

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 detailed 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 3/31/26. 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 12/31/26.

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 design engineering for the water treatment plant renovation project.

(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 Nine Hundred and Eighty Thousand Dollars (\$980,000).

3.1.2 Total obligation. The total obligation and liability of GRPUC under this Contract will not exceed Nine Hundred and Eighty Thousand Dollars (\$980,000)

3.1.3 Payment.

3.1.4 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.

3.1.5 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 Guldán, 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, Inc.
Address:
7533 Sunwood Drive NW, Suite 206
Ramsey, MN 55303-5119
Attn: Brian Guldan
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: Kristopher J. Swanson

Print Name: Julie A. Kennedy

Title: Vice President of Water | Senior Principal

Title: General Manager

Date: March 25, 2026

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 the 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 utility 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 complete the design and bidding of the project.

I. Project Understanding

We recently completed preliminary engineering improvements to the facility and provided the utility with a final memorandum detailing the proposed final scope of work. The utility has applied for placement on the FY2025 Project Priority List (PPL) and Intended Use Plan (IUP) and is currently listed for funding. The utility has also been awarded \$2.5 million in state appropriation dollars for the water treatment facility improvements. It is advantageous for the utility to begin design in 2026 and bid a project in December 2026 or early 2027 to capitalize on funding

Our scope takes into account all project funding deadlines and construction timelines. It is anticipated to bid a project in December 2026 or early 2027, however, bid timing is flexible to meet utility goals and objectives. Construction is anticipated to start in early 2027 once final contracts are signed and executed.

This project will involve numerous disciplines including structural engineering, civil engineering, electrical engineering, mechanical engineering, architecture, and process engineering. Our project team includes engineers and professionals that have worked on similar projects for over 20 years. Our proposed scope of work includes final design details developed from preliminary engineering through bidding of the project. A list of some of the scope elements of work items are provided below.

- Aerator replacement
- Piping and valve replacement
- Gravity filter underdrain and media replacement
- Ion Exchange softener rehabilitation
- Process pump replacement
- New chemical feed rooms and design of chemical feed systems for sodium hypochlorite, liquid ammonium sulfate, fluoride, sodium permanganate, soda ash, and corrosion inhibitor.
- Roof replacement and ancillary building modifications to add chemical rooms and office space as needed.
- HVAC and mechanical/plumbing improvements
- Electrical/Controls upgrades and VFD additions for all pumps
- SCADA improvements

II. Scope of Work

The scope of this proposal is for the final design, review, and completion of contract documents in preparation for bidding. The project design scope includes:

- Detailed layout and design of the proposed water treatment facility renovations as detailed in the preliminary engineering memo including the following major components:
 - WTP finish schedule and architectural features.
 - structural design for building modifications and roof replacement.
 - Structural design for building additions for electrical room and new chemical room(s) on exterior of current footprint.
 - Process treatment and piping layout and design.
 - Electrical design, lighting, and SCADA communications coordination with utility's control integrator and utility staff. Electrical improvements to replace the existing electrical gear and the addition of a new electrical room.
 - Electrical design to provide VFD's for all pumps.
 - Mechanical and plumbing design with submittal to Minnesota Department of Labor and Industries (DOLI) for plumbing review and approval (fee by utility)
 - HVAC design for radon mitigation in occupied spaces in the facility.
 - Site design, surface restoration/improvements, and other civil design items to the front entry, parking areas, and rehabilitation of streets and sidewalks.
- AutoCAD REVIT-based design of all major items described above (3D format).
- Review meetings and modifications with utility staff at 60% and 90%.
- Minnesota Department of Health (MDH) coordination, Plan Review (fee by utility), and construction permit application (fee by utility).
- Project management, review meetings and modifications with GRPU staff as well as periodic updates to Commission as requested.
- Modifications and preparation of final plans and specifications for contract documents and bidding upon MDH comment and approval.
- Funding assistance for the State of Minnesota Drinking Water Revolving Fund and SPAP grant.
 - Financial Information will be provided by the utility.
 - We will assist the utility with submittal of the SPAP grant forms to MnPFA
- Preparation and submittal of the final DWRF funding application to the Minnesota Public Facilities Authority (PFA) as applicable (audits, operation budgets, etc. provided by the utility).
 - Drinking Water Revolving Fund coordination with MDH and PFA

- Bidding services through the evaluation of bids including:
 - Advertisement for bidding and contractor coordination (publication fee by Utility)
 - Preparing bid documents and issuing addendums.
 - Providing updates as needed throughout the bidding process to the utility.
 - Attend public bid letting, tabulate bid prices, and report back to the utility with recommendations on award of bid (end of scope)

III. Proposed Fees

Based on estimated hours for our design staff, we have calculated a fee of **\$1,016,400.00** for the design work (this is approximately 9% of the estimated construction cost of \$11,300,000). On larger projects with well-defined scope, we have been using not-to-exceed fixed design fees following the industry standard. It is a simpler method that can help avoid some of the time and overhead associated with hourly contracts while also providing a well-defined up-front cost for Grand Rapids Public Utilities.

As you are aware, we have become very familiar with your water treatment needs over the last two years from the work we have performed in your community. Our level of familiarity with your system and staff can provide some savings when performing engineering design services. Because of this, we would propose lowering our design fees to provide these savings to Grand Rapids Public Utilities. Therefore we would propose a **not-to-exceed lump sum fee of \$980,000** for the design and bidding of these improvements. This fee is approximately 8.6% of the estimated construction cost.

This scope represents approximately 30 design team members and over 5,100 engineering and technical staff hours to complete the final design of this important improvement for the community. Our extensive knowledge of drinking water treatment will help us provide efficient and cost-effective services to Grand Rapids Public Utilities. A detailed breakdown of the estimated staffing hours for this effort is enclosed for your reference.

IV. Estimated Construction Fee

Construction costs and engineering support during construction can vary greatly depending on the contractor, onsite time required, and length of construction. For planning purposes, I would suggest budgeting approximately 10% percent for construction services, or approximately \$1.13 million. A separate construction services letter with a final fee will be provided after bids are awarded and a contractor is selected.

V. Proposed Schedule

Below is the approximate schedule for the completion of final design and award of the construction contract. Please review this schedule and let me know if any modifications are required to meet the utility’s goals/objectives. This schedule can be changed and should be considered a living document to account for design considerations, review time, needs of the utility, and the regulatory agency to develop a quality project. Overall, I anticipate bidding a WTP project in December 2026, with construction extending into the winter of 2028.

Water Treatment Facility Improvements Proposed Project Schedule Grand Rapids Public Utilities Commission	
Milestone	Approximate Period
GRPU Authorization and Contract	March 2026
Final Design	April - November, 2026
Submit Plans to MDH for Approval	October/November 2026
Final GRPU Review of Plans and Utility authorizes bidding of project	November 2026
Funding Assistance	Ongoing
Publicly Advertise Project	November – December (4-5 weeks anticipated)
Bid and Recommendation of Award (End of Scope)	December 2026/January 2027
Utility to Award Project	January 2027
Utility to enter into Grant Agreement with PFA for SPAP funding	December 2026/January 2027
Utility to execute NOA and NTP and final contracts	January 2027
Construction (estimated based on maintaining facility operation during construction)	February 2027 – December 2028