



City of Palo Alto

City Council Staff Report

(ID # 5116)

Report Type: Consent Calendar

Meeting Date: 11/10/2014

Summary Title: CIP Program Management Services at RWQCP

Title: Approval of Contract No. C15153692 With RMC Water and Environment in a Total Amount Not to Exceed \$4,357,899 to Provide Program Management Services for Projects Under the Long Range Facilities Plan of the Regional Water Quality Control Plant – Capital Improvement Program Project WQ-14001, and for Projects Under the Organic Facilities Plan of the Palo Alto Landfill Project RF-11001

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends:

City Council approve, and authorize the City Manager or his designee to execute, the attached contract with RMC Water and Environment (Attachment A) in the total not-to-exceed amount of \$4,357,899 to provide program management services for projects under the Long Range Facilities Plan (LRFP) of the Regional Water Quality Control Plant (RWQCP), and for projects under the Organic Facilities Plan (OFP) of the Refuse Fund; including \$3,967,181 for basic services and \$390,718 for additional services.

Background

The RWQCP was originally constructed in 1934 for treatment of local waste and has since undergone several rehabilitations. In 2012, the RWQCP developed a [Long Range Facility Plan \(LRFP\)](#) to upgrade its facilities and treatment processes. The goals are to reduce the RWQCP's carbon footprint, increase treatment efficiency, and reliability, and provide dependable and sustainable treatment. The LRFP was accepted by Council on July 2, 2012. ([Staff Report # 2914](#))

In March 2014, the [Organic Facility Plan \(OFP\)](#) was developed to evaluate possible combined treatment of the biosolids from the RWQCP, with the food scraps and yard trimmings from the landfill. The OFP was accepted by Council on May 12, 2014 ([Staff Report # 4744](#)). The RWQCP and Palo Alto Landfill will jointly implement the projects under the LRFP and the OFP as directed by Council.

Discussion

The LRFP identified a total cost of \$192 million for facilities and process replacement projects to be constructed over a ten-year period. Implementation of the highly technical and complicated projects under the LRFP while maintaining plant operation and full permit compliance requires careful planning and supervision. The LRFP program will require a staff with a wide spectrum of skills, including structural, civil, process mechanical, instrumentation, and controls, environmental project and construction management. In order to efficiently and effectively implement the projects in the program, staffing with the appropriate skill set must be available when required so that each phase of the program can be implemented in a timely manner without causing delay to subsequent phases. It is anticipated that varying phases of the projects will overlap and that the work load will fluctuate significantly. Flexible staffing with flexible time allocation is required to accommodate the needs of the program. The RWQCP has a small engineering group and cannot accommodate the flexible staffing needs and the skill set for the implementation of the program. The RWQCP therefore seeks professional services to manage the projects under the LRFP program.

The following table gives the outline of the Capital Improvement Program (CIP) projects covered under the Long Range Facility Plan (LRFP).

Tentative Implementation Schedule and Budget

Project Title	Project Start Year	Project Cost
Biosolids Handling Facilities	Planning – 2013 Component 1 – 2014 Component 2 – 2014	\$64,000,000

Primary Sedimentation Tank Rehabilitation	2014	\$7,313,000
Lab & Environmental Services Building	2014	\$17,903,763
Fixed Film Reactors Structure and Equipment	2017	\$19,420,440
Raw Sewage Pumping Facility	2020	\$38,856,627
Recycled Water Filters & Chlorine Contact Tank	2022	\$14,209,044
Joint Interceptor Sewer	2022	\$30,800,000
Total LRFP Program		\$192,502,874

The OFP contains four components. The first two components address biosolids and are also contained in the LRFP. The second two address food scraps and yard trimmings. It is critical that the LRFP and the OFP be fully coordinated as planning and design occur. On May 12, 2014, Council directed staff to engage the services of a program management consultant to implement the components in the OFP. This project will provide consultant services to plan and manage the implementation of the projects under the LRFP and the OFP.

Scope of Services Description

The Consultant will provide program management for the implementation of the projects under the LRFP, and component 3, Food Scrap Preprocessing Facility of the OFP. The scope of work includes:

1. Plan and coordinate the activities of the various phases/projects to maintain conformance with the City's budget and schedule;
2. Obtain the services of consulting engineering firms to complete the environmental documentation and design of projects;
3. Manage multiple consultants on multiple projects and conduct review of reports, plans, and specifications prepared by the consulting engineering firms for projects;
4. Manage multiple construction contracts to ensure proper execution of construction contracts;
5. Monitor overall budgets and schedules and maintain conformance with the City's budget and schedule;
6. Assist with regulatory and public outreach requirements;

7. Develop solutions that ensure ongoing RWQCP operation and regulatory compliance as a result of the construction projects;
8. Assist City with acquisition of funding, such as the State Water Resources Control Board State Revolving Fund loan or bond financing; and
9. Other miscellaneous project management tasks.

Under the Agreement of this project, the selected program management consultant will not be allowed to propose on any environmental studies or design of the projects under the LRFP and the OFP. The City has the option to require the program management consultant to manage the construction of the projects. Staff will return to Council for approval of the construction management portion of the project.

Summary of Solicitation Process

Proposal Title/Number	Program Management Services for RWQCP - RFP No. 153692
Proposed Length of Project	10 years
Number of Solicitations for Proposal mailed &/or emailed	16
Total Days to Respond to Proposal	42
Pre-proposal Meeting Date	April 17, 2014
Number of Company Attendees at Pre-proposal Meeting	10 firms
Number of Proposals Received:	1
Number of Companies Interviewed	1
Range of Proposal Amounts Submitted	\$3,967,181

Evaluation of Proposals

The City only received one proposal due to the fact that proposing firms cannot subsequently bid on Request for Proposals (RFP) for design work or Invitation for Bids (IFB) for construction work. This limitation kept most consulting engineering firms from being interested in the program management work, which was the subject of the current RFP.

An evaluation committee consisting of the RWQCP staff reviewed the RMC Water and Environment proposal and interviewed their team June 20, 2014. The committee carefully reviewed RMC’s qualifications and submittal in response to the criteria identified in the RFP. The criteria used to evaluate RMC Water and Environment included: quality and completeness of proposal; quality, performance, and effectiveness of the work plan; proposer's experience; the qualifications of the proposed team; proposer's ability to perform the work within the time specified; cost; proposer's financial stability; proposer's prior record of performance with the City; and proposer's compliance with applicable laws and regulations. RMC Water and Environment was selected because of its innovation, understanding of project requirements, relevant project experience, knowledge of project solutions, and familiarity of the project site.

Resource Impact

This project will be funded by the Wastewater Treatment and Refuse Funds. Funding in the amount of \$358,570 is available in the FY 2015 Wastewater Treatment Fund Capital Improvement Program project budget, WQ-14001 Biosolids Facilities Plan. The remaining Contract Year 1 costs included in the table below will need to be supported through funds appropriated as part of the FY 2016 budget process. In the Refuse Fund, \$115,859 is currently available in the FY 2015 Refuse Fund operating budget. The remaining contract amounts will be encumbered subject to annual City Council approved appropriations.

The Program Manager will assist the City in securing the State Revolving Fund (SRF) loan for the remainder of the term under this contract; along with funding for the CIP Projects referenced above. The SRF loan will reimburse the program management expenses for these projects.

The table below shows the breakdown of the costs between funds for the three contract years.

WWT Fund	Base Scope of Work	Additional Services	Total
Components 1 & 2, Contract Year 1	\$ 582,807	\$ 52,281	\$ 635,088 (\$358,570 available in FY15)
Components 1 & 2, Contract Year 2	\$1,528,621	\$ 152,862	\$1,681,483

Components 1 & 2, Contract Year 3	\$1,502,711	\$ 150,271	\$1,652,982
Sub-total WWT Funds	\$3,614,139	\$ 355,414	\$3,969,553

Refuse Fund	Base Scope of Work	Additional Services	Total
Component 3, Contract Year 1	\$ 105,326	\$ 10,533	\$ 115,859 (\$115,859 available in FY15)
Component 3, Contract Year 2	\$ 118,032	\$ 11,803	\$ 129,835
Component 3, Contract Year 3	\$ 129,684	\$ 12,968	\$ 142,652
Sub-total Refuse Funds	\$ 353,042	\$ 35,304	\$ 388,346

Grand Total	\$3,967,181	\$ 390,718	\$4,357,899
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Policy Implications

Authorization of this project does not represent a change in existing policies.

Environmental Review

The award of this program management contract is not a project under the California Environmental Quality Act (CEQA). CEQA documentation and approval will be obtained separately for all projects under the program.

Attachments:

- A: Contract C15153692-RMC Water and Environment (PDF)

Attachment A

**CITY OF PALO ALTO CONTRACT NO. C15153692
AGREEMENT BETWEEN THE CITY OF PALO ALTO AND
RMC WATER AND ENVIRONMENT
FOR PROFESSIONAL SERVICES**

This Agreement is entered into on this 3rd day of November, 2014, (“Agreement”) by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and RMC WATER AND ENVIRONMENT, a California Corporation, located at 100 West San Fernando, Suite 320, San Jose, CA 95113 (“CONSULTANT”).

RECITALS

The following recitals are a substantive portion of this Agreement.

A. CITY intends to implement the Long Range Facilities Plan (“Project”) and desires to engage a consultant to provide program management for the implementation of the LRFP while maintaining plant operation and full permit compliance at all times in connection with the Project (“Services”).

B. CONSULTANT has represented that it has the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY in reliance on these representations desires to engage CONSULTANT to provide the Services as more fully described in Exhibit “A”, attached to and made a part of this Agreement.

NOW, THEREFORE, in consideration of the recitals, covenants, terms, and conditions, in this Agreement, the parties agree:

AGREEMENT

SECTION 1. SCOPE OF SERVICES. CONSULTANT shall perform the Services described in Exhibit “A” in accordance with the terms and conditions contained in this Agreement. The performance of all Services shall be to the reasonable satisfaction of CITY.

Optional On-Call Provision (This provision only applies if checked and only applies to on-call agreements.)

Services will be authorized by the City, as needed, with a Task Order assigned and approved by the City’s Project Manager. Each Task Order shall be in substantially the same form as Exhibit A-1. Each Task Order shall designate a City Project Manager and shall contain a specific scope of work, a specific schedule of performance and a specific compensation amount. The total price of all Task Orders issued under this Agreement shall not exceed the amount of Compensation set forth in Section 4 of this Agreement. CONSULTANT shall only be compensated for work performed under an authorized Task Order and the City may elect, but is not required, to authorize work up to the maximum compensation amount set forth in Section 4.

SECTION 2. TERM.

The term of this Agreement shall be from the date of its full execution through completion of the services in accordance with the Schedule of Performance attached as Exhibit “B” unless terminated earlier pursuant to Section 19 of this Agreement.

SECTION 3. SCHEDULE OF PERFORMANCE. Time is of the essence in the performance of Services under this Agreement. CONSULTANT shall complete the Services within the term of this Agreement and in accordance with the schedule set forth in Exhibit “B”, attached to and made a part of this Agreement. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CONSULTANT is not responsible for schedule delays due to events or actions by others that are beyond the reasonable control of CONSULTANT. CITY’s agreement to extend the term or the schedule for performance shall not preclude recovery of damages for delay if the extension is required due to the fault of CONSULTANT.

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A”, including both payment for professional services and reimbursable expenses, shall not exceed Three Million Nine Hundred Sixty-Seven Thousand One Hundred and Eighty One Dollars (\$3,967,181.00). In the event Additional Services are authorized, the total compensation for Services, Additional Services and reimbursable expenses shall not exceed Four Million Three Hundred Fifty-Seven Thousand Eight Hundred Ninety-Nine Dollars (\$4,357,899.00). The applicable rates and schedule of payment are set out in Exhibit “C12-1, C12-2, C12-3, C3-1 C3-2, and C3-3”, entitled “HOURLY RATE SCHEDULE,” which is attached to and made a part of this Agreement.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described in Exhibit “A”.

SECTION 5. INVOICES. In order to request payment, CONSULTANT shall submit monthly invoices to the CITY describing the services performed and the applicable charges (including an identification of personnel who performed the services, hours worked, hourly rates, and reimbursable expenses), based upon the CONSULTANT’s billing rates (set forth in Exhibit “C-1”). If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONSULTANT’s payment requests shall be subject to verification by CITY. CONSULTANT shall send all invoices to the City’s project manager at the address specified in Section 13 below. The City will generally process and pay invoices within thirty (30) days of receipt.

SECTION 6. QUALIFICATIONS/STANDARD OF CARE. All of the Services shall be performed by CONSULTANT or under CONSULTANT’s supervision. CONSULTANT represents that it possesses the professional and technical personnel necessary to perform the

Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONSULTANT represents that it, its employees and subconsultants, if permitted, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services.

All of the services to be furnished by CONSULTANT under this agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

SECTION 7. COMPLIANCE WITH LAWS. CONSULTANT shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement. CONSULTANT shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

SECTION 8. ERRORS/OMISSIONS. CONSULTANT shall correct, at no cost to CITY, any and all errors, omissions, or ambiguities in its work product submitted to CITY, to the extent that such errors, omissions, or ambiguities were not materially caused by erroneous or ambiguous information provided by others and, provided CITY gives notice to CONSULTANT. If CONSULTANT has prepared plans and specifications or other design documents to construct the Project, CONSULTANT shall be obligated to correct any and all errors, omissions or ambiguities discovered prior to and during the course of construction of the Project. This obligation shall survive termination of the Agreement until expiration of statutes of limitations and repose applicable to Consultant's services for a period of four (4) years.

CITY shall furnish CONSULTANT available studies, reports and other data pertinent to Consultant's services.

SECTION 9. COST ESTIMATES. If this Agreement pertains to the design of a public works project, CONSULTANT shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds ten percent (10%) of the CITY's stated construction budget, CONSULTANT shall make recommendations to the CITY for aligning the PROJECT design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

CONSULTANT shall use due diligence and current market data in preparing the construction cost estimates.

SECTION 10. INDEPENDENT CONTRACTOR. It is understood and agreed that in performing the Services under this Agreement CONSULTANT, and any person employed by or contracted with CONSULTANT to furnish labor and/or materials under this Agreement, shall act as and be an independent contractor and not an agent or employee of the CITY.

SECTION 11. ASSIGNMENT. The parties agree that the expertise and experience of

CONSULTANT are material considerations for this Agreement. CONSULTANT shall not assign or transfer any interest in this Agreement nor the performance of any of CONSULTANT’s obligations hereunder without the prior written consent of the city manager. Consent to one assignment will not be deemed to be consent to any subsequent assignment. Any assignment made without the approval of the city manager will be void.

SECTION 12. SUBCONTRACTING.

Option A: No Subcontractor: CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the city manager or designee.

Option B: Subcontracts Authorized: Notwithstanding Section 11 above, CITY agrees that subconsultants may be used to complete the Services. The subconsultants authorized by CITY to perform work on this Project are:

- Carollo Engineers
- Covello Group

CONSULTANT shall be responsible for directing the work of any subconsultants and for any compensation due to subconsultants. CITY assumes no responsibility whatsoever concerning compensation. CONSULTANT shall be fully responsible to CITY for all acts and omissions of a subconsultant. CONSULTANT shall change or add subconsultants only with the prior approval of the city manager or his designee.

SECTION 13. PROJECT MANAGEMENT.

CONSULTANT will assign Steve Clary as the Program Manager to have supervisory responsibility for the performance, progress, and execution of the Services and Marc Nakamoto as the Deputy Program Manager to represent CONSULTANT during the day-to-day work on the Project. If circumstances cause the substitution of the project director, project coordinator, or any other key personnel for any reason, the appointment of a substitute project director and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY’s project manager. CONSULTANT, at CITY’s request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.

The City’s project manager is Padmakar Chaobal, Public Works Department, Environmental Services Division, RWQCP 2501 Embarcadero Way, Palo Alto, CA 94303, Telephone:(650) 329-2287. The project manager will be CONSULTANT’s point of contact with respect to performance, progress and execution of the Services. The CITY may designate an alternate project manager from time to time.

SECTION 14. OWNERSHIP OF MATERIALS.

Upon delivery and final payment by CITY, all work product, including without limitation, all writings, drawings, plans, reports, specifications, calculations, documents, other materials and copyright interests developed under this Agreement shall be and remain the exclusive property of CITY without restriction or limitation upon their use. CONSULTANT agrees that all copyrights which arise from creation of

the work pursuant to this Agreement shall be vested in CITY, and CONSULTANT waives and relinquishes all claims to copyright or other intellectual property rights in favor of the CITY. Neither CONSULTANT nor its contractors, if any, shall make any of such materials available to any individual or organization without the prior written approval of the City Manager or designee. CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

SECTION 15. AUDITS. CONSULTANT will permit CITY to audit, at any reasonable time during the term of this Agreement and for three (3) years thereafter, CONSULTANT’s records pertaining to matters covered by this Agreement. CONSULTANT further agrees to maintain and retain such records for at least three (3) years after the expiration or earlier termination of this Agreement.

SECTION 16. INDEMNITY.

[Option A applies to the following design professionals pursuant to Civil Code Section 2782.8: architects; landscape architects; registered professional engineers and licensed professional land surveyors.] 16.1. To the fullest extent permitted by law, CONSULTANT shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an “Indemnified Party”) from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorneys fees, experts fees, court costs and disbursements (“Claims”) that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

[Option B applies to any consultant who does not qualify as a design professional as defined in Civil Code Section 2782.8.] 16.1. To the fullest extent permitted by law, CONSULTANT shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an “Indemnified Party”) from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorneys fees, experts fees, court costs and disbursements (“Claims”) resulting from, arising out of or in any manner related to performance or nonperformance by CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONSULTANT to indemnify an Indemnified Party from Claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.

In the event an action alleges negligence on the part of CONSULTANT and/or CITY, or any third parties not under contract with CONSULTANT, CONSULTANT’S obligations regarding reimbursement of CITY’S reasonable defense costs incurred to the extent of CONSULTANT’S negligence as expressly determined by a final judgment, arbitration, award, order, settlement, or other final resolution.

16.3. The acceptance of CONSULTANT's services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 16 shall survive the expiration or early termination of this Agreement.

SECTION 17. WAIVERS. The waiver by either party of any breach or violation of any covenant, term, condition or provision of this Agreement, or of the provisions of any ordinance or law, will not be deemed to be a waiver of any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same or of any other term, covenant, condition, provision, ordinance or law.

SECTION 18. INSURANCE.

18.1. CONSULTANT, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit "D". CONSULTANT and its contractors, if any, shall obtain a policy endorsement naming CITY as an additional insured under any general liability or automobile policy or policies.

18.2. All insurance coverage required hereunder shall be provided through carriers with AM Best's Key Rating Guide ratings of A-VII or higher which are licensed or authorized to transact insurance business in the State of California. Any and all contractors of CONSULTANT retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY's Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days' prior written notice of the cancellation or modification. If the insurer cancels or modifies the insurance and provides less than thirty (30) days' notice to CONSULTANT, CONSULTANT shall provide the Purchasing Manager written notice of the cancellation or modification within two (2) business days of the CONSULTANT's receipt of such notice. CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY's Purchasing Manager during the entire term of this Agreement.

18.4. The procuring of such required policy or policies of insurance will not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONSULTANT will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.

19.1. The City Manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to CONSULTANT. Upon receipt of such notice, CONSULTANT will immediately discontinue its performance of the Services. Prior to giving notice of termination or suspension for cause, CITY will provide CONSULTANT two weeks opportunity to remedy the cause.

19.2. CONSULTANT may terminate this Agreement or suspend its performance of the Services by giving thirty (30) days prior written notice thereof to CITY, but only in the event of a substantial failure of performance by CITY.

19.3. Upon such suspension or termination, CONSULTANT shall deliver to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by CONSULTANT or its contractors, if any, or given to CONSULTANT or its contractors, if any, in connection with this Agreement. Such materials will become the property of CITY. CONSULTANT makes no representation of the suitability of work product for use in, or application to, circumstances not contemplated by the scope of work, or for incomplete work products.

19.4. Upon such suspension or termination by CITY, CONSULTANT will be paid for the Services rendered or materials delivered to CITY in accordance with the scope of services on or before the effective date (i.e., 10 days after giving notice) of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that portion of CONSULTANT's services which are of direct and immediate benefit to CITY as such determination may be made by the City Manager acting in the reasonable exercise of his/her discretion. The following Sections will survive any expiration or termination of this Agreement: 14, 15, 16, 19.4, 20, and 25. This obligation shall survive termination of the Agreement.

19.5. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement.

SECTION 20. NOTICES.

All notices hereunder will be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CITY: Office of the City Clerk
City of Palo Alto
Post Office Box 10250
Palo Alto, CA 94303

With a copy to the Purchasing Manager

To CONSULTANT: Attention of the project director

at the address of CONSULTANT recited above

SECTION 21. CONFLICT OF INTEREST.

21.1. In accepting this Agreement, CONSULTANT covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services.

21.2. CONSULTANT further covenants that, in the performance of this Agreement, it will not employ subconsultants, contractors or persons having such an interest. CONSULTANT certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in accordance with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the State of California.

21.3. If the Project Manager determines that CONSULTANT is a “Consultant” as that term is defined by the Regulations of the Fair Political Practices Commission, CONSULTANT shall be required and agrees to file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act.

SECTION 22. NONDISCRIMINATION. As set forth in Palo Alto Municipal Code section 2.30.510, CONSULTANT certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

SECTION 23. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS.

CONSULTANT shall comply with the City's Environmentally Preferred Purchasing policies which are available at the City's Purchasing Department, incorporated by reference and may be amended from time to time. CONSULTANT shall comply with waste reduction, reuse, recycling and disposal requirements of the City's Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, Consultant shall comply with the following zero waste requirements:

- All printed materials provided by Consultant to City generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by the City's Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.
- Goods purchased by Consultant on behalf of the City shall be purchased in accordance with the City's Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Office.
- Reusable/returnable pallets shall be taken back by the Consultant, at no additional cost to the City, for reuse or recycling. Consultant shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

SECTION 24. NON-APPROPRIATION

24.1. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

SECTION 25. MISCELLANEOUS PROVISIONS.

25.1. This Agreement will be governed by the laws of the State of California.

25.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

25.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys' fees paid to third parties.

25.4. This document represents the entire and integrated agreement between the

parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This document may be amended only by a written instrument, which is signed by the parties.

25.5. The covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators, assignees, and consultants of the parties.

25.6. If a court of competent jurisdiction finds or rules that any provision of this Agreement or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement and any amendments thereto will remain in full force and effect.

25.7. All exhibits referred to in this Agreement and any addenda, appendices, attachments, and schedules to this Agreement which, from time to time, may be referred to in any duly executed amendment hereto are by such reference incorporated in this Agreement and will be deemed to be a part of this Agreement.

25.8 If, pursuant to this contract with CONSULTANT, City shares with CONSULTANT personal information as defined in California Civil Code section 1798.81.5(d) about a California resident (“Personal Information”), CONSULTANT shall maintain reasonable and appropriate security procedures to protect that Personal Information, and shall inform City immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. CONSULTANT shall not use Personal Information for direct marketing purposes without City’s express written consent.

25.9 All unchecked boxes do not apply to this agreement.

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25.10 The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

25.11 This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement

25.12 In the event of a dispute under this agreement, CITY and CONSULTANT agree to attempt a resolution by mediation. The mediator shall be acceptable to the CITY and CONSULTANT.

25.13 CONSULTANT shall be named as additional primary insured(s) by the construction contractor’s General Liability and Builder’s All Risk insurance policies and all Construction Documents and insurance certificates shall include wording acceptable to the parties herein with reference to such provisions.

25.14 CONSULTANT shall not be responsible for the means, methods, techniques, sequences, or procedures of construction selected by construction contractors or the safety precautions and programs incident to the work of construction contractors and will not be responsible for construction contractor’s failure to carry out work in accordance with the Contract Documents unless the means, methods, techniques, sequences, or procedures of construction are specified by the CONSULTANT.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO

City Manager

APPROVED AS TO FORM:

Senior Asst. City Attorney

RMC WATER AND ENVIRONMENT

DocuSigned by:
By: *Stephen Clary*
E5A845EB48A2439...

Name: Stephen Clary

Title: Exec. Vice President

Attachments:

- EXHIBIT “A”: SCOPE OF SERVICES
- EXHIBIT “B”: SCHEDULE OF PERFORMANCE
- EXHIBIT “C”: COMPENSATION
- EXHIBIT “C12-1”: SCHEDULE OF RATES
- EXHIBIT “C12-2”: SCHEDULE OF RATES
- EXHIBIT “C12-3”: SCHEDULE OF RATES
- EXHIBIT “C3-1”: SCHEDULE OF RATES
- EXHIBIT “C3-2”: SCHEDULE OF RATES

EXHIBIT "C3-3": SCHEDULE OF RATES
EXHIBIT "D": INSURANCE REQUIREMENTS

**EXHIBIT “A”
SCOPE OF SERVICES**

**PALO ALTO REGIONAL WATER QUALITY CONTROL PLANT
PROGRAM MANAGEMENT
SCOPE OF SERVICES**

The Palo Alto Regional Water Quality Control Plant (RWQCP) was originally constructed in 1934 and had undergone several expansions and upgrades throughout the years. To date, the RWQCP is an advanced treatment facility that provides treatment and disposal of wastewater for the Cities of Palo Alto, Mountain View, and Los Altos; the Town of Los Altos Hills; the East Palo Alto Sanitary District; and Stanford University. The RWQCP currently has a designed average dry weather flow (ADWF) capacity of 39 million gallons per day (MGD), and a current average flow of about 20 MGD. The RWQCP effluent is partly discharged to the San Francisco Bay, and partly diverted to the RWQCP recycled water facility for reuse. A Long Range Facilities Plan (LRFP) was prepared in 2012 to provide a road map for the RWQCP’s future. Most recently, an Organics Facilities Plan (OFP) has been prepared to address the biosolids from the RWQCP, food scraps from residents and businesses, and yard trimmings from residents and businesses. The RWQCP seeks professional program management services to assist staff with the implementation of the LRFP and the OFP.

BACKGROUND

The RWQCP was originally constructed in 1934 for treatment of local waste. In 1972, the RWQCP was upgraded to a secondary treatment facility and expanded to the average dry weather flow capacity of 35 mgd and the peak hour wet weather capacity of 80 mgd. With this expansion, in addition to Palo Alto, the RWQCP provides wastewater treatment and disposal from the cities of Mountain View, Los Altos, East Palo Alto Sanitary District, Los Altos Hills, and Stanford University.

In 1980, construction was completed for an upgrade to provide nitrification and tertiary treatment. In 1988, a capacity expansion project increased the overall permitted average dry weather flow capacity to 39 mgd. In case there is a need for essential maintenance or to handle wet weather flows exceeding 40 mgd, provisions were made so the nitrification and tertiary treatment processes can be bypassed.

The existing treatment processes at the RWQCP consist of headworks, primary, two-stage secondary, tertiary, ultra-violet disinfection, solids incineration, and recycled water treatment. Some of the original structures are still in use.

In 2012, the RWQCP conducted the LRFP to upgrade its facilities and treatment processes. The goals are to reduce the RWQCP’s carbon footprint, increase treatment efficiency and reliability, and provide dependable and sustainable treatment. The LRFP was accepted by the Palo Alto City Council on July 2, 2012. The LRFP and information about the Plant are available at the

plant website:

<http://www.cityofpaloalto.org/news/displaynews.asp?NewsID=2101&TargetID=65>

In March, 2014 the attached Organics Facilities Plan (OFP) was developed to address the biosolids from the RWQCP, food scraps, and yard trimmings. The first two components of the 4-component OFP address biosolids and are also contained in the LRFP. Therefore it is critical that the LRFP and the OFP be fully coordinated as planning and design occur. Therefore the Project Management Consultant being selected via this RFP, must integrate the LRFP and the OFP. Components 3 and 4 of the OFP address food scraps and yard trimmings, respectively.

The LRFP identified a total cost of \$192 million of facilities/process replacement projects to be constructed over a ten year period. It is anticipated that varying phases of the projects would overlap. The RWQCP seeks to retain a consulting engineering firm to act as Program Manager for these projects. The Program Manager will be responsible for planning and coordinating project activities, acquiring and managing the preparation of designs and environmental documents by other consultants, conducting design reviews, coordinating or managing construction of projects, working with RWQCP engineering staff to monitor overall budgets and schedules, facilitating the RWQCP with regulatory and partner agencies liaison, and assisting the RWQCP on public relations, as needed.

PROJECT APPROACH

The LRFP provides a basis for the Consultant to understand City and community goals. Consultant shall assist the RWQCP to implement the projects following the road map outlined in the LRFP. The LRFP identified seven major facilities/processes that need to be upgraded or replaced:

- Solids handling
- Primary sedimentation
- Lab/environmental services
- Fixed film reactors
- Headworks
- Recycled water filters and chlorine contact tank
- Joint interceptor sewer

The RWQCP anticipates awarding separate consulting contracts for the above projects. The RWQCP is also considering the use of design-build process for some projects. A tentative implementation schedule and budget of the LRFP is included with this request for proposal as Attachment A. Subsequent to Council's acceptance of the LRFP, the RWQCP is completing the [Biosolids Facility Plan](#) in accordance with the LRFP recommendation regarding the solids handling process. Council's decisions on the Biosolids Facility Plan recommendations shall be the guide to the Solids handling project.

Additionally, the City is considering two projects, one for preprocessing of food scraps, and one for processing of yard trimmings, which would be related to the Biosolids Facilities Plan. These two projects are Components #3 and #4 of the City's Organics Facilities Plan OFP and shall be

referred to as Components #3 and #4 of the OFP. Component #3 projects will be managed by Consultant in the same way as the LRFP projects, except that the funding source is different (largely the City's Refuse Fund), and therefore the financial management will be kept separate.

CONSULTANT SERVICES

GENERAL

Consultant shall provide program management for the implementation of the LRFP while maintaining plant operation and full permit compliance at all times. The LRFP would provide an overall rehabilitation as well as new processes and facilities in the existing RWQCP. The program requires Consultant to provide a large variety of services. The Consultant team shall have experience in competitive bid process and possess a full spectrum of engineering/financial expertise, including structural, civil, process mechanical, instrumentation & controls, environmental, and construction management. Consultant shall be knowledgeable of laws and regulations related to wastewater treatment facilities including NPDES permit regulations, California and Federal air regulations, greenhouse gas regulations, OSHA , and environmental documentation requirements. Consultant shall put together a flexible team with flexible time allocation to accommodate the needs of the program.

The program manager will report to the senior engineer of the RWQCP. For Components #3 and #4 of the OFP, the program manager shall report to the City's Solid Waste Manager. Consultant shall become familiar with the City's procedures and be an extension of the RWQCP engineering group. It is therefore important that the Consultant team shares common values with the RWQCP staff and a communication style for successful integration with RWQCP staff. It is the RWQCP's expectation that Consultant will operate in an advisory capacity on matters requiring decisions, and be able to implement the LRFP with minimal assistance from RWQCP staff. Consultant is not expected to navigate the projects through City procedures, but is expected to provide all support documents needed for RWQCP staff to move the project through City process.

There is limited office space available at the RWQCP. RWQCP staff will work with Consultant to determine how best to accommodate Consultant team for optimal efficiency. Consultant shall keep its work properly organized at all times. As much as possible, records shall be in electronic format compatible with the RWQCP's software, hardware and security protocols. Records of work shall be available to the RWQCP at all times. City will have ownership rights of all records and documents. Consultant shall not share City documents or information with anyone outside of the City organization, except the Consultant program team, without the City's approval. Any preliminary design performed by Consultant under this Contract shall be the property of the City and City has the right to allow the design engineer to use the preliminary design documents to complete the final design.

BASIC SERVICES

Task 1: Planning and coordination

Consultant shall review the work requirements of the LRFP, and make projection of the impacts

on the RWQCP's treatment process, operation, and finance. Consultant shall lay out the schedule for the funding, environmental review, design, regulatory, and construction activities for a phased implementation of the LRFP. A separate schedule for Components #3 and #4 of the OFP shall be prepared. Consultant shall plan and coordinate the activities of the various phases/projects to maintain conformance with the LRFP budget and schedule. Consultant shall:

- 1.1 Determine phasing of work, critical paths, milestones for projects to minimize impact while ensuring the RWQCP complies with regulatory requirements, consistent with the LRFP recommendations
- 1.2 Set deadlines for funding, permitting, environmental review, design, and construction for the various phases/projects
- 1.3 Refine and customize program management tools to fit the specific needs of the LRFP, including tools for budget management, schedule management, cash flow & forecasting and accounting & financing
- 1.4 Develop and maintain a master schedule of all the projects under the LRFP, perform CPM analysis as needed
- 1.5 Develop and maintain a comprehensive overall program budget and cash flow projection for the LRFP
- 1.6 Develop reporting tool to provide updates and alert the RWQCP of issues in a timely manner

Task 2: Acquisition and management of project consultants

Consultant shall assist the RWQCP in obtaining the services of consulting engineering firms to complete the environmental documentations and designs of projects under the LRFP and Components #3 and #4 of the OFP, keeping all financial management and billings separate for these two projects. Consultant will not be allowed to propose on any of these projects. Consultant shall:

- 2.1 Prepare scope of work and Requests for Proposal
- 2.2 Assist RWQCP staff to navigate project through City's acquisition process to obtain the engineering services
- 2.3 Evaluate proposals and assist RWQCP with the selection of engineering firms for the projects
- 2.4 Oversee and provide consistency across multiple designers and ensure that the designs of multiple projects would result in consistency across multiple contractors
- 2.5 Develop document management requirements and ensure consistency in project reporting and products

Task 3: Design/Document reviews

Consultant shall conduct review of the reports, plans and specifications prepared by the consulting engineering firms for projects under the LRFP and Components #3 and #4 of the OFP. Consultant shall:

- 3.1 Coordinate and engage plant staff with projects to ensure proper basis of planning and design
- 3.2 Review all reports, design submittals, scope changes, project products and establish a QA/QC program
- 3.3 Coordinate and provide information needed for environmental documents and design of projects, and ensure consistency across multiple projects
- 3.4 Provide value engineering and constructability review
- 3.5 Review and ensure regulatory compliance

Task 4: Services for project construction

Consultant shall assist the RWQCP to ensure proper execution of construction contracts under the LRFP and Components #3 and #4 of the OFP. Consultant shall:

- 4.1 Prepare invitation for bid packages
- 4.2 Assist RWQCP staff to navigate through City's acquisition procedures to obtain the contracts for construction of the LRFP projects
- 4.3 The RWQCP has the option to and may request the Consultant to provide or assist staff with construction management services. Consultant shall prepare the scope and budget. City will amend the Consultant's annual contract to include the agreed upon fee for the construction management services. Consultant will then perform the construction management services under the amended Basic Services
- 4.4 Alternatively, the RWQCP has the option to request Consultant to prepare "Request for Proposal" document to obtain the services of construction management firm to oversee the construction project. Consultant and/or its Sub-consultants may propose on this task
- 4.5 Coordinate and ensure consistency and continuity across multiple construction projects
- 4.6 Coordinate multiple construction project activities with plant operations / project phasing / shutdowns
- 4.7 Coordinate and review the progress of multiple construction projects to ensure that conflicts/issues are resolved by the appropriate parties in a timely manner

4.8 Keep the RWQCP informed of the progress of the projects

Task 5: ~~Services for alternate project delivery (DELETED)~~

Task 6: Budget and schedule management

Consultant shall monitor overall budgets and schedules and maintain conformance with the LRF budget and schedule. Consultant shall:

- 6.1 Monitor the budget and schedule of multiple projects under varying phases of design and construction
- 6.2 Coordinate and monitor funding activities for the projects
- 6.3 Prepare cash flow and forecast for the individual project and for the combined projects under the program
- 6.4 Prepare accounting and financing documents/reports for City, partner agencies, and funding agencies
- 6.5 Document accounting, financing, and reporting activities in sufficient detail, suitable for internal and outside audits

Task 7: Participation with in-house project

Consultant shall coordinate with RWQCP engineering group on activities of in-house projects to avoid or resolve any conflicts with schedules or work. Coordination with plant staff shall be an on-going continuous effort of the Consultant's services.

Consultant may be asked to assist RWQCP staff with minor in-house project design and/or construction management. Upon request by the RWQCP engineering staff, Consultant shall prepare the scope of work and budget. If RWQCP desires Consultant's service for the minor in-house project, such work shall be performed under the Additional Task component of the contract.

Task 8: Regulatory and partner agencies liaison

Consultant shall facilitate with regulatory and partner agencies as a liaison. As needed, Consultant shall:

- 8.1 Prepare informational material and assist the RWQCP with the presentation of workshops and updates for the City management, Council Committees, City Council, and partner agencies
- 8.2 Coordinate and prepare applications and regulatory documents as needed for the projects,

collaborate with regulatory agencies, establish permit requirements, and assist the RWQCP in the permitting process

8.3 Update and assist the RWQCP with regulatory changes and compliance requirements

Task 9: Public outreach

For public relations, the city typically takes a lead role and utilizes outside help on an as needed basis. Consultant shall assist the RWQCP with any required public outreach. Most of the public outreach for the program has been done during the preparation of the LRFP. The RWQCP does not expect any project controversy or a significant need for outside assistance with public outreach. Consultant shall:

- 9.1 Prepare program communications plan if needed
- 9.2 Perform technical, regulatory and environmental analyses if needed to prepare for public outreach effort
- 9.3 Prepare slides, handouts, and outreach materials
- 9.4 Assist with public meetings
- 9.5 Incorporate stakeholders/public inputs
- 9.6 Document the outreach process, issues, discussions, goals, and outcome

Task 10: Funding acquisition

City anticipates funding the LRFP projects with the State Revolving fund loan. Consultant may be required to assist City with funding acquisition. When requested by the RWQCP, assist with acquisition of funding, such as the State Revolving Fund loan or bond financing. With respect to Components #3 and #4 of the OFP, consultant will be asked to seek grant funding from all available sources. Consultant shall be knowledgeable and be prepared to provide the full spectrum of services needed to secure funding. Services would include preparation of the necessary documents required by funding agency, meeting and coordination with funding agency, preparation of documents for council approval, coordination with credit review agency, etc.

Task 11: Project management

Consultant shall provide necessary administration, minutes, proper invoicing meeting funding agencies' requirements, budget control, project controls, quality assurance and reviews, and professional oversight. Project staffing shall be maintained at acceptable levels to keep the project on schedule, ensure continuity of information, and satisfy the requirements of the scope of work.

Task 12: Office Trailer

Consultant shall provide office space, office equipment, furniture and all items required to function as a field office for managing various phases of the program.

ADDITIONAL SERVICES

The City may elect to have Consultant perform any or all of the following additional services. Consultant shall perform these services only if pre-authorized in writing by the City Project Manager. Consultant shall provide an hourly rate sheet and include annual escalation for future years if any.

1. When requested by the RWQCP, assist with minor in-house project design and construction management
2. Assist City with public outreach efforts in excess of task 9 due to unforeseen controversies
3. Assist City with regulatory compliance or permitting efforts in excess of task 8 due to unforeseen regulatory/permitting changes.

Related links

1. Biosolids Facility Plan (BFP)

<http://www.cityofpaloalto.org/civicax/filebank/documents/39964>

2. Long Range Facility Plan (LRFP)

<http://www.cityofpaloalto.org/civicax/filebank/documents/32042>

3. Preliminary Design for the Dewatering & Loadout Facility

<http://www.cityofpaloalto.org/civicax/filebank/documents/32042x>

4. Site Assessment and Design Guidelines for Baylands Natural Preserve

<http://www.cityofpaloalto.org/civicax/filebank/documents/13318>

5. Palo Alto Municipal Code

[http://www.amlegal.com/nxt/gateway.dll/California/paloalto_ca/paloaltomunicipalcode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:paloalto_ca](http://www.amlegal.com/nxt/gateway.dll/California/paloalto_ca/paloaltomunicipalcode?f=templates$fn=default.htm$3.0$vid=amlegal:paloalto_ca)

6. PA Goals, Policies and Programs

<http://www.cityofpaloalto.org/civicax/filebank/documents/8176>

Attachment A

Long Range Facility Plan

Tentative Implementation Schedule and Budget

Project Title	Project Start Year	Project Cost
Solids handling Facility	Planning – 2013 Phase I – 2014 Phase II – 2015	\$69,000,000
Primary Sedimentation Tank Rehabilitation	2015	\$7,313,000
Lab & Environmental Services Building	2015	\$17,903,763
Fixed Film Reactors Structure and Equipment	2017	\$19,420,440
Headworks Facility (including Grit Removal System)	2020	\$38,856,627
Recycled Water Filters and Chlorine Contact Tank	2022	\$14,209,044
Joint Interceptor Sewer	2022	\$30,800,000
Total LRFP Program		\$197,502,874.00

**EXHIBIT “B”
SCHEDULE OF PERFORMANCE**

CONSULTANT shall perform the Services so as to complete each milestone within the number of days/weeks specified below. The time to complete each milestone may be increased or decreased by mutual written agreement of the project managers for CONSULTANT and CITY so long as all work is completed within the term of the Agreement. CONSULTANT shall provide a detailed schedule of work consistent with the schedule below within 2 weeks of receipt of the notice to proceed.

Milestones	Completion No. of Days/Weeks From NTP
1. Year One Components 1, 2, & 3	52 Weeks
2. Year Two Components 1, 2, & 3	104 Weeks
3. Year Three Components 1, 2, & 3	156 Weeks
4.	
5.	
6.	
7.	
8.	
9.	
10.	

**EXHIBIT “C12-1”
YEAR 1 COMPENSATION FOR COMPONENTS 1 & 2**

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the hourly rate schedule attached as exhibit C-1 up to the not to exceed budget amount for each task set forth below.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Basic Services”) and reimbursable expenses shall not exceed \$582,807. CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. In the event CITY authorizes any Additional Services, the maximum compensation shall not exceed \$641,088. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Basic Services, including reimbursable expenses, does not exceed \$582,807 and the total compensation for Additional Services does not exceed \$58,281.

BUDGET SCHEDULE	NOT TO EXCEED AMOUNT
Task 1 (Planning & coordination)	\$164,881
Task 2 (Acquisition and management of project consultants)	\$108,563
Task 3 (Design/document reviews)	\$138,255
Task 4 (Services for project construction)	\$12,381
Task 5 (Deleted)	\$0
Task 6 (Budget and schedule management)	\$18,002
Task 7 (Participation with In-house projects)	\$9,210

Task 8 (Regulatory and partner agencies liaison)	\$7,974
Task 9 (Public outreach)	\$8,528
Task 10 (Funding acquisition)	\$27,615
Task 11 (Project management)	\$63,999
Task 12 (Office trailer)	\$23,400
 Sub-total Basic Services Year 1	 \$582,807
 Reimbursable Expenses	 \$0

Total Basic Services and Reimbursable expenses	\$582,807
Additional Services (Not to Exceed)	\$58,281
Maximum Total Compensation	\$641,088

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

A. Travel outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto’s policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than \$1000 shall be approved in advance by the CITY's project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY's project manager's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT's proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement

Work required because the following conditions are not satisfied or are exceeded shall be considered as additional services:

**EXHIBIT “C12-2”
YEAR 2 COMPENSATION FOR COMPONENTS 1 & 2**

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the hourly rate schedule attached as exhibit C-1 up to the not to exceed budget amount for each task set forth below.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Basic Services”) and reimbursable expenses shall not exceed \$1,528,621. CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. In the event CITY authorizes any Additional Services, the maximum compensation shall not exceed \$1,681,483. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Basic Services, including reimbursable expenses, does not exceed \$1,528,621 and the total compensation for Additional Services does not exceed \$152,862.

BUDGET SCHEDULE	NOT TO EXCEED AMOUNT
Task 1 (Planning & coordination)	\$33,425
Task 2 (Acquisition and management of project consultants)	\$588,383
Task 3 (Design/document reviews)	\$497,282
Task 4 (Services for project construction)	\$52,335
Task 5 (Deleted)	\$0
Task 6 (Budget and schedule management)	\$73,157
Task 7	\$20,448

(Participation with In-house projects)

Task 8 \$31,918
(Regulatory and partner agencies liaison)

Task 9 \$11,686
(Public outreach)

Task 10 \$0
(Funding acquisition)

Task 11 \$187,627
(Project management)

Task 12 \$16,800
(Office trailer)

Sub-total Basic Services Year 2 \$ 1,528,621

Reimbursable Expenses \$0

Total Basic Services and Reimbursable expenses \$1,528,621

Additional Services (Not to Exceed) \$152,862

Maximum Total Compensation \$1,681,483

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

A. Travel outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto’s policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than \$1000 shall be approved in advance by the CITY's project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY's project manager's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT's proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement

Work required because the following conditions are not satisfied or are exceeded shall be considered as additional services:

EXHIBIT "C12-3"
YEAR 3 COMPENSATION FOR COMPONENTS 1 & 2

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the hourly rate schedule attached as exhibit C-1 up to the not to exceed budget amount for each task set forth below.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit "A" ("Basic Services") and reimbursable expenses shall not exceed \$1,502,711. CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. In the event CITY authorizes any Additional Services, the maximum compensation shall not exceed \$1,652,982. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY's Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Basic Services, including reimbursable expenses, does not exceed \$1,502,711 and the total compensation for Additional Services does not exceed \$150,271.

BUDGET SCHEDULE	NOT TO EXCEED AMOUNT
Task 1 (Planning & coordination)	\$31,877
Task 2 (Acquisition and management of project consultants)	\$558,786
Task 3 (Design/document reviews)	\$375,005
Task 4 (Services for project construction)	\$173,754
Task 5 (Deleted)	\$0
Task 6 (Budget and schedule management)	\$93,991
Task 7	\$21,266

(Participation with In-house projects)

Task 8 \$30,690

(Regulatory and partner agencies liaison)

Task 9 \$11,236

(Public outreach)

Task 10 \$28,694

(Funding acquisition)

Task 11 \$176,169

(Project management)

Task 12 \$16,800

(Office trailer)

Sub-total Basic Services Year 3 \$ 1,502,711

Reimbursable Expenses \$0

Total Basic Services and Reimbursable expenses \$1,502,711

Additional Services (Not to Exceed) \$150,271

Maximum Total Compensation \$1,652,982

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

A. Travel outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto’s policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than \$1000 shall be approved in advance by the CITY's project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY's project manager's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT's proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement

Work required because the following conditions are not satisfied or are exceeded shall be considered as additional services:

**EXHIBIT “C3-1”
YEAR 1 COMPENSATION FOR COMPONENT 3**

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the hourly rate schedule attached as exhibit C-1 up to the not to exceed budget amount for each task set forth below.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Basic Services”) and reimbursable expenses shall not exceed \$105,326. CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. In the event CITY authorizes any Additional Services, the maximum compensation shall not exceed \$115,859. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Basic Services, including reimbursable expenses, does not exceed \$105,326 and the total compensation for Additional Services does not exceed \$10,533.

BUDGET SCHEDULE	NOT TO EXCEED AMOUNT
Task 1 (Planning & coordination)	\$16,179
Task 2 (Acquisition and management of project consultants)	\$0
Task 3 (Design/document reviews)	\$62,030
Task 4 (Services for project construction)	\$0
Task 5 (Deleted)	\$0
Task 6 (Budget and schedule management)	\$7,032
Task 7 (Participation with In-house projects)	\$0

Task 8 (Regulatory and partner agencies liaison)	\$7,974
Task 9 (Public outreach)	\$0
Task 10 (Funding acquisition)	\$0
Task 11 (Project management)	\$12,112
Task 12 (Office trailer)	\$0
 Sub-total Basic Services Year 1	 \$105,326
 Reimbursable Expenses	 \$0
 Total Basic Services and Reimbursable expenses	 \$105,326
 Additional Services (Not to Exceed)	 \$10,533
 Maximum Total Compensation	 \$115,859

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

A. Travel outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto’s policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than \$1000 shall be approved in advance by the CITY's project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY's project manager's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT's proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement

Work required because the following conditions are not satisfied or are exceeded shall be considered as additional services:

**EXHIBIT “C3-2”
YEAR 2 COMPENSATION FOR COMPONENT 3**

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the hourly rate schedule attached as exhibit C-1 up to the not to exceed budget amount for each task set forth below.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Basic Services”) and reimbursable expenses shall not exceed \$118,032. CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. In the event CITY authorizes any Additional Services, the maximum compensation shall not exceed \$129,835. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Basic Services, including reimbursable expenses, does not exceed \$118,032 and the total compensation for Additional Services does not exceed \$11,803.

BUDGET SCHEDULE	NOT TO EXCEED AMOUNT
Task 1 (Planning & coordination)	\$0
Task 2 (Acquisition and management of project consultants)	\$0
Task 3 (Design/document reviews)	\$67,706
Task 4 (Services for project construction)	\$0
Task 5 (Deleted)	\$0
Task 6 (Budget and schedule management)	\$7,313
Task 7 (Participation with In-house projects)	\$0

Task 8 (Regulatory and partner agencies liaison)	\$8,293
Task 9 (Public outreach)	\$0
Task 10 (Funding acquisition)	\$21,557
Task 11 (Project management)	\$13,163
Task 12 (Office trailer)	\$0
Sub-total Basic Services Year 2	\$ 118,032
Reimbursable Expenses	\$0
Total Basic Services and Reimbursable expenses	\$118,032
Additional Services (Not to Exceed)	\$11,803
Maximum Total Compensation	\$129,835

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

A. Travel outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto’s policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than \$1000 shall be approved in advance by the CITY's project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY's project manager's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT's proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement

Work required because the following conditions are not satisfied or are exceeded shall be considered as additional services:

**EXHIBIT “C3-3”
YEAR 3 COMPENSATION FOR COMPONENT 3**

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the hourly rate schedule attached as exhibit C-1 up to the not to exceed budget amount for each task set forth below.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Basic Services”) and reimbursable expenses shall not exceed \$129,684. CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. In the event CITY authorizes any Additional Services, the maximum compensation shall not exceed \$142,652. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Basic Services, including reimbursable expenses, does not exceed \$129,684 and the total compensation for Additional Services does not exceed \$12,968.

BUDGET SCHEDULE	NOT TO EXCEED AMOUNT
Task 1 (Planning & coordination)	\$0
Task 2 (Acquisition and management of project consultants)	\$46,210
Task 3 (Design/document reviews)	\$38,394
Task 4 (Services for project construction)	\$0
Task 5 (Deleted)	\$0
Task 6 (Budget and schedule management)	\$13,014
Task 7 (Participation with In-house projects)	\$0

Task 8 (Regulatory and partner agencies liaison)	\$9,175
Task 9 (Public outreach)	\$0
Task 10 (Funding acquisition)	\$8,393
Task 11 (Project management)	\$14,498
Task 12 (Office trailer)	\$0
 Sub-total Basic Services Year 3	 \$ 129,684
 Reimbursable Expenses	 \$0
 Total Basic Services and Reimbursable expenses	 \$129,684
 Additional Services (Not to Exceed)	 \$12,968
 Maximum Total Compensation	 \$142,652

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

A. Travel outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto’s policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than \$1000 shall be approved in advance by the CITY's project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY's project manager's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT's proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement

Work required because the following conditions are not satisfied or are exceeded shall be considered as additional services:

**EXHIBIT “C-1”
HOURLY RATE SCHEDULE**



**RMC Water and Environment
2014 Standard Billing
Rates**

Billing Classifications	2014 Rates
Engineer-Planner-Scientist	
EPS-1	\$ 146.00
EPS-2	\$ 156.00
EPS-3	\$ 168.00
EPS-4	\$ 184.00
EPS-5	\$ 194.00
EPS-6	\$ 205.00
EPS-7	\$ 215.00
EPS-8	\$ 226.00
EPS-9	\$ 236.00
EPS-10	\$ 250.00
EPS-11	\$ 265.00
EPS-12	\$ 276.00
EPS-13	\$ 286.00
EPS-14	\$ 297.00
Intern	\$ 53.00
Technician	
TECH-1	\$ 127.00
TECH-2	\$ 130.00
TECH-3	\$ 135.00
TECH-4	\$ 140.00
TECH-5	\$ 146.00
TECH-6	\$ 154.00
TECH-7	\$ 156.00
Administrative	
AD-1	\$ 94.00
AD-2	\$ 99.00
AD-3	\$ 104.00
AD-4	\$ 114.00
AD-5	\$ 125.00

AD-6	\$	135.00
AD-7	\$	146.00

Note: The individual hourly rates include salary, overhead and profit. Other direct costs (ODCs) such as reproduction, delivery, mileage (as allowed by IRS guidelines), and travel expenses will be billed at actual cost plus 10%. Subconsultants will be billed as actual cost plus 10%. RMC reserves the right to adjust its hourly rate structure at the beginning of each year for all ongoing contracts.

CAROLLO
ENGINEERS, INC.
FEE SCHEDULE

As of January 1, 2014
California

Engineers/Scientists

Hourly Rate

Assistant Professional	\$154.00
Professional	188.00
Project Professional	223.00
Lead Project Professional	244.00
Senior Professional	265.00

Technicians

Technicians

115.00

Senior Technicians

162.00

Support Staff

Document Processing / Clerical

102.00

Project Equipment Communication Expense (PECE) Per
DL Hour

11.70

Other Direct Expenses

Travel and Subsistence

at cost

Mileage at IRS Reimbursement Rate Effective January 1, 2014

\$.56 per mile

Subconsultant
cost + 10%

Professional Services
Rev. Feb. 2014

Other Direct Cost
cost + 10%
Expert Witness
Rate x 2.0

This fee schedule is subject to annual revisions due to labor adjustments.

The Covello
Group, Inc.
Billing Rate
Schedule

July 1, 2014 through June 30, 2015

Principals	\$205 - \$255 per hour
<i>Bruce Presser, P.E.</i>	\$225
<i>Gary Skrel, P.E.</i>	\$225
Construction Managers	\$175 - \$205 per hour
<i>Chris Davenport, P.E.</i>	\$200
<i>Mike Jaeger, P.E.; QSD/QSP</i>	\$190
Resident Engineers	\$140 - \$185 per hour
<i>Mike Redig, P.E.</i>	\$165
<i>Danielle Green, P.E.</i>	\$150
Project Controls Engineers	\$110 - \$165 per hour
<i>Gerrit Post, P.E.</i>	\$155
<i>Andy Deal</i>	\$110
Office Engineers	\$95 - \$140 per hour
<i>Zack Downing</i>	\$125
<i>Andrew Matey</i>	\$115
<i>Alex Page</i>	\$95
Inspectors	\$130 - \$140 per hour
<i>Dennis Budasz</i>	\$135
<i>James Williams</i>	\$135
<i>Jonathan Cowsert</i>	\$130
Administrative Assistants	\$80 - \$95 per hour

Hourly Billing Rates include all normal expenses. Extraordinary expenses, such as out-of-town travel, lodging, major field office equipment, etc. are billed at cost.

Subconsultants are billed at cost plus 5% mark-up.



EXHIBIT "D"

INSURANCE REQUIREMENTS

CONTRACTORS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, **AFFORDED BY COMPANIES WITH AM BEST'S KEY RATING OF A-VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.**

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS, AS SPECIFIED, BELOW:

REQUIRE D	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER'S COMPENSATION EMPLOYER'S LIABILITY	STATUTORY STATUTORY		
YES	GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$1,000,000	\$1,000,000
YES	AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED	BODILY INJURY	\$1,000,000	\$1,000,000
		- EACH PERSON	\$1,000,000	\$1,000,000
		- EACH OCCURRENCE	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$1,000,000	\$1,000,000
YES	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE	ALL DAMAGES	\$1,000,000	
YES	THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONTRACTOR, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONTRACTOR AND ITS SUBCONSULTANTS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS' COMPENSATION, EMPLOYER'S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSURED CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.			

I. INSURANCE COVERAGE MUST INCLUDE:

- A. A PROVISION FOR A WRITTEN THIRTY (30) DAY ADVANCE NOTICE TO CITY OF CHANGE IN COVERAGE OR OF COVERAGE CANCELLATION; AND
- B. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR'S AGREEMENT TO INDEMNIFY CITY.
- C. DEDUCTIBLE AMOUNTS IN EXCESS OF \$5,000 REQUIRE CITY'S PRIOR APPROVAL. THE RMC WATER AND ENVIRONMENT DEDUCTIBLE AMOUNT OF \$100,000 HAS BEEN APPROVED BY CITY.

II. CONTACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE.

III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSURED"

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER

INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSURED.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSURED UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSURED, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

NOTICES SHALL BE EMAILED OR MAILED TO:

**PURCHASING AND CONTRACT
ADMINISTRATION
CITY OF PALO ALTO
P.O. BOX 10250
PALO ALTO, CA 94303.**

EMAIL: InsuranceCerts@CityofPaloAlto.org