

PROCUREMENT CONTRACT

This Procurement Contract (“**Contract**”) is by and between the Grand Rapids Public Utilities Commission, located at 500 SE 4th St, Grand Rapids, MN 55744 (“**GRPUC**”), and Bolton & Menk Inc., a business, located at 7533 Sunwood Drive NW Suite 206 Ramsey, MN 55303-5119 (“**Contractor**”). GRPUC and Contractor may be referred to jointly as the “**Parties**” or individually as a “**Party**.”

Recitals

A. GRPUC has solicited and received a quotation from the contractor for engineering services for planning and design of Grand Rapids water treatment plant renovation (“**Solicitation**”);

B. Contractor provided a response to the Solicitation indicating its interest in and ability to provide the goods or services requested in the Solicitation; and

C. Subsequent to an evaluation in accordance with the terms of the Solicitation and negotiation, the Parties desire to enter into a contract.

Accordingly, the Parties agree as follows:

Contract

1. **Term.** The effective date of this Contract is 3/10/25. The Contractor must not begin work under this Contract until this Contract is fully executed and the Contractor has been notified by GRPUC’s Authorized Representative to begin the work. This Contract will terminate upon the first of the following to occur:

1.1 12/31/25.

1.2 All of Contractor’s obligations have been satisfactorily fulfilled.

1.3 GRPUC may cancel this Contract at any time, with or without cause, upon ten (10) days’ written notice to the Contractor.

1.4 GRPUC may terminate this Contract immediately in the event of a breach by Contractor.

1.5 The Parties may terminate this Contract at any time by mutual written agreement.

Upon receipt of any notice of termination Contractor shall immediately stop performance to the extent specified in such notice. In no event shall GRPUC be liable for any loss of revenue or profit incurred by Contractor as a result of any termination. Upon termination of this Contract, or earlier upon GRPUC’s request, Contractor shall deliver to GRPUC all items requested by GRPUC containing any confidential information or work product information or make such other disposition thereof as GRPUC may direct in writing.

2. Contractor's Duties

2.1 The Contractor shall:

Provide the scope of services as detailed in exhibit B which consists of system needs, preliminary design and funding assistance.

(The services (if any) to be provided by Contractor to GRPUC are referred to as the “**Services.**” The goods (if any) to be provided by Contractor to GRPUC are referred to as the “**Goods.**”). Contractor's precise duties, specifications, deliverables, and completion dates related to the Goods and Services are more specifically described in **Exhibit B.**

2.2 GRPUC may make changes to the general scope of Goods and Services by written or oral notice to Contractor. If such changes affect the cost of or the time required to provide the Goods and Services, an equitable adjustment in the schedule and compensation under this Contract shall be made. GRPUC and Contractor may agree to additional Services or Goods by written amendment to this Contract.

2.3 Contractor agrees that all Goods and Services shall be provided, and all of Contractor's obligations performed, in accordance with all applicable laws and other legal requirements without extra charge or expense. Contractor will be responsible for a violation of any such legal requirements and will indemnify, defend, and hold harmless GRPUC from and against any expense or cost incurred by reason of any such violation by Contractor.

2.4 Contractor warrants and represents that the Goods and Services will be provided in a manner that is consistent with the level of care and skill exercised by members of Contractor's profession currently working under similar conditions. All Goods and Services not conforming to this standard will be considered defective and Contractor shall, at no cost to GRPUC, promptly and satisfactorily correct all such defective Goods and Services. Payment shall be withheld for Goods or Services found by GRPUC to be unsatisfactory or in violation of legal requirements.

2.5 Contractor shall be responsible for all its employees, agents, subcontractors, and invitees and their health and safety. Contractor shall ensure that all persons who perform the Services or produce or deliver the Goods are professionally competent and properly qualified and will remove any person GRPUC deems incompetent, careless, or otherwise objectionable.

2.6 Contractor is solely responsible and assumes full and exclusive liability for the payment of all contributions or taxes to be paid on or to persons employed by Contractor, and for payment of all sales, use, or other taxes of whatever nature levied or assessed against GRPUC arising out of the furnishing of the Services or production or delivery of the Goods, and will indemnify, defend, and hold harmless GRPUC from any such liability.

3. Consideration and Payment

3.1 Consideration. GRPUC will pay for performance by the Contractor under this Contract as follows:

3.1.1 Compensation. The Contractor will be paid One Hundred and Thirty-Three Thousand and One Hundred Dollars (\$133,100) .

3.1.2 Total obligation. The total obligation and liability of GRPUC under this Contract will not exceed One Hundred and Thirty-Three Thousand and One Hundred Dollars (\$133,100) .

3.2 Payment.

3.2.1 Invoices. GRPUC will pay the Contractor within thirty (30) days following receipt of an undisputed invoice that complies with **Exhibit C**. GRPUC may pay the Contractor in advance in its sole discretion. Payment will only be made for Goods received or Services actually performed that have been accepted by GRPUC.

3.2.2 Retainage. No more than ninety percent (90%) of the amount due under this Contract may be paid until Contractor has performed all of its obligations under this Contract to GRPUC's satisfaction.

4. **Authorized Representative**

GRPUC's Authorized Representative is Steve Mattson Water Wastewater Manager at the following business address: 500 SE 4th Street, Grand Rapids, MN, 55744 and the following telephone number: 218-326-5195, or his/her successor or delegate, and has the responsibility to monitor the Contractor's performance.

Contractor's Authorized Representative is Brian Gulden Principal Environmental Engineer, at the following business address: 7533 Sunwood Drive NW Suite 206 Ramsey, MN 55303-5119, and the following telephone number: 763-433-2851, ext 2658, or his/her successor. If the Contractor's Authorized Representative changes at any time during this Contract, the Contractor must immediately notify GRPUC.

5. **Indemnification.** Contractor will indemnify, defend, and hold harmless GRPUC, its agents, and employees, in relation to any expenses, damages, claims or causes of action, including reasonable attorney's fees, to the extent caused by any negligent or wrongful act, error or omission, breach of contract, or infringement of any intellectual property right by Contractor, any third party that Contractor has a business relationship with, or any of Contractor's agents or employees.

6. **Subcontracting.** Contractor may not subcontract all or any portion of this Contract without GRPUC's prior written consent, which GRPUC may grant or withhold in its sole discretion. If an approved subcontractor is determined to be performing unsatisfactorily by GRPUC, Contractor will ensure that the subcontractor is no longer used for this Contract. The provisions of the Contract shall apply with equal force and effect to all approved subcontractors and no subcontract will terminate the primary responsibility of Contractor hereunder. Contractor will pay all subcontractors in accordance with applicable law and the agreement between Contractor and the subcontractor.

7. **Ownership.** Contractor agrees that all legal right, title, and interest to intellectual property, data, documents, photographs, drawings, analyses, graphs, reports, physical property or other subject matter (“**GRPUC Property**”) prepared, delivered, procured, or produced in relation to Contractor’s obligations under this Contract shall vest in GRPUC. Contractor will perform all acts necessary to ensure that all GRPUC Property is the sole property of GRPUC, and that neither Contractor nor its employees, agents, or subcontractors retain any interest in and to the GRPUC Property.

8. **GRPUC Audits.** The Contractor’s books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by GRPUC for six (6) years from the expiration or termination of this Contract. After reasonable notice, Contractor shall make such books, records, documents, and accounting procedures and practices available to GRPUC for its examination and audit.

9. **Miscellaneous.**

9.1 General. No provision of this Contract may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by all the Parties. No waiver by a Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by any Party which are not expressly set forth in this Contract. The validity, interpretation, construction and performance of this Contract shall be governed by the internal laws of Minnesota. If any provision of this Contract shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Contract shall not be affected thereby. This Contract shall be binding on, and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Contractor may not assign Contractor’s rights or obligations hereunder without the prior written consent of GRPUC. This Contract may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Contract in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Contract. In the event a Party institutes any legal proceeding against another Party regarding this Contract, the prevailing Party is entitled to receive the costs incurred by such Party, including reasonable attorneys’ fees. In performing its obligations under this Contract, Contractor and its employees and agents shall act in the capacity of independent contractors and not as an employee, partner, joint venturer, or agent of GRPUC. When Contractor’s employees are working on the premises of GRPUC, wherever located, they shall observe the working rules, policies, and procedures of GRPUC, including, but not limited to, its respectful workplace policy. The Parties must comply with the Minnesota Government Data Practices Act in relation to this Contract. Contractor certifies that neither it nor its principals are presently debarred or suspended by any federal, state, or local government or agency or political subdivision thereof. Neither Party will publicize anything in relation to this Contract without the other Party’s prior written consent. Contractor shall not use or disclose any confidential information it receives from GRPUC except as is necessary to perform under this Contract. The obligations of Contractor hereunder shall survive the expiration or earlier termination of this Contract. Each of the Parties shall take such further actions as may be reasonably required to carry out the provisions of this Contract.

9.2 Notices. Any notice or other communication to any Party in connection with this Contract shall be in writing and shall be sent by hand-delivery, email, fax, overnight courier, or United States mail (postage prepaid) addressed to the address set forth below. All periods of notice shall be measured from the date of delivery thereof if hand-delivered, from the date of sending thereof if sent by email or fax (effective upon confirmation of receipt), from the first day after the date of sending if sent by overnight courier, or from three (3) business days after the date of mailing if mailed. Any Party may change such Party's address for notices by notice given not less than ten (10) calendar days prior to the effective date of the change.

GRPUC
Address:
500 SE 4th Street
Grand Rapids, MN 55744
Attn: Steve Mattson
Email: srmattson@grpuc.org

Bolton & Menk
Address:
7533 Sunwood Drive NW Suite 206
Ramsey, MN 55303-5119
Attn: Brian Gulden
Email: brian.guldan@bolton-
menk.com

10. Exhibits

The following Exhibits are attached and incorporated into this Contract. In the event of a conflict between the terms of this Contract and its Exhibits (including any supplements), or between Exhibits (including any supplements), the order of precedence is first the Contract, and then in the following order:

- Exhibit A: Insurance Requirements
- Exhibit B: Specifications, Duties, and Scope of Work

IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have executed this Contract effective as of the effective date set forth above.

Bolton & Menk

Grand Rapids Public Utilities Commission

By: 

By: _____

Print Name: Brian Gulden

Print Name: Julie A. Kennedy

Title: Principal Environmental Engineer

Title: General Manager

Date: 3/10/25

Date: _____

Exhibit A: Insurance Requirements

- 1 **Notice to Contractor and Insurer.** Contractor shall not commence work under the Contract until it has obtained all the insurance described below and GRPUC has approved such insurance. Contractor shall maintain such insurance throughout the term of this Contract. GRPUC reserves the right to immediately terminate this Contract if the Contractor is not in compliance with the insurance requirements. All insurance policies must be open to inspection by GRPUC, and copies of policies must be submitted to GRPUC's Authorized Representative upon written request. The Contractor's insurance companies waive the right to assert the immunity of GRPUC as a defense to any claims made under said insurance.

- 2 **Additional Insurance Conditions.** The following apply to the Contractor and Contractor's subcontractor: Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to GRPUC. Contractor agrees to notify GRPUC within five (5) business days of receipt of any insurance cancellation notice. Contractor is responsible for payment of Contract-related insurance premiums and deductibles. Contractor's policy(ies) shall include legal defense fees in addition to its policy limits with the exception of professional liability. Contractor's insurance companies must either (1) have an AM Best rating of A- (minus) and a Financial Size Category of VII or better, and be authorized to do business in Minnesota, or (2) be domiciled in Minnesota and have a Certificate of Authority/Compliance from the Minnesota Department of Commerce if they are not rated by AM Best. An Umbrella or Excess Liability insurance policy may be used to supplement the Contractor's policy limits to satisfy the full policy limits required by the Contract.

- 3 **Coverages.** Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:
 - 3.1 **Commercial General Liability Insurance** coverage that would be maintained by a reasonable contractor in Contractor's profession performing a similar contract, with the following minimum limits:
 - \$1,500,000 – per occurrence
 - \$1,500,000 – annual aggregate
 - \$1,500,000 – annual aggregate – applying to Products/Completed Operations

 - 3.2 **Commercial Automobile Liability Insurance** coverage that would be maintained by a reasonable contractor in Contractor's profession performing a similar contract, with the following minimum limits:
 - \$1,500,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

The following coverages should be included: Owned, Hired, and Non-owned Automobile.

3.3 **Workers' Compensation Insurance.** Contractor shall obtain and maintain for the duration of the Contract, statutory workers' compensation insurance and employer's liability insurance as required under the laws of the State of Minnesota.

3.4 **Professional Liability, Errors, and Omissions.** This policy will provide coverage for all claims the Contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the Contract. Insurance minimum limits are as follows:

\$2,000,000 - per claim or event

\$2,000,000 - annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of GRPUC.

3.5 **Privacy Liability Insurance (or equivalent)** coverage that would be maintained by a reasonable contractor in Contractor's profession performing a similar contract, with the following minimum limits:

\$2,000,000 - per Occurrence

\$2,000,000 - annual Aggregate

The following coverage shall be included: GRPUC named as an Additional Insured unless the coverage is written under a Professional Liability policy.

3.6 **Property of Others Insurance (or equivalent).** The Contractor shall maintain a property insurance policy covering "All Risk" of direct physical loss or damage, or equivalent, including the perils of theft, flood, transit, earthquake, and pollution clean-up expense for property owned by GRPUC that is in the Contractor's care, custody, and control. Any deductible shall be the sole responsibility of the Contractor. Insurance **minimum** limits are as follows: The Contractor is solely responsible for the coverage equal to that of the actual cash value of GRPUC-owned property in the Contractor's care, custody, and control at any given point in time.

Exhibit B: Specifications, Duties, and Scope of Work

Bolton & Menk, Inc. is pleased to provide this scope and fee in support of your water treatment plant improvements. The city has identified needed improvements for the water treatment facility and is now looking to move the project forward to utilize state appropriation dollars received by the utility. The major drivers for these projects are improved treatment capacity, safety/reliability, and facility age. The following sections of this letter provide details for the water treatment facility improvements, and the engineering scope and fees to begin developing the project.

System Needs

The following paragraphs summarize the needs for the existing system.

The existing water treatment facility is approximately 37 years old and much of the facility is operating with original equipment. The facility is performing well for its age but is in need of replacement of various treatment and pumping components to ensure reliable treatment and production of water for the city's users.

The most pressing concerns at the facility are the original mechanical aerator and gravity filtration improvements. The aerator experiences freezing issues in winter months which impacts treatment performance and water chemistry. To prevent corrosion in the distribution system, it is recommended to maintain year-round aeration to increase the pH of the water. To accomplish this task, improvements are required on the aerator to replace the media and modify the aerator such that it will operate in the winter without freezing.

The dual media filters are constructed of greensand and anthracite, both original with the facility. The utility currently backwashes each filter once a day to prevent high turbidity in the filtration effluent. Backwashing daily can impact the filtration media and requires operator time to ensure each backwash runs smoothly. The goal is to improve the filtration rate of the filters to filter more water and decrease the number of backwashes required to maintain a high-quality effluent water.

In addition to the above treatment concerns, city staff has identified the following additional needs at the facility.

- *Rehabilitate existing ion exchange softening vessels (new paint and new media)
- * Improved parking, new dumpster pad, and loading dock improvements.
- * Modification and replacement of existing chemical feed systems to include fully automated systems.
- * Building modifications and additions to house chemical feed systems in separate rooms.

- * Replacement of valves, valve actuators, and piping (final list of valves to be evaluated by GRPU)
- * Replace high service pumps and associated electrical drives and VFD's.
- * Replacement of filter media for both gravity and ion exchange vessels.
- * Roofing replacement and miscellaneous building repairs to add additional office space.
- * Review replacement of windows and doors.
- * Site improvements, landscaping, ADA accessibility review, entrance walk repairs.
- * HVAC and plumbing improvements.
- * Electrical, lighting, MCC, and controls upgrades.
- * Review of generator size to verify it is sized for the correct load and improve security around generator.

Improvement Costs

The scope of work for the improvements is highly variable and it will be better defined as we work through the preliminary engineering phase. At this time, it is anticipated that the project may be in the range of \$7.0M - \$10.0M. However, as additional scope is added the total cost of the project will increase. The goal of preliminary engineering is to identify the final scope of the project and to develop a final cost estimate with the utility.

To meet the project schedule and provide the city with the best opportunity for funding we propose to complete the following preliminary engineering tasks:

- Water treatment facility inspection and walkthrough with GRPU staff.
- Two (2) meetings with GRPU staff to discuss scope items.
- Site surveys and site plan of existing conditions.
- Evaluation of rehabilitation needs of the existing facility.
- Determine final scope of the project prior to final design.
- We will evaluate the existing facility and determine if the facility has adequate capacity to meet current and future demands identified from previous water system studies. This proposal does not include evaluation of adding wells, additional well field sites, or expansion of the treatment facility. If it is determined that additional capacity is necessary, we will work with GRPU to develop a scope of services to investigate capacity expansion.
- Provide final written report to the utility. The report will summarize the findings of preliminary engineering and include a hydraulic profile, design data, and preliminary site plans

for improvements. The report will provide the framework and final scope for final design. Report will summarize:

water demands (existing and projected),

Filtration capacity and throughput,

Final design data, hydraulic profile, treatment recommendations, and site plans,

Evaluate equipment selections,

Evaluate backwashing procedures and recommended filtration improvements,

Proposed location and layout of new chemical feed rooms and required building modifications,

cost opinions of proposed improvements

Evaluation of water chemistry in regard to corrosion prevention,

Evaluation of alternatives of treatment processes,

Description of final scope for design

We will include in preliminary engineering a facility 3D scan of the interior and exterior of the building and process areas. Scanning will be used to develop a 3D model in Revit which will be used to create a 3D model of the building and process components (piping, pumps, doors, windows, valves, etc.) to use for design. This proposal does not include modelling for plumbing and electrical systems (conduit, plumbing piping, electrical gear, switches, outlets, etc.).

Electrical evaluation for generator size and MCC improvements for current and proposed equipment. It is assumed the existing electrical room has sufficient space for improvements and a new electrical room is not required.

Report will also provide preliminary layout and design of proposed water treatment plant improvements. The building layouts will be reviewed with utility staff at one of the coordination meetings. It is anticipated that building additions will be required for new chemical rooms and building modifications for additional office space.

One final review meetings with GRPU staff and Commission as necessary and modifications following utility direction

Funding Assistance

Throughout work on preliminary engineering, Bolton and Menk will work closely with the utility to apply for and position the community for funding. This will include completion of preliminary loan applications, funding requests, and review of documents required for PFA funding (audits, operation budgets, etc. provided by the utility). Work will include: Public Facilities Authority (PFA) Funding Source applications and review of documents

Drinking Water Revolving Fund coordination with MDH and PFA

Water Infrastructure Financing Grants ▪ Preliminary WIF application was submitted in January 2025. Future work to include finalized WIF application and additional documents required for PFA.

Proposed schedule:

Water Treatment Facility Improvements Proposed Project Schedule	
Milestone	Approximate Period
Preliminary Design	Spring 2025
Final Preliminary Engineering Report	Summer 2025
Final Design	Summer 2025 – Fall/Winter 2025
Funding Assistance	Ongoing
<i>Submit Plans and Specifications to MDH</i>	<i>Fall/Winter 2025</i>
<u>Approvals</u> and Funding Applications	Ongoing
Bid and Award Project (funding dependent)	Winter 2025/2026
MDH Certification of plans	Winter 2025/2026
Construction (estimated)	Spring 2026 – Fall 2028