



## City of Ketchum

May 17, 2021

Mayor Bradshaw and City Councilors  
City of Ketchum  
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Staff is recommending the council to contract with DC Engineering for preliminary engineering to provide back up power to our Water Operations Building.

I move the council authorize the mayor to sign contract # 20624 with DC Engineering for preliminary design work to provide backup power to our Water Operations Building at a not to exceed price of \$9,500.00

The reasons for the recommendation are as follows:

- **Without backup power to our operations building our response time in the event of a power outage will be impacted.**
- **In case of an extended power outage, we have no heat in our building and damage to our radiant heating could occur.**

### Introduction and History

The Water Operations Building was built in 2001. At that time, we had a natural gas fired boiler. In the spring of this year an electric boiler was installed. While the boiler works fine, in the event of an extended outage, it puts our building in possible jeopardy if our radiant heating were to freeze.

### Analysis

While the risk of such damage is probably small, backup power will allow us to put our service fleet on the street quickly. If for example there was an earthquake and power was disrupted, we would have to manually open and reclose our garage bay doors. This could also allow us to move our SCADA computerized well control system into our operations building from the Warm Springs wellhouse.

### Sustainability

The recommended action will further the goals of the 2020 Ketchum Sustainability Action Plan in the following ways:

- Provide redundant power in event of a power failure
- It will examine alternative feasible alternatives
- Provide cost estimate (opinion of probable cost) and preliminary schedule for the future design, bidding, and construction of the recommended alternative.

### Financial Impact

This is a budgeted item identified in the Water Division CIP.

Attachments:

Proposal from DC Engineering

Respectfully submitted

Pat Cooley Water Supervisor

## Proposal Agreement to Perform Engineering Services for City of Ketchum

**Proposal Date:** May 7, 2021

**Project Name:** Water Building/Shop Standby  
Power Evaluation

**Services Performed For:**

City of Ketchum  
P.O. Box 2315  
110 River Ranch Road  
Ketchum, ID 83340

Thank you for considering DC Engineering to serve you on the Water Building/Shop Standby Power Evaluation project. We very much appreciate the opportunity to work with you and your team on this project.

This proposal is effective as of 5/7/2021, and is entered into by and between DC Engineering and Client (City of Ketchum), and is subject to the terms and conditions specified below and in Exhibit A.

### Project Description

The Client's Water Department building is located at the wastewater treatment plant, but is not connected to the wastewater treatment plant electrical infrastructure. The Water Department building has its own Idaho Power transformer (50-kVA), a 300-amp metered electrical service to panelboard (Panel OI), and is heated with an electric boiler. The building does not have a standby power source in the event of an Idaho Power electrical outage. Although an Idaho Power electrical outage does not create life safety issues, health hazards, or hamper rescue and fire-fighting operations at the building (i.e. underlying considerations for National Electrical Code defined "Emergency Systems" or "Legally Required Standby Systems"), it does hamper Water Utilities Department operational efficiency, creates process interruptions, and can cause freezing problems in the winter (i.e. underlying considerations for National Electrical Code defined "Optional Standby System").

### Scope of Basic Services

Electrical Engineering - Develop a preliminary engineering report (PER) that describes the project need for the project, alternatives evaluated, a recommended alternative based on Client-defined alternative selection criteria (i.e. critical success factors), and proposed course of action.

The PER outline will generally be as follows:

- Description of existing facilities
- Description of the problem being addressed
- Identification of two feasible alternatives (engine-generator and solar) to address the problem.
- Summary and comparison of alternatives
- Recommended alternative and basis of selection
- Opinion of probable construction cost and preliminary schedule for the future design, bidding, and construction of the recommended alternative.

## Assumptions

We have made the following assumptions while preparing this scope of services and fee estimate:

- PER standby power source alternatives assumed to be “Optional Standby Systems” per the NEC.
- As-build drawings will be readily available from the Client to help understand electrical requirements and general physical space requirements.
- Client stakeholders will participate in a 1 to 2-hour workshop via conference call with DC Engineering to:
  - Identify any local considerations or policies (i.e. political, economic, social, technological, future facility plans, etc.) that factor into the problem being addressed.
  - Help establish an alternative selection criteria framework that may include both economic and non-economic factors (i.e. operational risks, reliability, life-cycle costs, regulations/codes, etc.) and will be used in the PER as a basis to develop and evaluate alternatives.
- Client assigned stakeholders will remain consistent throughout the project to maintain consistency and continuity, and will provide PER reviews in a timely manner to maintain project schedule.
- Given the conceptual level of the alternative evaluation, the cost opinion includes contingencies and markups for each evaluation. Costs may be supplemented with vendor quotes and similar cost estimating information, and will incorporate capital and annual operation and maintenance costs where appropriate.
- One project site visit to the City of Ketchum is anticipated.
- Includes brief overview of Idaho Power requirements and tariffs, but does not include net present value financial analysis associated with construction costs, potential energy savings, and ongoing operational costs. Nor does it include costs and administrative efforts for Idaho Power required solar generation interconnect request.
- Assumes a total of 52 hours and \$250 expense to complete.
- Scope does not include project design, bidding, and construction services. These services can be added at a later date as an additional service subsequent to Client selection of their preferred alternative.

## Schedule

The PER could be completed within approximately 18 weeks. This assumes the above-listed coordination items can be completed approximately 3 weeks prior to the final submittal date. Schedules set outside this range could impact total fees and will be addressed as needed. Our availability to start work on this project could be as early as the week we receive written notice to proceed.

## Deliverables

It is anticipated DC Engineering will provide one draft PER for Client review and comment, and will subsequently address and/or incorporate review comments prior to issuing a final PER.

## Liability

In recognition to the relative risks and benefits of the project to both City of Ketchum and DC Engineering, we propose to limit our liability (as a business entity or individuals) to the value of the consulting fee received by DC Engineering. DC Engineering shall be responsible to maintain such errors and omissions insurance. DC Engineering shall be responsible to a level of competency for professional engineering services presently maintained by other practicing professional Consultants performing similar work in the state where the project is located.

DC Engineering is offering the above-mentioned professional engineering services to the client for the project specified and its obligations to the client and to the project shall be limited to the engineering disciplines listed without any other responsibilities or obligations. While making efforts to work within client communicated

budget guidelines, DC Engineering is not a fiduciary, financial analyst, economist, estimator, or contractor and as such shall not be responsible for project budgets and pricing, or for project funding and financial performance.

### Usage of Documents

The documents prepared by DC Engineering shall remain the property of DC Engineering and shall not be used in whole or part for any other project without written consent of DC Engineering.

### Compensation

We propose to provide these services for this project on a time and expense basis, not to exceed (NTE) \$9,500. Billing will be only for actual effort expended on project. Effort will not exceed the NTE amount without prior agreement with City of Ketchum.

Reimbursable costs, if any, will be billed separately, in addition to the fees listed above. Reimbursable costs may include (but not be limited to) lodging, meals, airfare, car rental, fuel, reproduction costs, etc. and will include a 10% mark up to allow for administration work associated with the expense.

### Additional Services

Additional services will include, but are not limited to, the follow situations:

- Changes to the scope of basic services or differing conditions from the noted assumptions.
- Making major revisions to documents when such revisions constitute a departure from the identified problem or the alternative selection criteria framework.
- Serving as a Consultant and/or preparing to serve or serving as an expert witness in connection with any arbitration proceeding or legal proceeding for this project.
- Providing any other services not otherwise included in the agreement or not customarily furnished in accordance with generally accepted engineering practices.

Should additional services be required, they will be billed at DC Engineering's current standard rate of compensation for time and materials **at the time of the request** for additional services. Current billing rates as of the date of this proposal are as follows:

Item Description	Per Hour
Principal Engineer, PE	\$130-\$210
Professional Engineer, PE	\$125-180
Engineer	\$90-125
Engineer EIT	\$90
Project Manager	\$90-150
Programmer/System Integrator	\$95-180
Commissioning Agent	\$95-150
Designer	\$85-115

Item Description	Per Hour
Modeling	\$85-105
Drafting	\$75-85
Intern	\$45
Administration	\$45-85

Reimbursable expenses, if any, will be billed at cost plus 10 percent.

## Payment

Standard payment terms are 45 days after invoice date. Where DC Engineering has agreed to extend terms and receive payment from Client upon Client's receipt of payment from the Owner, DC Engineering will be paid within 10 days of date Client receives payment from Owner, subject to maximum terms of Net 120 days. Non-payment by Owner does not relieve Client of responsibility of payment in whole to DC engineering for work performed under this contract.

Invoices will be sent to the Client monthly, based upon project milestones and must be paid prior to additional effort/hours being invested into the project. Any invoice not paid within terms is subject to interest at the rate of (12) percent per annum compounded monthly. Non-payment by the Client may constitute a breach of contract, and all work can be stopped on the project. Any unbilled time already accrued to the project will be invoiced and all outstanding amounts must be paid before resumption of work on the project.

Payments can be made electronically (preferred) or by check.

We have a preference for ACH:  
First Interstate Bank  
Routing: 092901683  
Account: 352721  
With payment advice to:  
invoices@dcengineering.net

Checks made payable to:  
DC Engineering, Inc  
440 E Corporate Dr #103  
Meridian, ID 83642  
Invoices@dcengineering.net  
82-0507522 (S-Corp)

This proposal is valid for a period of thirty days from date of issue. If you have any questions, or require additional information, please do not hesitate to ask.

Thank you again for your consideration, we are pleased to serve you on this project.

Sincerely,

APPROVED



John Barrutia, P.E.

DC Engineering, Inc

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Date

1. **CONTRACT** – These Contract Provisions and the accompanying Proposal constitute the full and complete Agreement between the parties and may be changed, amended, added to, superseded, or waived only if both parties specifically agree in writing to such amendment of the Agreement. DC Engineering is offering the above-mentioned professional engineering services to the client for the project specified and its obligations to the client and to the project shall be limited to the engineering disciplines listed without any other responsibilities or obligations.
2. **DOCUMENTS** – All documents prepared or furnished by Consultant pursuant to this Agreement are instruments of Consultant's professional service. Consultant assigns ownership including copyright to the Client upon payment for services rendered except Consultant retains copyright in its standard systems, sections, details and specifications. Consultant grants Client a license to use Consultant's standard systems, sections, details and specifications but only for this Project. Use of the instruments of service without engagement of the Consultant by Client shall be at Client's sole risk, and Client agrees to indemnify, defend, and hold Consultant harmless from all claims, damages, and expenses, including attorneys' fees, arising out of such use by Client or by others acting through Client.
3. **CONSTRUCTION PHASE SERVICES** – If Consultant performs any services during the construction phase of the project, Consultant shall not supervise, direct, or have control over Contractor's work. Consultant shall not have authority over or responsibility for the construction means, methods, techniques, sequences or procedures or for safety precautions and programs in connection with the work of the Contractor. Consultant does not guarantee the performance of the construction contract by the Contractor and does not assume responsibility for the Contractor's failure to furnish and perform its work in accordance with the Contract Documents.
4. **STANDARD OF CARE** – The Consultant shall perform its services consistent with the professional skill and care ordinarily provided by Consultants practicing in the same or similar locality under the same or similar circumstances ("Standard of Care"). The Consultant shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project. Notwithstanding any other representations made elsewhere in this Agreement or in the execution of the Project, this Standard of Care shall not be modified. The Consultant shall act as an independent contractor at all times during the performance of its services, and no term of this Agreement, either expressed or implied, shall create an agency or fiduciary relationship.
5. **COST OF THE WORK** – When negotiated as part of its work, Consultant will furnish opinions of probable cost, but does not guarantee the accuracy of such estimates. Opinions of probable cost, financial evaluations, feasibility studies, economic analyses of alternate solutions, and utilitarian considerations of operations and maintenance costs prepared by Consultant hereunder will be made on the basis of Consultant's experience and qualifications and will represent Consultant's judgment as an experienced and qualified design professional. However, users of the probable cost opinions must recognize that Consultant does not have control over the cost of labor, material, equipment, or services furnished by others or over market conditions or contractors' methods of determining prices or performing the work. While making efforts to work within client communicated budget guidelines, Consultant is not a fiduciary, financial analyst, economist, estimator, or contractor and as such shall not be responsible for project budgets and pricing, or for project funding and financial performance.
6. **SUSPENSION OF WORK** – The Client may, at any time, by written notice, suspend further work by Consultant. The Client shall remain liable for, and shall promptly pay Consultant for all services rendered to the date of suspension of services, plus suspension charges, which shall include the cost of assembling documents, personnel and equipment, rescheduling or reassignment, and commitments made to others on Client's behalf. Client shall pay Consultant pursuant to the rates and charges set forth in the Proposal. Consultant will submit monthly invoices to Client for services rendered and expenses incurred. If Client does not pay invoices within noted time, Consultant may, upon written notice to the Client, suspend further work until payments are brought current. The Client agrees to indemnify and hold Consultant harmless from any claim or liability resulting from such suspension.
7. **CHANGES OR DELAYS** – Unless the accompanying Proposal provides otherwise, the proposed fees constitute Consultant's estimate to perform the

services required to complete the Project. Required services often are not fully definable in the initial planning; accordingly, developments may dictate a change in the scope of services to be performed. Where this occurs, changes in the Agreement shall be negotiated. Costs and schedule commitments shall be subject to renegotiation for unreasonable delays caused by the Client's failure to provide specified facilities, direction, or information, or if Consultant's failure to perform is due to any act of God, labor trouble, fire, inclement weather, act of governmental authority, pandemic, epidemic, viral outbreak, failure of transportation, accident, power failure, or interruption or any other cause beyond the reasonable control of Consultant. Temporary work stoppage caused by any of the above may result in additional cost beyond that outlined in the accompanying Proposal. If the consultant elects to suspend services, the consultant shall give seven (7) days written notice to client before suspending services.

8. **LIABILITY** – The total liability, in the aggregate, of Consultant and Consultant's officers, directors, employees, agents, and Consultants to Client and anyone claiming by, through or under Client, for injuries, claims, losses, expenses, or damages whatsoever arising out of Consultant's services, from any cause or causes whatsoever, including but not limited to, negligence, strict liability, breach of contract or breach of warranty shall not exceed the total compensation received by Consultant under this Agreement, or the total amount of \$10,000 whichever is greater.
9. **INDEMNITY** – The Consultant shall indemnify and hold the Client and the Client's officers and employees harmless, but not defend, from and against damages, losses, and judgments arising from claims by third parties, including reasonable attorneys' fees and expenses recoverable under applicable law but only to the extent they are caused by the negligent acts or omissions of the Consultant, its employees, and its consultants in the performance of professional services under this Agreement. The Consultant has no obligation to pay for any of the indemnitees' costs prior to a final determination of liability or to pay any amount that exceeds the Consultant's finally determined percentage of liability based upon the comparative fault of the Consultant, its employees, and its consultants.
10. **MISCELLANEOUS**

**Governing Law:** The laws of the state in which the Consultant office executing this Agreement is located shall govern the validity and interpretation of this Agreement.

**Dispute Resolution:** Any claim, dispute, or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution.

**Consultant Reliance:** Consultant shall be entitled to rely, without liability, on the accuracy and completeness of any and all information provided by Client, Client's Consultants and contractors, and information from public records, without the need for independent verification.

**Betterment:** If any item or component of the Project is required due to omission from the construction documents, Consultant's liability shall be limited to the reasonable costs of correction of the construction, less the cost to the Client if the omitted item or component had been initially included in the contract documents. All costs of errors, omissions, or other changes that result in betterment to the Project shall be borne by the Client and shall not be a basis of claim against the Consultant. It is intended by this provision that the Consultant will not be responsible for any cost or expense that provides betterment, upgrade, added value, or enhancement of the Project.

**Certifications:** Consultant shall not be required to sign any documents that would result in Consultant's having to certify, guaranty, or warrant the existence of conditions that Consultant cannot ascertain.

**Third Parties:** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or Consultant.

**Consequential Damages:** The Consultant and Client waive consequential damages (such as lost profits, lost revenues, loss of use, loss of financing, and loss of reputation) for claims, disputes, or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages whether arising in contract, warranty, tort (including negligence), strict liability, or equity, or that might arise out of the parties' indemnification obligations.