

Memorandum



Date: September 24, 2026

To: Buchanan City Commission

From: Tony McGhee

Subject: Lead Service Line Replacement Professional Services Agreement

Background

The City has received a proposal from Prein&Newhof to provide the professional engineering services necessary for the City's FY 2027 Lead Service Line Replacement Project. The project will replace approximately 200 known lead or galvanized water service lines throughout the City.

The proposed scope includes reviewing the City's service line inventory, identifying the addresses to be included in the project, preparing the plans and specifications, coordinating with EGLE, assisting with the State Revolving Fund application, bidding the project, providing construction observation, communicating with residents, processing payment requests, and updating the City's GIS and service line inventory as replacements are completed.

Prein&Newhof proposes completing these services on a time and expense basis for an amount not to exceed \$190,500 without additional authorization from the City. The project is scheduled for a third quarter State Revolving Fund closing, which would allow construction to begin as early as the summer of 2027. Milestones for the contracted work include completing the final bid documents in January, advertising the project in February, opening bids in March, and closing on the loan in June 2027.

The City is required to complete this work under Michigan's Lead and Copper Rule. The rule requires public water systems with lead service lines to replace them regardless of whether the water system is currently exceeding the lead action level. Michigan's requirements generally call for replacement at an average rate of 5 percent per year, with all identified lead service lines replaced within 20 years. This project is therefore not discretionary work that the City can indefinitely delay. The City is required to continue making measurable progress toward removing lead and qualifying galvanized service lines from the water system.

The overall project will be funded through a \$2.3 million Drinking Water State Revolving Fund loan from EGLE. Based on the current funding package, the City expects approximately 10 percent, or \$230,000, of the loan to be forgiven. The remaining balance of approximately \$2.07 million is expected to be financed at 0 percent interest. The proposed engineering cost will be paid through the project loan and is included within the overall project financing, subject to final EGLE approval and loan closing.

This funding provides the City with an opportunity to complete a significant portion of its required lead service line replacements while receiving principal forgiveness and financing the remaining project cost without interest. The work also builds upon the service line inventory and verification work the City has already completed and allows us to move from identifying these lines to getting them out of the ground.

Recommendation

Staff recommends that the City Commission approve the professional services agreement with Prein&Newhof for the FY 2027 Lead Service Line Replacement Project in an amount not to exceed \$190,500 and authorize the City Manager to execute the agreement and any related documents necessary to move the project forward

Attachment A: Prein & Newhof Professional Services Agreement

Attachment A



September 18, 2026

Mr. Tony McGhee, City Manager
City of Buchanan
302 N. Redbud Trail
Buchanan, MI 49107

Re: Proposal for Professional Engineering Services
Drinking State Water Revolving Fund (DWSRF)
FY 2027 Lead Service Line Replacement Project

Dear Mr. McGhee:

Thank you for the opportunity to provide this proposal for professional engineering services to assist you with the FY 2027 Lead Service Line Replacement (LSLR) Project. This project will be funded through the Michigan Department of Environment, Great Lakes, and Energy's (EGLE's) DWSRF program. The City will be receiving a \$2,300,000 loan for lead service line replacements, with 10% principal forgiveness.

It is our understanding that the funding will be used to replace 200 of the known lead/galvanized water services throughout the City. We have developed the following scope of services to assist you with engineering design, bidding and construction phase services for this work. We assume that the construction will be completed within a three-year period to provide optimal contractor availability, flexibility and the best pricing opportunities.

This project is considered an equivalency project and full environmental and SHPO reviews are required. This SHPO and environmental review work has been excluded from this project scope as it was completed with available TMF Grant funds. Our proposed services for this project include the following:

Design Phase

- Hold project kick off meeting
- Review water service line materials inventory data for the project area and prepare materials verification and replacement address lists
- Review locations in the field with City staff, if needed
- Confirm existing streets pavement material based on City records and visual observation
- Coordinate with EGLE and respond to comments on project planning document
- Prepare project technical specifications including specific DWSRF requirements
- Prepare bidding and contract documents needed to meet City and EGLE/DWSRF requirements
- Hold review meeting with the City

- Review draft documents with EGLE staff and prepare final documents based on comments from EGLE
- Assist City with resident communications
- Assist City with Part I and II DWSRF application forms

Bidding Assistance

- Assist with advertising project to potential bidders
- Answer questions during bidding and issue addenda, if needed
- Attend the bid opening in person
- Review and tabulate bids
- Review contractor references, if needed
- Provide Notice of Award documentation to City and EGLE for project award
- Assist with finalizing and distributing signed contracts
- Prepare Notice to Proceed
- Assist City with Part III DWSRF application forms

Construction Phase

- Schedule and attend preconstruction meeting and prepare minutes
- Track and review submittals
- Assist with resident communications
- Develop ArcGIS Online Mapping for Contractor
- Provide construction observation services – We have assumed up to 630 hours of field observation, 45 hours per week over 14 weeks.
- Project administration: respond to RFIs, prepare payment applications and change orders, submit EGLE disbursement requests (assumes 5 hours per week during the construction period noted above)
- Assist with DWSRF administration submittals
- Prepare punch lists and closeout documents
- Complete service witness records and update City GIS and LSL inventory after project completion

Schedule and Fee

The City's DWSRF is scheduled for 3rd Quarter which would allow for construction to begin as early as the summer of 2027. Select 3rd Quarter milestones include:

1. Ninety percent complete bid documents by November 30, 2026.
2. Final bid documents by January 19, 2027.
3. Bid advertisement by February 23, 2027.
4. Bid opening on March 24, 2027.
5. Loan closing on June 3, 2027

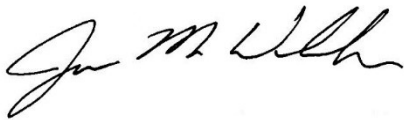
Mr. Tony McGhee
September 18, 2026
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Based on the scope of work and assumptions described above, we propose completing the work for a not to exceed cost of \$190,500. Our hourly rates are adjusted each January; we have included an annual increase of 4% in hourly rates from 2026 to 2028. We propose to work on a time and expense basis. If the contractor does work in a shorter time than expected, then our assumed hours will be less.

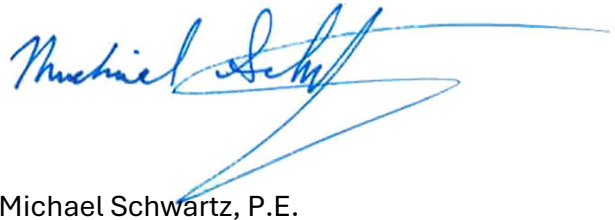
If this proposal is acceptable to you, please sign and return the enclosed Professional Services Agreement. We look forward to working with you and your staff on this project. Should you have any questions, please contact us.

Sincerely,

Prein&Newhof



Jason Washler, P.E.
Vice President



Michael Schwartz, P.E.
Project Manager / Team Leader

Encl: Professional Service Agreement

Project No.

Professional Services Agreement

This Professional Services Agreement is made this ____ day of _____, 2026 (“Agreement”) by and between Prein & Newhof, Inc. (“P&N”), of 3355 Evergreen Drive NE, Grand Rapids, MI 49525, and City of Buchanan (“Client”), of 302 N. Redbud Trail, Buchanan, MI 49107 .

WHEREAS Client intends to:

Implement a Lead Service Line Replacement Project under the FY27 Drinking Water State Revolving Loan Fund, replacing approximately 200 services

NOW THEREFORE, for and in consideration of the terms and conditions contained herein, the parties agree as follows:

ARTICLE 1 – DESIGNATED REPRESENTATIVES

Client and P&N each designate the following individuals as their representatives with respect to the Project.

For P&N

Name: Michael Schwartz, P.E.

Title: Project Manager

Phone Number: 269-372-1158

E-mail: mschwartz@preinnewhof.com

For Client

Name: Tony McGhee

Title: City Manager

Phone Number: (269) 695-3844

E-mail: tmcghee@cityofbuchanan.com

ARTICLE 2 – GENERAL CONDITIONS

This Agreement consists of this Professional Services Agreement and the following documents which by this reference are incorporated into and made a part of this Agreement.

- ☒ P&N Standard Terms and Conditions for Professional Services
- ☐ P&N Proposal dated
- ☐ P&N Standard Rate Schedule
- ☐ P&N Supplemental Terms and Conditions
- ☐ Other:

ARTICLE 3 – ENGINEERING SERVICES PROVIDED UNDER THIS AGREEMENT:

Client hereby requests, and P&N hereby agrees to provide, the following services:

- ☒ P&N Scope of Services per Proposal dated, September 18, 2026
- ☐ Scope of Services defined as follows:

N/A

ARTICLE 4 – COMPENSATION:

- ☐ Lump Sum for Services Described in Article 3 above - \$
- Additional services to be billed per P&N's Standard Rate Schedule in effect on the date the additional services are performed.
- ☐ Hourly Billing Rates plus Reimbursable Expenses per P&N's Standard Rate Schedule in effect on the date services are performed.
- ☒ Other: Hourly rates and expenses as described in the September 18, 2026 proposal. Maximum not to exceed \$190,500 without City of Buchanan authorization.

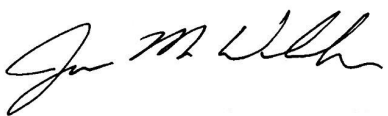
ARTICLE 5 – ADDITIONAL TERMS (If any)

None

This Agreement constitutes the entire Agreement between P&N and Client and supersedes all prior written or oral understandings. This Agreement may not be altered, modified, or amended, except in writing properly executed by authorized representatives of P&N and Client.

Accepted for:
Prein&Newhof, Inc.

Accepted for:
City of Buchanan

By: 

By: _____

Printed Name: Jason Washler, P.E.

Printed Name: Tony McGhee

Title: Vice President

Title: City Manager

Date: 9/18/2026

Date: _____

Standard Terms & Conditions

- A. General** - As used in this Prein&Newhof Standard Terms and Conditions for Professional Services (hereinafter “Terms and Conditions”), unless the context otherwise indicates: the term “Agreement” means the Professional Services Agreement inclusive of all documents incorporated by reference including but not limited to this P&N Standard Terms and Conditions for Professional Services; the term “Engineer” refers to Prein & Newhof, Inc.; and the term “Client” refers to the other party to the Professional Services Agreement.

These Terms and Conditions shall be governed in all respects by the laws of the United States of America and by the laws of the State of Michigan.

- B. Standard of Care** - The standard of care for all professional and related services performed or furnished by Engineer under the Agreement will be the care and skill ordinarily used by members of Engineer’s profession of ordinary learning, judgment or skill practicing under the same or similar circumstances in the same or similar community, at the time the services are provided.
- C. Disclaimer of Warranties** - Engineer makes no warranties, expressed or implied, under the Agreement or otherwise.
- D. Construction/Field Observation** - If Client elects to have Engineer provide construction/field observation, client understands that construction/field observation is conducted to reduce, not eliminate the risk of problems arising during construction, and that provision of the service does not create a warranty or guarantee of any type. In all cases, the contractors, subcontractors, and/or any other persons performing any of the construction work, shall retain responsibility for the quality and completeness of the construction work and for adhering to the plans, specifications and other contract documents.
- E. Construction Means and Methods** - Engineer shall not have control or charge of and shall not be responsible for construction means, methods, techniques, sequences, or procedures, or for any safety precautions and programs in connection with the construction work, for the acts or omissions of the Contractor, Subcontractors, or any other persons performing any of the construction work, or for the failure of any of them to carry out the construction work in accordance with the plans, specifications or other contract documents.
- F. Opinions of Probable Costs** - Client acknowledges that Engineer has no control over market or contracting conditions and that Engineer’s opinions of costs are based on experience, judgment, and information available at a specific period of time. Client agrees that Engineer makes no guarantees or warranties, express or implied, that costs will not vary from such opinions.
- G. Client Responsibilities**
1. Client shall provide all criteria, Client Standards, and full information as to the requirements necessary for Engineer to provide the professional services. Client shall designate in writing a person with authority to act on Client’s behalf on all matters related to the Engineer’s services. Client shall assume all responsibility for interpretation of contract documents and construction observation/field observation during times when Engineer has not been contracted to provide such services and shall waive any and all claims against Engineer that may be connected thereto.
 2. In the event the project site is not owned by the Client, the Client must obtain all necessary permission for Engineer to enter and conduct investigations on the project site. It is assumed that the Client possesses all necessary permits and licenses required for conducting the scope of services. Access negotiations may be performed at additional costs. Engineer will take reasonable precaution to minimize damage to land and structures with field equipment. Client assumes responsibility for all costs associated with protection and restoration of project site to conditions existing prior to Engineer’s performance of services.
 3. The Client, on behalf of all owners of the subject project site, hereby grants permission to the Engineer to utilize a small unmanned aerial system (sUAS) for purposes of aerial mapping data acquisition. The Client is responsible to provide required notifications to the property owners of the subject project site and affected properties where the sUAS services will be performed. The Engineer will operate the sUAS in accordance with applicable State and Federal Laws.
- H. Hazardous or Contaminated Materials/Conditions**
1. Client will advise Engineer, in writing and prior to the commencement of its services, of all known or suspected Hazardous or Contaminated Materials/Conditions present at the site.
 2. Engineer and Client agree that the discovery of unknown or unconfirmed Hazardous or Contaminated Materials/Conditions constitutes a changed condition that may require Engineer to renegotiate the scope of or terminate its services. Engineer and Client also agree that the discovery of said Materials/Conditions may make it necessary for Engineer to take immediate measures to protect health, safety, and welfare of those performing Engineer’s services. Client agrees to compensate Engineer for any costs incident to the discovery of said Materials/Conditions.
 3. Client acknowledges that Engineer cannot guarantee that contaminants do not exist at a project site. Similarly, a site

which is in fact unaffected by contaminants at the time of Engineer's surface or subsurface exploration may later, due to natural phenomena or human intervention, become contaminated. The Client waives any claim against Engineer, and agrees to defend, indemnify and hold Engineer harmless from any claims or liability for injury or loss in the event that Engineer does not detect the presence of contaminants through techniques commonly employed.

4. The Client recognizes that although Engineer is required by the nature of the services to have an understanding of the laws pertaining to environmental issues, Engineer cannot offer legal advice to the Client. Engineer urges that the Client seek legal assistance from a qualified attorney when such assistance is required. Furthermore, the Client is cautioned to not construe or assume that any representations made by Engineer in written or conversational settings constitute a legal representation of environmental law or practice.
5. Unless otherwise agreed to in writing, the scope of services does not include the analysis, characterization or disposal of wastes generated during investigation procedures. Should such wastes be generated during this investigation, the Client will contract directly with a qualified waste hauler and disposal facility.

I. Underground Utilities – To the extent that the Engineer, in performing its services, may impact underground utilities, Engineer shall make a reasonable effort to contact the owners of identified underground utilities that may be affected by the services for which Engineer has been contracted, including contacting the appropriate underground utility locating entities and reviewing utility drawings provided by others. Engineer will take reasonable precautions to avoid damage or injury to **underground** utilities and other underground structures. Client agrees to hold Engineer harmless for any damages to below ground utilities and structures not brought to Engineers attention and/or accurately shown or described on documents provided to Engineer.

J. Insurance

1. Engineer will maintain insurance for professional liability, general liability, worker's compensation, auto liability, and property damage in the amounts deemed appropriate by Engineer. Client will maintain insurance for general liability, worker's compensation, auto liability, and property damage in the amounts deemed appropriate by Client. Upon request, Client and Engineer shall each deliver certificates of insurance to the other evidencing their coverages.
2. Client shall require Contractors to purchase and maintain commercial general liability insurance and other insurance as specified in project contract documents. Client shall cause Engineer, Engineer's consultants, employees, and agents to be listed as additional insureds with respect to any Client or Contractor insurances related to projects for which Engineer provides services. Client agrees and must have Contractors agree to have their insurers endorse these policies to reflect that, in the event of payment of any loss or damages, subrogation rights under these Terms and Conditions are hereby waived by the insurer with respect to claims against Engineer.

K. Limitation of Liability - The total liability, in the aggregate, of Engineer and Engineer's officers, directors, partners, employees, agents, and consultants, whether jointly, severally or individually, to Client and anyone claiming by, through, or under Client, for any and all injuries, losses, damages and expenses, whatsoever, arising out of, resulting from, or in any way related to the Project or the Agreement, including but not limited to the performance of services under the Agreement, from any cause or causes whatsoever, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract or warranty, expressed or implied, of Engineer or Engineer's officers, directors, partners, employees, agents, consultants, or any of them, shall not exceed the sum of one million dollars and no cents (\$1,000,000.00). Recoverable damages shall be limited to those that are direct damages. Engineer shall not be responsible for or held liable for special, indirect or consequential losses or damages, including but not limited to loss of use of equipment or facility, and loss of profits or revenue.

Client acknowledges that Engineer is a corporation and agrees that any claim made by Client arising out of any act or omission of any director, officer, or employee of Engineer, in the execution or performance of the Agreement, shall be made against Engineer and not against such director, officer, or employee.

L. Documents and Data

1. All documents prepared or furnished by Engineer under the Agreement are Engineer's instruments of service, and are and shall remain the property of Engineer.
2. Hard copies of any documents provided by Engineer shall control over documents furnished in electronic format. Client recognizes that data provided in electronic format can be corrupted or modified by the Client or others, unintentionally or otherwise. Consequently, the use of any data, conclusions or information obtained or derived from electronic media provided by Engineer will be at the Client's sole risk and without any liability, risk or legal exposure to Engineer, its employees, officers or consultants.
3. Any extrapolations, conclusions or assumptions derived by the Client or others from the data provided to the Client, either in hard copy or electronic format, will be at the Client's sole risk and full legal responsibility.

- M. Differing Site Conditions** - Client recognizes that actual site conditions may vary from the assumed site conditions or test locations used by Engineer as the basis of its design. Consequently, Engineer does not guarantee or warrant that actual site conditions will not vary from those used as the basis of Engineer's design, interpretations and recommendations. Engineer is not responsible for any costs or delays attributable to differing site conditions. .
- N. Terms of Payment** - Unless alternate terms are included in the Agreement, Client will be invoiced on a monthly basis until the completion of the **Project**. All monthly invoices are payable within 30 days of the date of the invoice. Should full payment of any invoice not be received within 30 days, the amount due shall bear a service charge of 1.5 percent per month or 18 percent per year plus the cost of collection, including reasonable attorney's fees. If Client has any objections to any invoice submitted by Engineer, Client must so advise Engineer in writing within fourteen (14) days of receipt of the invoice. Unless otherwise agreed, Engineer shall invoice Client based on hourly billing rates and direct costs current at the time of service performance. Outside costs such as, but not limited to, equipment, meals, lodging, fees, and subconsultants shall be actual costs plus 10 percent. In addition to any other remedies Engineer may have, Engineer shall have the absolute right to cease performing any services in the event payment has not been made on a current basis.
- O. Termination** - Either party may terminate services, either in part or in whole, by providing 10 calendar days written notice thereof to the other party. In such an event, Client shall pay Engineer for all services performed prior to receipt of such notice of **termination**, including reimbursable expenses, and for any shut-down costs incurred. Shut-down costs may, at Engineer's discretion, include expenses incurred for completion of analysis and records necessary to document Engineer's files and to protect its professional reputation.
- P. Severability and Waiver of Provisions** - Any provision or part of the Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Client and P&N, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable **provision** that comes as close as possible to expressing the intention of the stricken provision. Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of the Agreement.
- Q. Dispute Resolution** - If a dispute arises between the parties relating to the Agreement, the parties agree to use the following procedure prior to either party pursuing other available remedies:
1. Prior to commencing a lawsuit, the parties must attempt mediation to resolve any dispute. The parties will jointly appoint a mutually acceptable person not affiliated with either of the parties to act as mediator. If the parties are unable to agree on the mediator within twenty (20) calendar days, they shall seek assistance in such regard from the Circuit Court of the State and County wherein the Project is located, who shall appoint a mediator. Each party shall be responsible for paying all costs and expenses incurred by it, but shall split equally the fees and expenses of the mediator. The mediation shall proceed in accordance with the procedures established by the mediator.
 2. The parties shall pursue mediation in good faith and in a timely manner. In the event the mediation does not result in resolution of the dispute within thirty (30) calendar days, then, upon seven (7) calendar days' written notice to the other party, either party may pursue any other available remedy.
 3. In the event of any litigation arising from the Agreement, including without limitation any action to enforce or interpret any terms or conditions or performance of services under the Agreement, Engineer and Client agree that such action will be brought in the District or Circuit Court for the County of Kent, State of Michigan (or, if the federal courts have exclusive jurisdiction over the subject matter of the dispute, in the U.S. District Court for the Western District of Michigan), and the parties hereby submit to the exclusive jurisdiction of said court.
- R. Force Majeure** - Engineer shall not be liable for any loss or damage due to failure or delay in rendering any services called for under the Agreement resulting from any cause beyond Engineer's reasonable control.
- S. Assignment** - Neither party shall assign its rights, interests or obligations under this Agreement without the express written consent of the other party.
- T. Modification** - The Agreement may not be modified except in writing signed by the party against whom a modification is sought to be enforced.
- U. Survival** - All express representations, indemnifications, or limitations of liability included in the Agreement shall survive its completion or termination for any reason.
- V. Third-Party Beneficiary** - Client and Engineer agree that it is not intended that any provision of this Agreement establishes a third-party beneficiary giving or allowing any claim or right of action whatsoever by a third party.
- W. Fee Escalation** - Engineer's fees are based on its billing rates, which are adjusted annually. For multi-year projects, Engineer's fees incorporate an estimate of future billing rates. If inflation causes actual billing rates to exceed these estimates, Engineer reserves the right to adjust its fees accordingly.