

**City of Valdez  
Agreement for Professional Services**

THIS AGREEMENT between the CITY OF VALDEZ, ALASKA, (“City”) and RSA Engineering, Inc. (“Consultant”) effective on the 21st day of February 2017.

All work under this agreement shall be referred to by the following:

**Project: Hospital and Clinic Copper Piping Replacement**

**Project No: 17-310-9197**

**Contract No.: 1280**

**Cost Codes: 310-9197-58000 (\$77,841.00)**

**310-4530-58000 (\$9,042.00)**

Consultant’s project manager under this agreement is Mark Frischkorn.

Consultant’s project manager may not be changed without the written consent of the City.

City’s project manager is Jennifer Patton.

**ARTICLE 1. Scope of Work**

1.1 The scope of work to be performed hereunder is more completely described in Appendix A which is incorporated herein by reference.

**ARTICLE 2. Compensation**

2.1 Compensation shall be paid in accordance with the Basis of Compensation Schedule attached hereto as Appendix B and incorporated herein by reference.

**ARTICLE 3. Period of Performance**

3.1 The Consultant agrees to commence work under this agreement only as authorized by and in accordance with written notice to proceed and to complete the work in accordance with the Scope of Work (Appendix A).

3.2 The period of performance under this agreement shall end and Consultant shall have completed all work under this agreement within 120 days of the written Notice to Proceed. Work Shall proceed in accordance with the schedule set forth in Appendix A.

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ARTICLE 4. Subconsultants

4.1 The Consultant shall be responsible for the performance of all services required under this agreement.

ARTICLE 5. Insurance

5.1 In accordance with the provision contained in the General Conditions (Appendix C), the following minimum limits of insurance coverage are required:

<u>Type of Insurance</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
Workers' Compensation	Statutory	Statutory
Employers' General	\$100,000	\$300,000
Commercial General Liability	\$100,000	\$300,000
Comprehensive Automobile Liability	\$100,000	\$300,000
Professional Liability	\$500,000	\$500,000

ARTICLE 6. Appendices

6.1 The following appendices are attached to this agreement and incorporated herein:

<u>Appendix</u>	<u>Title</u>
A	Scope of Work
B	Basis of Compensation
C	General Conditions

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IN WITNESS WHEREOF, the parties to this presence have executed this CONTRACT in two (2) counterparts, each of which shall be deemed an original, in the year and day first mentioned above.

**RSA ENGINEERING INC.**

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Mailing Address  
\_\_\_\_\_  
City, State, Zip Code  
\_\_\_\_\_  
Federal I.D. or S.S. #

**CORPORATE SECRETARY**

Attest: \_\_\_\_\_  
Corporate Secretary

**CITY OF VALDEZ, ALASKA  
AUTHORIZED:**

By: \_\_\_\_\_  
Mayor  
Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
City Clerk  
Date: \_\_\_\_\_

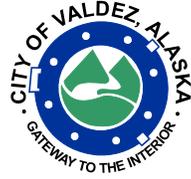
**RECOMMENDED:**

By: \_\_\_\_\_  
City Manager  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Capital Facilities Director  
Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Attorney for the City of Valdez  
Date: \_\_\_\_\_



## **Appendix A Scope of Work**

### **BASIC SERVICES**

Provide all engineering and support services necessary to provide the City of Valdez:

The scope of work is more specifically described in the attached proposal dated January 3, 2017.

## **Appendix B Basis of compensation**

On completion of work and submission of invoices, the City shall pay to consultant the compensation as follows:

Payment shall be made based on the proposed fee and shall not exceed \$86,883.00 per the proposal attached to Appendix A of this Agreement, without prior authorization by the City as required in Section V of the General Conditions A (Appendix C).

January 3, 2017

City of Valdez  
P.O. Box 307  
Valdez, AK, 99686

ATTENTION: Jennifer Patton

Dear Jennifer,

**REFERENCE: Valdez Hospital Domestic Water Piping Replacement  
Mechanical & Electrical Design Fee Proposal**

RSA Engineering is pleased to offer a fee proposal for architectural, mechanical and electrical engineering services for the referenced project. We have based our scope of work on your e-mail correspondence dated December 5<sup>th</sup> 2016, November 9<sup>th</sup> site visit, Valdez Community Hospital piping asbuilts dated August 25, 2004, along with the following assumptions:

- The Hospital has experienced ongoing domestic water piping failures due to corrosion. The scope of work will be to replace the cold water, hot water, and hot water recirculation systems in their entirety with corrosion proof polymer based piping.
- The basis of piping specification will be polyethylene piping, "Aquatherm" or equal. Branch piping to fixture may be PEX piping where demanded by architectural constraints.
- A five day site investigation will be performed by the mechanical engineer to confirm piping as built drawings and identify potential conflict areas with architectural impact. During this site visit, it is anticipated to have a preliminary meeting with hospital administration to discuss hospital operations and the sequencing of partial shutdowns during construction.
- A one day site investigation will be performed by the electrical engineer to asbuilt existing power and signal devices which will need to be relocated for the piping installation work.
- RSA Engineering will sub-contract with an Architectural firm to provide design documents describing necessary modifications to accommodate new piping routing. The Architectural firm will be on site for two days with the mechanical engineer to review the areas with potential conflicts, make field observations for verification of owner provided floor plans and development of design documents.
- Design submittals will be made at the 65%, 95% and Construction Document levels. The 65% documents for review will be inclusive of a concept phasing plan based on piping network layout and the Owner's requirements for occupancy during partial shutdowns.
- 95% documents for review will be inclusive any owner comments on the 65% and will include CSI "book" specifications for final review prior to issuing construction documents.
- The final phasing plan will be established in coordination with the bidding contractor based on the bid document phasing plan guidelines and requirements. The contractor will develop the final construction schedule to work within these requirements to be approved by the owner and A/E team.
- Bid phase services include preparation of addenda material and facilitation of the prebid meeting.

- Prime consultant construction phase services include facilitation of submittal tracking and review, DCVR tracking and review/response, a total of six (6) two day construction inspections for mechanical, review of operation and maintenance manuals and preparation of record drawings. Architectural and Electrical inspection services are not included in this estimate, it is assumed the Mechanical engineer will be able to adequately photo document the construction effort for review by the other disciplines in house. It is proposed that these services be provided on a Time and Materials basis. The approximate costs for these services are outlined below for budgetary purposes, assuming an 8 month construction period. If during construction incurred costs approach 85% of this limit, the City of Valdez will be notified and a proposal for additional services will be provided.
- We have split out the costs associated with the Clinic and Hospital spaces below. This proposal assumes both areas of work will be inspected, designed, and bid together and awarded to the same contractor.
- We have attached a copy of the Architectural fee proposal for reference. RSA is including a 10% markup on subcontractor work for overhead.

**Exclusions:**

- Cost estimation services are excluded from this proposal, at the owner's option RSA will subcontract for these services.
- Travel delays are not included in our fee for site visits outside of Anchorage. Travel delays will be billed up to 8 hours per day of actual time including reimbursable expenses incurred.

RSA proposes the following lump sum fees for the Hospital Design portion of this project:

	<u>Mechanical</u>	<u>Electrical</u>	<u>Architectural</u>
Site Investigation	\$ 6,805.00	\$ 1,848.00	\$ 2,552.00
65% Design	\$ 12,990.00	\$ 1,610.00	\$ 13,079.00
95% Design	\$ 8,350.00	\$ 1,360.00	\$ 16,269.00
Construction Documents	\$ 6,600.00	\$ 930.00	\$ 2,233.00
Bidding	\$ 2,865.00	\$ 350.00	--
	<u>\$ 37,610.00</u>	<u>\$ 6,098.00</u>	<u>\$ 34,133.00</u>

**Hospital Design Total: \$ 77,841.00**

RSA proposes the following Time and Material fees for the Hospital Construction Administration portion of this project:

	<u>Mechanical</u>	<u>Electrical</u>	<u>Architectural</u>
Construction Administration	\$ 22,360.00	\$ 3,520.00	\$ 3,589.00
Construction Inspections	\$ 15,472.00	\$ -	\$ -
	<u>\$ 37,832.00</u>	<u>\$ 3,520.00</u>	<u>\$ 3,589.00</u>

**Hospital C/A Total: \$ 44,941.00**

January 3, 2017

RSA proposes the following lump sum fees for the Clinic Design portion of this project:

	<u>Mechanical</u>	<u>Electrical</u>	<u>Architectural</u>
Site Investigation	\$ 888.00	\$ 416.00	\$ 319.00
65% Design	\$ 1,445.00	\$ 386.00	\$ 1,436.00
95% Design	\$ 1,035.00	\$ 201.00	\$ 974.00
Construction Documents	\$ 915.00	\$ 104.00	\$ 479.00
Bidding	\$ 335.00	\$ 109.00	\$ -
	<u>\$ 4,618.00</u>	<u>\$ 1,216.00</u>	<u>\$ 3,208.00</u>

**Clinic Design Total: \$ 9,042.00**

RSA proposes the following Time and Material fees for the Clinic Construction Administration portion of this project:

	<u>Mechanical</u>	<u>Electrical</u>	<u>Architectural</u>
Construction Administration	\$ 2,600.00	\$ 440.00	\$ 399.00
Construction Inspections	\$ 2,248.00	\$ -	\$ -
	<u>\$ 4,848.00</u>	<u>\$ 440.00</u>	<u>\$ 399.00</u>

**Clinic C/A Total: \$ 5,687.00**

Please review and advise if this proposal is acceptable by signing below and returning a copy to our office as our notice to proceed. We look forward to working with you on this project.

Sincerely,



Mark R. Frischkorn, P.E.  
Vice President

mrf/hhm  
16-0766/P16-424

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Accepted for City of Valdez

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## **Appendix C**

### **General Conditions**

#### I. Definitions:

Basic Services: The identified work elements set forth in this Agreement for which the Consultant will receive prime compensation.

Change: An addition to, or reduction of, or other revision in the scope, complexity, character, or duration of the services or other provisions of this Agreement.

City's Project Manager: City's representative in charge of the project(s) and the consultant's primary point of contact for notice(s) to proceed, invoices, correspondence and interface with the City.

Consultant's Project Manager: The Consultant's representative in charge of the project(s) who is directly responsible and engaged in performing the required services.

Extra Services: Any services or actions required of the Consultant above and beyond provisions of this Agreement.

Funding Agency(s): The agency(s) of the federal, state or municipal government which furnishes funds for the Consultant's compensation under this Agreement.

Optional Services: Identifiable and/or indeterminate work elements set forth in this Agreement, which are separate and distinct from those covered by the prime compensation, which the City has the option to authorize.

Prime Compensation: The dollar amount paid to the Consultant for basic services set forth in this Agreement. Prime compensation does not include payment for any optional or extra services.

Scope of Work: Basic and optional services required of the Consultant by provisions of this Agreement.

Subconsultant: Any person, firm, corporation, joint venture, partnership or other entity engaged through or by Consultant.

#### II. Information and Services from Others:

Provisions of information, data, budget, standards, and other materials by the City does not warrant their accuracy or quality nor provide approval of omissions or oversights or of any non-compliance with applicable regulation.

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The City may, at its election, or in response to a request from the Consultant, furnish information or services from other Consultants. If, in the Consultant's opinion, such information or services are inadequate, the Consultant must notify the City of the specific service or material deemed inadequate and the extent of the inadequacy prior to use in the performance of this Agreement. Unless so notified by the Consultant, the City may assume the information or services provided are adequate.

III. Indemnification

To the fullest extent permitted by law, Consultant shall defend, indemnify and hold harmless city and City officers and employees from and against all claims, damages, losses and expenses (including but not limited to fees and charges of engineers, architects, attorneys and other professionals and court and arbitration costs) to the extent that the claim, damage, loss or expense arises out of or results from any negligent act or omission of Consultant, Subconsultant, person or organization directly or indirectly employed by the Consultant or Subconsultant, or anyone for whose acts any of them may be liable, done in connection with the performance of the work, provided that any such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property including the loss of use resulting therefrom.

IV. Insurance:

The Consultant shall purchase and maintain professional liability insurance coverage with limits not less than those specified herein for the duration of the Agreement. The professional liability insurance shall be maintained in force for one year following the date of final payment for the work performed herein. The amount of the contract may be renegotiated if the insurance premiums for the following year are raised over those in force when the contract was let. Should the professional liability insurance become unavailable during the one year period following the date of final payment, the insurance coverage may be renegotiated between the owner and the Consultant. Insurance coverage shall provide for negligent acts, errors or omissions which the Consultant, employees of the Consultant or Subconsultant may make which produce loss or liability to the Owner and for the protection against loss which results from reliance on the Consultant's products, reports or a combination thereof. Failure to comply with the provision for maintaining the insurance in effect for one year following the date of final payment may be cause for the Owner to refrain from dealing with the Consultant in the future.

V. Payments:

The City shall pay to the Consultant the amount of any changes in the cost of insurance which are attributable to the Scope of work created by change orders.

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Payments shall be made in accordance with Appendix B. Consultant shall submit progress invoices to City in duplicate showing the itemized services performed during the invoice period and the charges therefore.

All progress invoices shall be prepared as a percentage of the work is completed except contracts performed on "time and expenses" basis which invoiced amounts shall not exceed the actual charges to the invoice date.

Under no circumstances will City pay for charges in excess of any lump sum or not-to-exceed contract amount incurred prior to written authorization by City for an increase in the contract amount. Written request for an increase in the contract amount shall be given to City with sufficient notice to allow City to issue formal approval prior to the incurring of excess charges without delay to the work.

On "time and expenses" contract amounts, compensation for work included in the Scope of Work shall be for direct labor costs and the actual cost of reimbursable expenses. Direct labor costs shall be as shown on the current Standard Labor Rates for the Consultant, a copy of which is attached as Appendix D, times a factor of n/a, for services rendered by principals and employees of the firm. Reimbursable expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from contractor(s); furnishing and maintaining field office facilities; toll telephone calls and telegrams; reproduction of reports, drawings, specifications, and similar project-related items and, if authorized in advance by City, overtime work requiring higher than regular rates. Reimbursable expenses shall also include the amount billed to Consultant by Subconsultant employed by consultant for such Subconsultants' services and reimbursable expenses times a factor of 1.05.

The sum of payments shall not exceed the allowable compensation stated in this Agreement. In the event items on an invoice are disputed, payment on those items will be withheld until the dispute is resolved.

The Consultant shall submit a final invoice and required documentation for services authorized by each Notice to Proceed within Ninety (90) days after final acceptance by the City. The City will not be held liable for payment of invoices submitted after this time unless prior written approval has been given.

VI. Changes:

Changes in the Scope of Work or of services may only be made by written amendment signed by both City and Consultant.

If at any time the City through its authorized representatives, either orally or in writing, requests or issues instructions for extra services or otherwise directs actions which

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conflict with any provisions of this Agreement, the Consultant shall, within ten (10) days of receipt and prior to pursuing such instructions, notify the City in writing, and to the extent possible, describe the scope and estimated cost of any extra services. Unless so notified by the Consultant, the City may assume such instructions have not changed any provisions of this Agreement nor require additional compensation. No additional payments shall be made to the Consultant without such notice.

VII. Audits and Records:

The Consultant shall maintain records of all performances, communications, documents, and correspondence pertinent to this Agreement, and the City or its authorized representatives shall have the right to examine such records and accounting procedures and practices.

The materials described in the Article shall be made available at the business office of the Consultant, at all reasonable times, for inspection, audit or reproduction by City or any funding agency, for a minimum of three years from the date (a) of final payment under this Agreement (b) final payment upon claims or disputes, and for such longer period, if any, as may be required by applicable statute or other provisions of this Agreement.

VIII. Inspections:

The City, or any funding agency, has the right to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities, materials and activities of the Consultant in the performance of this Agreement.

IX. Termination or Suspension:

This Agreement may be terminated by either party upon ten (10) day's written notice if the other party fails substantially to perform in accordance with its terms through no fault of the party initiating the termination (default termination). If the City terminates this Agreement, the City will pay the Consultant a sum equal to the percentage of work completed that can be substantiated by the Consultant and the City. If the City becomes aware of any fault or defect in the work of the Consultant or nonconformance with this Agreement, the City will give prompt written notice thereof to the consultant. Should the Consultant's services remain in nonconformance to this Agreement, the percentage of total compensation attributable to the nonconforming work may be withheld.

The City at any time may terminate (convenience termination) or suspend this Agreement for its own needs or convenience. In the event of a convenience termination or suspension for more than three months, the Consultant will be compensated for authorized services and authorized expenditures performed to the date of receipt of written notice of termination plus reasonable termination expenses. NO fee or other compensation for the

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uncompleted portion of the services will be paid, except for already incurred indirect costs which the Consultant can establish and which would have been compensated for over the life of this Agreement, but because of the convenience of the termination would have to be absorbed by the Consultant without further compensation.

If state or federal funds support this Agreement, settlement in the event of default or convenience termination must be approved by the City and any appropriate state or federal agency.

X. Officials Not to Benefit:

No member of or delegate to Congress, United States Commissioner or other officials of federal, state or local government shall be admitted to any share or part of this Agreement or any benefit to arise therefrom. The Consultant warrants that it has not employed or retained any organization or person, other than a bona fide employee working for the Consultant, to solicit or secure this Agreement and that it has not paid or agreed to pay any consideration contingent upon or resulting from this Agreement.

XI. Independent Consultant:

Except in those instances specifically provided for herein, the Consultant and any of its agents and employees shall act in an independent capacity and not as agents of the City in the performance of the Agreement.

XII. Ownership of Work Products:

Work products produced under this Agreement, except items which have preexisting copyrights, are the property of the City. Payments to the Consultant for services hereunder includes full compensation for all work products, field notes, interim work, reports, and other materials produced by the Consultant and its Subconsultants pertaining to this Agreement. Any re-use the City might make of these work products shall be at the City's own risk and the Consultant shall not incur any liability for the City's re-use of the work products on any project for which they were not intended.

XIII. Subconsultants, Successors and Assigns:

The City must concur in the selection of all Subconsultants for professional services to be engaged in performance of this Agreement.

As soon as practicable after the award of the contract, the Consultant shall furnish to the City in writing the names of the proposed Subconsultants for each of the principal portions of the work. The City shall promptly notify the Consultant if it has reasonable objection to any of the propose Subconsultants. Failure of the City to give prompt notification shall constitute notice

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of no reasonable objection. The Consultant shall not contract with any Subconsultant to whom the City has made reasonable objection.

If this Agreement includes named firms or individuals, then such firms or individuals shall be employed for the designated services, unless the Agreement is changed by amendment.

The Consultant shall not assign, sublet or transfer any interest in this Agreement without the prior written consent of the City.

The Consultant binds itself, its partners, its Subconsultants, assigns and legal representatives to this Agreement and to the successors, assigns and legal representatives of the City with respect to all covenants of this Agreement.

The Consultant shall include provisions appropriate to effectuate the purposes of this Appendix C in all subcontracts executed to perform services under this Agreement which subcontract amount exceed \$50,000.

**XIV. Claims and Disputes:**

If the Consultant becomes aware, or reasonably should have become aware of any act or occurrence which may form the basis of a claim, the consultant shall immediately inform the City's Project Manager. If the matter cannot be resolved within seven (7) days, the Consultant shall with the next fourteen (14) days, submit written notice of the facts which may form the basis of the claim.

In addition, all claims by the Consultant for additional compensation or an extension of the time for performance of any dispute regarding a question of fact or interpretation of this Agreement shall be presented in writing by the Consultant to the City's Project Manager with the next sixty (60) days unless the Project Manager agrees in writing to an extension of time for good cause shown. Good cause shown includes time for the Consultant to prepare the claim, and the City's Project Manager will grant an extension of not more than sixty (60) days for preparation of the claim. The Consultant agrees that unless these written notices are provided, the Consultant shall not be entitled to additional time or compensation for such act, event or condition. The Consultant shall in any case continue diligent performance under this Agreement. The Consultant shall in any case continue to expeditiously accomplish disputed services pending future resolution of the Consultant's claim unless notified by the City to stop work on the disputed matter.

In presenting any claim, the Consultant shall specifically include, to the extent then possible, the following:

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- The provisions of this Agreement which apply to the claim and under which it is made.
- The specific relief requested including any additional compensation claimed and the basis upon which it was calculated and/or the additional time requested and the basis upon which it was calculated.
- The claim will be acknowledged in writing by the City's Project Manager. If the claim is not disposed of within sixty (60) days of acknowledgement, provided additional time is not granted in writing by the City's Contract Officer, the claim will be decided by the City's Contract Officer. The Contract Officer reserves the right to make a written request to the Consultant at any time for additional information which the Consultant may possess to support the claims(s). The Consultant agrees to provide the City such additional information within thirty (30) days of receipt for such a request. The City's Contract Officer will allow a reasonable time extension for good cause if presented in writing prior to the expiration of the thirty (30) days. Failure to furnish such additional information constitutes a waiver of claim.
- The Consultant will be furnished a written, signed copy of the Contract Officer's decision within ninety (90) days of receipt of all necessary information from the Contractor upon which to base the decision. The Contract Officer's decision is final and conclusive unless fraudulent as to the claim unless, with thirty (30) days of receipt of the decision, the Consultant delivers a notice of appeal to the City Manager. The notice of appeal shall include specific exceptions to the City's decision including specific provision of this Agreement which the Consultant intends to rely upon on appeal. General assertions that the City's decision is contrary to law or to fact are not sufficient.
- The decision of the City Manager will be rendered within 120 days of notice of appeal and the decision constitutes the exhaustion of contractual and administrative remedies.

XV. Extent of Agreement:

This Agreement, including appendices, represents the entire and integrated Agreement between the City and the Consultant and supersedes all prior negotiations, representations or agreements, either written or oral.

Nothing contained herein may be deemed to create any contractual relationship between the City and any Subconsultants or material suppliers; nor may anything contained

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herein be deemed to give any third party a claim or right of action against the City or the Consultant which does not otherwise exist without regard to this Agreement.

This Agreement may be changed only by written amendment executed by both the City and the Consultant.

All communications that affect this Agreement must be made or confirmed in writing.

The Consultant receiving final payment will execute a release, if required, relinquishing in full all claims against the City arising out of or by reason of the services and work products furnished under this Agreement.

The Consultant shall pay all federal, state and local taxes incurred by the Consultant and shall require their payment by any Subconsultant or any other persons in the performance of this Agreement.

XVI. Governing Laws:

This Agreement is governed by the laws of the State of Alaska and such federal and local laws and ordinances as are applicable to work performed. Any litigation arising out of the terms of this Agreement shall be brought in the Third Judicial District, Superior or District Court at Valdez.

XVII. Minimum Wages:

Minimum wages as determined by the Department of Labor shall be paid to all persons performing work on this Contract.