activities or work hereunder, including the operations of its subcontractors of any tier.

The policy or policies of insurance maintained by the Consultant and its subcontractors shall provide at least the following limits and coverages:

A. Commercial General Liability Insurance

Comprehensive General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form with policy limits of at least per occurrence. This coverage shall include Contractual Liability insurance for the indemnity provided under this Agreement in an amount of \$2,000,000.

B. Professional Liability

Professional Liability Insurance covering any damages caused by an error, omission or any negligent acts. Combined single limit per claim shall not be less than \$1,300,000, or the equivalent. Annual aggregate limit shall not be less than \$2,000,000 and filed on a "claims-made" form.

C. Commercial Automobile Insurance

Commercial Automobile Liability coverage on an "occurrence" form including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$1,300,000.

D. Workers' Compensation Insurance

The Consultant, its subcontractors, if any, and all employers providing work, labor or materials under this Agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out-of-state employers must provide Oregon workers' compensation coverage for their workers who work at a single location within Oregon for more than 30 days in a calendar year. Consultants who perform work without the assistance or labor of any employee need not obtain such coverage.

E. Additional Insured Provision

The Commercial General Liability Insurance Policy shall include the City its officers, directors, and employees as additional insureds with respect to this Agreement. Coverage will be endorsed to provide a per project aggregate.

F. Extended Reporting Coverage

If any of the liability insurance is arranged on a "claims made" basis, Extended Reporting coverage will be required at the completion of this Agreement to a duration of 24 months or the maximum time period the Consultant's insurer will provide if less than 24 months. Consultant will be responsible for furnishing certification of Extended Reporting coverage as described or continuous "claims made" liability coverage for 24 months following Agreement completion. Continuous "claims made" coverage will be acceptable in lieu of Extended Reporting coverage, provided its retroactive date is on or before the effective date of this Agreement. Coverage will be endorsed to provide a per project aggregate.

G. Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 30 days written notice to the City. Any failure to comply with this provision will not affect the insurance coverage provided to the City. The 30 days' notice of cancellation provision shall be physically endorsed on to the policy.

H. Insurance Carrier Rating

Coverage provided by the Consultant must be underwritten by an insurance company deemed acceptable by the City. The City reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

I. Certificates of Insurance

As evidence of the insurance coverage required by the Agreement, the Consultant shall furnish a Certificate of Insurance to the City. No Agreement shall be effected until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within this Agreement. A renewal certificate will be sent to the address below ten days prior to coverage expiration.

J. Primary Coverage Clarification

The parties agree that Consultant's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section.

K. Copy of Policy or Certificate of Insurance

A cross-liability clause or separation of insureds clause will be included in the general liability policy required by this Agreement. Consultant shall furnish City with at least 30-days written

notice of cancellation of, or any modification to, the required insurance coverages. A copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, or at the discretion of City, in lieu thereof, a certificate in form satisfactory to City certifying to the issuance of such insurance shall be forwarded to:

Timothy Gross, PE
Director of Public Works/City Engineer
City of Newport
169 SW Coast Highway
Newport, Oregon 97365

Thirty days cancellation notice shall be provided City by certified mail to the name at the address listed above in event of cancellation or non-renewal of the insurance. The procuring of the required insurance shall not be construed to limit Consultant's liability under this agreement. The insurance does not relieve Consultant's obligation for the total amount of any damage, injury, or loss caused by negligence or neglect connected with this Agreement.

9. Termination Without Cause

At any time and without cause, City shall have the right in its sole discretion, to terminate this Agreement by giving notice to Consultant. If City terminates the Agreement pursuant to this section, Consultant shall be entitled to payment for services provided prior to the termination date.

10. Termination with Cause

A. City may terminate this Agreement effective upon delivery of written notice to Consultant, or at such later date as may be established by City, under any of the following conditions:

- 1)** If City funding from federal, state, local, or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services. This Agreement may be modified to accommodate a reduction in funds.
- 2)** If Federal or State regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement.
- 3)** If any license or certificate required by law or regulation to be held by Consultant, its subcontractors, agents, and employees to provide the services required by this Agreement is for any reason denied, revoked, or not renewed.

Any termination of this agreement under paragraph (A) shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

B. City, by written notice of default (including breach of Agreement) to Consultant, may terminate this Agreement:

- 1)** If Consultant fails to provide services called for by this Agreement within the time

specified, or

2) If Consultant fails to perform any of the other provisions of this Agreement, or fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from City, fails to correct such failures within ten days or such other period as City may authorize.

C. If City terminates this Agreement, it shall pay Consultant for all undisputed invoices tendered for services provided prior to the date of termination.

D. Damages for breach of Agreement shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal.

11. Non-Waiver

The failure of City to insist upon or enforce strict performance by Consultant of any of the terms of this Agreement or to exercise any rights hereunder, should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.

12. Notice

All notices, bills and payments shall be made in writing and may be given by personal delivery, mail, or by fax. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

IF TO CITY OF NEWPORT

Timothy Gross
Director of Public Works/City Engineer
City of Newport
169 SW Coast Highway
Newport, OR 97365
541-574-3366
t.gross@newportoregon.gov

IF TO CONSULTANT:

Scott Duren
Water Systems Consulting, Inc.
4640 SW Macadam Blvd., Suite #110
Portland, OR 97239
503-419-6336 x400
sduren@wsc-inc.com

The date of deposit in the mail shall be the notice date for first class mail. All other notices, bills and payments shall be effective at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving written notice pursuant to this paragraph.

13. Merger

This writing is intended both as a final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties.

14. Force Majeure

Neither City nor Consultant shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disabled, including but not restricted to, an act of God or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather or delay of subcontractors or supplies due to such cause; provided that the parties so disabled shall within ten days from the beginning of such delay, notify the other party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the Agreement.

15. Non-Discrimination

Consultant agrees to comply with all applicable requirements of federal and state statutes, rules, and regulations. By way of example only, Consultant also shall comply with the Americans with Disabilities Act of 1990, ORS 659.425, and all regulations and administrative rules established pursuant to those laws.

16. Errors

Consultant shall perform such additional work as may be necessary to correct errors in the work required under this Agreement without undue delays and without additional cost.

17. Extra Work

Extra work or work on Contingency Tasks is not authorized unless the City authorizes the additional or contingency work in writing. Failure of Consultant to secure written authorization for extra work shall constitute a waiver of all right to adjustment in the Agreement price or Agreement time due to unauthorized extra work and Consultant shall be entitled to no compensation for the performance of any extra work not authorized in writing.

18. Governing Law

The Agreement is subject to Oregon law. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court in Lincoln County, Oregon.

19. Compliance with Applicable Law

Consultant shall comply with all federal, state, and local laws and ordinances applicable to the work under this Agreement, including but not limited to those set forth in ORS 279A, B & C. While all required contractual provisions are included in Exhibit B, Consultant shall be familiar with and responsible for compliance with all other applicable provisions of the Oregon Public Contracting Code.

20. Conflict Between Terms

This instrument shall control in the event of any conflict between terms between this document and the RFP and/or proposal.

21. Access to Records

City shall have access to the books, documents, papers and records of Consultant that are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

22. Audit

Consultant shall maintain records to assure conformance with the terms and conditions of this Agreement, and to assure adequate performance and accurate expenditures within the Agreement period. Consultant agrees to permit City or its duly authorized representatives to audit all records pertaining to this Agreement to assure the accurate expenditure of funds.

23. Severability

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the Agreement.

24. Industrial Accident Fund Payment

Consultant shall pay all contributions or amount due the Industrial Accident Fund that Consultant or subcontractors incur during the performance of this Agreement.

25. Arbitration

All claims, disputes, and other matters in question between the City and Consultant arising out of, or relating to this Contract, including rescission, reformation, enforcement, or the breach thereof except for claims which may have been waived by the making or acceptance of final payment, may be decided by binding arbitration in City's sole discretion, in accordance with the Oregon Uniform Arbitration Act, ORS 36.600, et seq. and any additional rules mutually agreed to by both parties. If the parties cannot agree on rules within ten (10) days after the notice of demand, the presiding judge of the Lincoln County Circuit Court will establish rules to govern the arbitration.

A claim by Consultant arising out of, or relating to this Contract must be made in writing and delivered to the City Administrator not less than 30 days after the date of the occurrence giving rise to the claim. Failure to file a claim with the City Administrator within 30 days of the date of the occurrence that gave rise to the claim shall constitute a waiver of the claim. A claim filed with the City Administrator will be considered by the City Board at the Board's next regularly scheduled meeting. At that meeting the Board will render a written decision approving or denying the claim. If the claim is denied by the Board, the Consultant may file a written request for arbitration with the City Administrator. No demand for arbitration shall be effective until the City Board has rendered a written decision denying the underlying claim. No demand for arbitration shall be made later than thirty (30) days after the date on which the

City has rendered a written decision on the underlying claim. The failure to demand arbitration within said 30 days shall result in the City Board's decision being binding upon the City and Consultant.

Notice of demand for arbitration shall be filed in writing with the other party to the agreement, subject to applicable statutes of limitation, except as set forth above. The City, if not the party demanding arbitration, has the option of allowing the matter to proceed with binding arbitration or by written notice within five (5) days after receipt of a demand for arbitration, to reject arbitration and require the Consultant to proceed through the courts for relief. If arbitration is followed, the parties agree that the award rendered by the arbitrators will be final, judgment may be entered upon it in any court having jurisdiction thereof, and will not be subject to modifications or appeal except to the extent permitted by Oregon law.

26. Attorney Fees

If suit, action or arbitration is brought either directly or indirectly to rescind, reform, interpret or enforce the terms of this contract, the prevailing party shall recover and the losing party hereby agrees to pay reasonable attorney's fees incurred in such proceeding, in both the trial and appellate courts, as well as the costs and disbursements. Further, if it becomes necessary for City to incur the services of an attorney to enforce any provision of this contract without initiating litigation, Consultant agrees to pay City's attorney's fees so incurred. Such costs and fees shall bear interest at the maximum legal rate from the date incurred until the date paid by losing party

"Prevailing party" shall be defined (1) as a claimant that is awarded net 51 percent of its affirmative claim, after any offsets for claims or counterclaims by the other party, and (2) as a defendant/respondent against whom an award of less than 50 percent of a claimant's claim is granted. In claims for money damages, the total amount of recoverable attorney's fees and costs shall not exceed the net monetary award of the Prevailing Party

27. Complete Agreement

This Agreement and any exhibit(s) hereto and any and all Task Orders executed by the parties constitute the entire agreement between the parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Any waiver, consent, modification, or change if made, shall be effective only in specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. In the event of a conflict between the documents comprising this Agreement, interpretation shall occur in the following manner: 1) each individual Task Order; 2) this Agreement and any exhibits hereto; and 3) the RFP and Response. The following exhibits are attached to and incorporated into this Agreement:

- A. Exhibit A – Consultant Proposal Including Proposed Fees;
- B. Exhibit B – Oregon Public Contracting Code/required contractual provisions

28. Miscellaneous

- A. Consultant agrees that news releases and other publicity relating to the subject of this Agreement will be made only with the prior written consent of City.
- B. Consultant shall comply with all virus-protection, access control, back-up, password, and other security and other information technology policies of City when using, having access

to, or creating systems for any of City's computers, data, systems, personnel, or other information resources.

- C. Consultant will include in all contracts with subcontractors appropriate provisions as required by ORS 279C.580.
- D. Consultant will comply with environmental and natural resources regulations as set forth in ORS 279B.525 and regulations relating to the salvaging, recycling, composting or mulching yard waste material, and salvage and recycling of construction and demolition debris as set forth in ORS 279B.225 and 270C.510.

By their signatures hereunder, the parties acknowledge they have read and understand this Agreement and agree to be bound by its terms. This Agreement is effective on the date last signed below by a party below:

CITY OF NEWPORT:



Spencer Nebel, City Manager

Date: 11/5/19

Water Systems Consulting, Inc.

By: 

Its: Scott Duren, Vice President

Date: 10/30/2019

EXHIBIT A
CONSULTANT'S PROPOSAL AND FEE SCHEDULE



8/7/2019

Mr. Chris Janigo
City of Newport
169 SW Coast Hwy
Newport, OR 97365

SUBJECT: PROPOSAL FOR THE YAQUINA HEIGHTS TANK IMPROVEMENTS PROJECT

Dear Mr. Chris Janigo,

Water Systems Consulting (WSC) would like to sincerely thank the City of Newport (City) for this opportunity to provide assessment and alternatives analysis services for the Yaquina Heights Tank Improvements Project. WSC is pleased to provide a proposal to evaluate the design refurbishments to improve the seismic resiliency, operations, and long-term corrosion resistance of the Yaquina Heights Tank.

Our proposal is based on discussions with you and other City staff, as well as the site tour conducted on July 9, 2019. Our team consists of the following subconsultants:

- **Tank Industry Consultants (TIC)** will provide professional services associated with the assessment and rehabilitation of the tank.
- **Peterson Structural Engineers (PSE)** will provide seismic assessment and structural evaluation services.
- **Cascade Corrosion Consulting Services, Inc (CCCS)** will provide cathodic protection evaluation, if necessary.
- **Foundation Engineering, Inc (FE)** will provide geotechnical field investigations and design criteria recommendations.

WSC staff have worked with these subconsultants to successfully deliver previous tank rehabilitation and other design projects. The estimated fee for this work is **\$99,032**.

Project Understanding

The 1.7 million gallon (MG) Yaquina Heights Tank was constructed of welded steel in 1993 and sits on a concrete ring wall foundation over sandy soil. The tank's interior and exterior have not been coated since its initial construction. The exterior coating is beginning to show signs of failure, leaving small areas of welded steel exposed to corrosion. A dive inspection of the interior was conducted in January 2018, revealing minor signs of corrosion. The railing system on the exterior roof of the tank has severely corroded and pieces are falling off the tank, creating a safety hazard at the site. Recent measurements of the cathodic protection system indicate that the sacrificial anodes are no longer protecting the tank and piping and require replacement.

The City would like to evaluate the following improvements to the Yaquina Heights Tank:

- **Roof Improvements.** The existing roof contains shallow, steel stairs surrounded by a railing to safely access the tank vent. The coastal climate has corroded the railing, causing it to

Proposal for the Yaquina Heights Tank Improvements Project

break into multiple pieces. The stairs show signs of corrosion, possibly indicating additional safety hazards. The roof vent is also in need of replacement. The City would like to understand the options for repairing the roof to meet the safety requirements.

- **Seismic Assessment and Retrofits.** The tank is anchored to the foundation, but the existing geotechnical information indicates a potential for seismic induced liquefaction. The City would like an assessment of the existing tank to determine compliance with current Oregon Structural Specialty Code and AWWA D100 seismic requirements and identify any retrofits that may be required
- **Exterior and Interior Coatings.** The original coatings show minor signs of corrosion, but retrofits for seismic and safety improvements may require repairs or a full recoating of the interior and exterior.
- **Potential Storage Volume Reduction.** The City is investigating the possibility to reduce the storage volume required at the tank location. A reduced storage volume could allow a lowering of the operational water level to address or reduce seismic deficiencies.
- **Access Ladder Modifications.** The tank features an access ladder surrounded by an access cage to provide fall protection and an access hatch to prevent intruders. However, this design no longer meets OSHA's requirements. The ladder will need to be retrofitted to comply with OSHA.
- **Cathodic Protection.** A cathodic protection system was installed during the initial construction. A recent evaluation was performed in July and determined that the existing system is no longer providing protection and requires replacement.
- **New Tank Alternative.** As part of the evaluation, the City would like to understand how the cost of retrofitting the existing tank compares to the cost of installing a new tank at the site.

If you have any questions, please contact me at (503) 419-6336 x 400 or sduren@wsc-inc.com.

Sincerely,

Water Systems Consulting, Inc.



Scott Duren, PE

Project Manager/Vice President

Attachments:

1. Scope of Work
2. Fee
3. Schedule

SCOPE OF WORK

TASK 0.0 PROJECT MANAGEMENT & COORDINATION

0.1 Project Administration

- Setup and manage subconsultant agreements for tank assessment and seismic and cathodic protection evaluations.
- Prepare and review monthly invoices with project status updates describing the work performed during the previous month.
- Prepare and maintain an updated project schedule, with emphasis on upcoming critical path milestones and potential risks to the completion of milestones.
- Coordinate with subconsultants on project progress.

0.2 Project Status Updates

- Bi-weekly project status phone calls between the WSC's Project Manager and the City Project Manager will be held throughout the assessment, scoping, and design phases of the project.

Task 0.0 Project Management and Coordination Assumptions

- Total length of project is approximately 3 months.
- Bi-weekly status update calls will be ½ hour in duration and a total of 6 calls will occur via telephone during the project.
- The City will provide a dedicated Project Manager throughout the project for coordinating meetings and data requests and providing information requested within a reasonable time frame.

TASK 1.0 RESERVOIR ASSESSMENT

1.1 Kickoff Meeting and Site Visit

- Organize and lead a kick-off meeting to introduce team members, discuss critical success factors, schedule reservoir draining and site assessments, and review alternatives.
- Prior to the kick-off meeting, WSC will prepare a data request for information required to complete the proposed scope of work.
- Following the kick-off meeting, PSE will conduct an onsite assessment of the tank to collect dimensions of all structural elements for use in the seismic analysis.

1.2 Reservoir Assessment

- TIC will inspect tank surfaces by rigging and rappelling down the interior and exterior of the tank to identify sanitary, safety, or structural deficiencies and to collect photos and measurements of tank members and accessories.
- TIC will clean and remove sediment accumulated in the tank floor, if necessary, and provide to City for disposal.

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- Visual inspection for irregularities and ultrasonic thickness measurements will be taken for evaluation by TIC.
- Exposed portions of the concrete foundation will be visually evaluated to locate cracks, spalling, erosion, or other types of deterioration.
- Coating samples and thickness measurements will be collected to determine hazardous material content (lead, cadmium, and chromium) and adhesion tests conducted for evaluation and recommendation of cleaning, stripping, disposal, preparation, and coating.
- An evaluation report will be prepared to include documentation of field observations, engineering analysis, recommendations for repairs or modifications, alternative comparison if appropriate, and budgetary cost estimates.

1.3 Geotechnical Assessment

- Perform literature review of available geologic maps and reports, water well logs, and available as-built structural plans.
- Perform site reconnaissance to identify signs of slope instability or other geologic conditions which may impact the project as well as identify a drilling location.
- Drill one 70-foot exploratory borehole west of the tank and north of the pump station building.
 - (1) Sampling will occur at 2 ½ - foot intervals to a depth of ±20 feet and at 5-foot intervals thereafter.
 - (2) Disturbed soil samples will be taken with a split-spoon sampler as part of the Standard Penetration Test (SPT). Relatively undisturbed specimens of fine-grained soil may also be obtained with thin-walled Shelby tubes.
- Field and laboratory testing will be conducted to classify foundation soils and evaluate their engineering properties. Testing may include moisture contents, percent fines, and Atterberg limits tests on selected samples. Resistivity and pH testing will be completed to estimate the corrosivity of the foundation soils.
- Perform site-specific hazard study for the tank site in accordance with the OSSC and ASCE 41, including the evaluation of the tectonic setting and seismic hazards.
- Evaluate seismic hazards, including the potential for liquefaction, lateral spread, and seismic settlement.
- Provide parameters for evaluating the existing shallow foundations or for widening the existing foundations.

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- Provide engineering report summarizing the findings of the analysis. The report will include a description of work, a discussion of the site conditions, parameters for evaluating the existing foundations, and recommendations for the design and construction of widened or new shallow footings (if required). Report will also include the findings of the seismic hazard study, the boring log, and a summary of field and laboratory test results. If potential seismic hazards are identified, the report will provide a discussion of conceptual mitigation options.

Task 1.0 Reservoir Assessment Assumptions

- City will drain Yaquina Heights Tank to allow full internal inspection and will provide necessary equipment for accessing the top entry hatch if the bottom rung of the exterior ladder is more than 12 feet above ground surface.
- City will dispose of sediment removed from interior of tank by TIC.
- Sediment accumulation at the bottom of the tank will be less than two inches thick.
- If information is not available, steel material for the framing and shell will be assumed based on typical values for the era and region and the design codes in place at that time.

TASK 2.0 RESERVOIR EVALUATION AND CONCEPTUAL DESIGN

2.1 Seismic Evaluation and Conceptual Design

- Analyze the welded steel reservoir according to current Oregon Structural Specialty Code (OSSC) and AWWA D100 criteria to identify deficiencies and determine loading conditions. Primary elements under review include tank anchorage, foundation, shell, and dome roof.
- Perform full analysis based on maximum operating level (MOL) conditions from the provided record drawings and confirmed on site.
- Perform full analysis of the tank at a reduced operating level (ROL) provided by the City.
- Prepare structural evaluation report summarizing findings, identifying seismic deficiencies of main structural elements under MOL and ROL conditions, recommendations for upgrades, preliminary design recommendations for replacement tank options (welded carbon steel, glass-fused bolted steel, and pre-stressed concrete), and a preliminary cost opinion. Report will be stamped and signed by a registered Oregon Structural Engineer.

2.2 Cathodic Protection Evaluation and Conceptual Design

- Evaluate alternative methods to retrofit the existing exterior cathodic protection system. Alternatives include installing a new galvanic anode for partial protection and installing an impressed current system to provide full protection.
- Develop preliminary cost opinion for each cathodic protection alternative and recommend improvements.

2.3 Tank Safety and Sanitary Conceptual Design

- Generate retrofit options for piping connections to address noted seismic deficiencies and provide recommended repairs.

Proposal for the Yaquina Heights Tank Improvements Project

- Identify options for safety improvements including ladder and railing modifications and provide recommended repairs.
- Identify options for sanitary improvements to roof vent, access hatches, or piping connections to the tank and recommend repairs.
- Develop preliminary cost opinion for piping, safety, and sanitary improvements

2.4 New Water Storage Tank Conceptual Design

- Evaluate tank dimensions for sizing a new storage tank within the existing Yaquina Heights location to meet City storage requirements.
- Prepare conceptual site layout showing footprint at the selected site location.
- Provide design calculations for sizing a new cathodic protection system (steel options only).
- Prepare preliminary cost opinion for removal of existing tank and construction of a new tank.

Task 2.0 Assumptions

- City will provide recommendations for reduced or modified storage requirements, if possible, at the Yaquina Heights Tank.
- Conceptual design will consist of a combination of annotated record drawings and photos that provide clarity for the design intent.
- Formal design plans will not be prepared as part of the conceptual design phase.
- Up to three alternatives will be considered and evaluated for a new tank at the Yaquina Heights site; a new welded steel tank, a glass-lined bolted steel tank, and a prestressed concrete tank.
- A 70-foot deep boring is planned but the actual depth may be adjusted in the field depending on the subsurface conditions encountered.
- No bedrock coring is planned.
- Upon completion of drilling, the borehole will be backfilled with bentonite chips or bentonite grout in accordance with OWRD requirements. The boring will be capped with crushed rock to match the surrounding surface.
- Drill cuttings will be drummed and dumped at a nearby location designated by the City.

TASK 3.0 ALTERNATIVES EVALUATION

3.1 Alternatives Evaluation Technical Memorandum

- Prepare an Alternatives Evaluation Technical Memorandum (TM). TM will include the following:
 - (1) Descriptions of each tank alternative evaluated during the conceptual design phase;
 - (2) Preliminary cost estimate for each alternative;
 - (3) Evaluation criteria used to score each alternative; and
 - (4) Recommendation of final alternative to proceed to the detailed design phase.

Proposal for the Yaquina Heights Tank Improvements Project

3.2 Alternatives Evaluation Workshop

- Organize and lead a workshop to discuss the conceptual design/alternatives analysis and determine the alternative that will proceed to final design.
- Prepare meeting minutes to document discussions, findings, and action items.

3.3 Finalize TM

- Incorporate comments and resolutions into a final version of the Alternatives Evaluation TM, including recommendations for repairs and/or improvements.

Task 3.0 Assessment and Scoping Assumptions

- Workshop will be held at the City’s Public Works Department office and be 2-hours in duration.
- The City will provide all comments on the Alternatives Analysis TM a minimum of 48 hours prior to the Alternatives Evaluation Workshop.
- Meeting will be attended by the WSC’s Project Manager and Project Engineer.
- City will coordinate attendance and scheduling for all City staff required for each meeting.

FEE ESTIMATE

Task No.	Task Description	WSC								Peterson Structural Engineers	Tank Industry Consultants	Cascade Corrosion Consulting Services,	Foundation Engineering, Inc.	ALL FIRMS Total Fee
		QA/QC	Project Manager	Project Engineer	Project Administration	WSC Labor Hours	WSC Labor Fee	Expenses	WSC Fee	Labor Fee	Labor Fee	Labor Fee	Labor Fee	
		Ashua Reynolds	Scott Duerff	Adam Donald	Ray Merritt									
	<i>Billing rates, \$/hr</i>	\$265	\$245	\$155	\$125									
0	Project Management & Coordination													
0.1	Project Administration		5	4	7	16	\$ 2,720	\$ 100	\$ 2,820					\$ 2,820
0.2	Project Status Updates		3	3		6	\$ 1,200	\$ -	\$ 1,200					\$ 1,200
	SUBTOTAL	0	8	7	7	22	\$ 3,920	\$ 100	\$ 4,020	\$ -	\$ -	\$ -	\$ -	\$ 4,020
1	Reservoir Assessment													
1.1	Kickoff Meeting		6	7		13	\$ 2,555	\$ 100	\$ 2,655	\$ 2,178				\$ 4,833
1.2	Reservoir Assessment		2	4		6	\$ 1,110	\$ -	\$ 1,110	\$ 9,598				\$ 10,708
1.3	Geotechnical Assessment		3	3		6	\$ 1,200	\$ -	\$ 1,200			\$ 19,437		\$ 20,637
	SUBTOTAL	0	11	14	0	25	\$ 4,865	\$ 100	\$ 4,965	\$ 2,178	\$ 9,598	\$ -	\$ 19,437	\$ 36,178
2	Conceptual Design													
2.1	Seismic Evaluation		2	4		6	\$ 1,110	\$ -	\$ 1,110	\$ 20,119				\$ 21,229
2.2	Cathodic Protection Evaluation		1	3		4	\$ 710	\$ -	\$ 710		\$ 8,250			\$ 8,960
2.3	Tank Safety and Sanitary Conceptual Design	2	8	16		26	\$ 4,970	\$ 200	\$ 5,170					\$ 5,170
2.4	New Water Storage Tank Conceptual Design	2	8	16		26	\$ 4,970	\$ 200	\$ 5,170	\$ 2,915	\$ 2,530			\$ 10,615
	SUBTOTAL	4	19	39	0	62	\$ 11,760	\$ 400	\$ 12,160	\$ 23,034	\$ -	\$ 10,780	\$ -	\$ 45,974
3	Alternatives Evaluation													
3.1	Alternatives Evaluation Technical Memorandum	2	10	25		37	\$ 6,855	\$ 300	\$ 7,155					\$ 7,155
3.2	Alternatives Evaluation Workshop		6	8		14	\$ 2,710	\$ 100	\$ 2,810					\$ 2,810
3.3	Finalize TM	1	4	10		15	\$ 2,795	\$ 100	\$ 2,895					\$ 2,895
	SUBTOTAL	3	20	43	0	66	\$ 12,360	\$ 500	\$ 12,860	\$ -	\$ -	\$ -	\$ -	\$ 12,860
	COLUMN TOTALS	7	58	103	7	175	\$ 32,905	\$ 1,100	\$ 34,005	\$ 25,212	\$ 9,598	\$ 10,780	\$ 19,437	\$ 99,032

EXHIBIT B
Oregon Public Contracting Requirements

ORS CHAPTER 279B PUBLIC CONTRACTING REQUIREMENTS
FOR THE PURCHASE OF GOODS AND SERVICES

- (1) Contractor shall pay promptly, as due, all persons supplying labor or materials for the prosecution of the work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor. ORS 279B.220(1).
- (2) Contractor shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the contract. ORS 279B.220(2).
- (3) Contractor shall not permit any lien or claim to be filed or prosecuted against the Contracting Agency on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted. ORS 279B.220(3).
- (4) Contractor and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.617. ORS 279B.220(4).
- (5) Contractor agrees that if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Contractor or a Subcontractor by any person in connection with the contract as such claim becomes due, the City may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due Contractor by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the Contractor or his surety from his or its obligation with respect to any unpaid claim. If the City is unable to determine the validity of any claim for labor or material furnished, the City may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined and the claim, if valid, is paid.
- (6) Contractor shall promptly, as due, make payment to any person, copartnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service. ORS 279B.230(1).
- (7) All subject employers working under the contractor are either employers that will comply with ORS 656.017, or employers that are exempt under ORS 656.126. ORS 279B.230(2).
- (8) Contractor shall pay employees for overtime work performed under the contract in accordance with ORS 653.010 to 653.261 and the Fair Labor Standards Act of 1938 (29 USC 201, et seq). ORS 279B.235(3).
- (9) The Contractor must give notice to employees who work on this contract in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to work. ORS 279B.235(2).

- (10) All sums due the State Unemployment Compensation Fund from the Contractor or any Subcontractor in connection with the performance of the contract shall be promptly so paid. ORS 701.430.
- (11) The contract may be canceled at the election of City for any willful failure on the part of Contractor to faithfully perform the contract according to its terms.
- (12) Contractor certifies compliance with all applicable Oregon tax laws, in accordance with ORS 305.385.
- (13) Contractor certifies that it has not discriminated against minorities, women or emerging small business enterprises in obtaining any required subcontractors. ORS 279A.110.
- (14) As used in this section, "nonresident contractor" means a contractor that has not paid unemployment taxes or income taxes in the state of Oregon during the 12 calendar months immediately preceding submission of the bid for the contract, does not have a business address in this state, and stated in the bid for the contract that it was not a "resident bidder" under ORS 279A.120. When a public contract is awarded to a nonresident contractor and the contract price exceeds \$10,000, the contractor shall promptly report to the Department of Revenue on forms to be provided by the department the total contract price, terms of payment, length of contract and such other information as the department may require before the bidder may receive final payment on the public contract. ORS 279A.120.