



City of Ketchum

February 7, 2022

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation To Approve PO #22057

Recommendation and Summary

Staff is recommending the council to contract with DC Engineering for their Professional Services and conceptual design engineering to provide backup power to our Northwood Well and Water Operations Building.

I recommend the council authorize the mayor to sign PO# 22057 and attached proposals with DC Engineering for their Professional Services, and conceptual design engineering work to provide backup power to our Northwood Well and Water operations building at a not to exceed price of \$50,000.00. DC Engineering previously completed initial due diligence and staff is recommending to continue to utilize their services.

The reasons for the recommendation are as follows:

- **The Idaho Department of Environmental Quality Idaho Administrative Act (IDAPA) rules for public drinking water systems (IDAPA 58.01.08) requires sufficient on-site standby power or standby water storage so that water may be treated and supplied to pressurize the entire distribution system during power outages for a minimum of 8 hours at average day demand plus fire flow.**
- **The Northwood Well is our primary well and it has no backup power supply**
- **Loss of power could impact firefighting capabilities**
- **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 would have no heat in our building due to the newly installed electrical boiler system and damage to our radiant heating could occur.**

Introduction and History

The Northwood well came online in 1989 as part of the Bigwood PUD Development. With the configuration of our water system at that time, it was not considered to be critical to have back up power at this site. With the growth experienced over the life of the well, it has become our primary well making backup power critical.

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.

Northwood Well:

In the event of a normal utility outage or sustained power outage our ability to provide sufficient domestic water flows and fire protection would be severely compromised.

Water Operations building:

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
- Allow us to save in power costs by not having to double pump system water through booster pumps.

Financial Impact

This is a planned and budgeted expense that will be drawn from the approved FY 21-22 budget.

Attachments:

Purchase Order # 22057

Proposal Agreements from DC Engineering

Respectfully submitted

Gio Tognoni

Water Division Supervisor



Proposal Agreement to Perform Engineering Services for City of Ketchum Water Department

Proposal Date: January 28, 2022

Project Name: Northwood Well Legally
Required Standby Generator

Services Performed For:

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

Thank you for considering DC Engineering to serve you on the Northwood Well Legally Required Standby Generator project. We very much appreciate the opportunity to work with you and your team.

This proposal is effective as of 1/28/2022, and is entered into by and between DC Engineering (Engineer) and City of Ketchum Water Department (Owner) and is subject to the terms and conditions specified below, as well as the Contract Provisions in the attached Exhibit A.

Scope of Engineering Services

The Idaho Department of Environmental Quality Idaho Administrative Procedure Act (IDAPA) rules for public drinking water systems (IDAPA 58.01.08) requires sufficient on-site standby power or standby water storage so that water may be treated and supplied to pressurize the entire distribution system during power outages for a minimum of 8 hours at average day demand plus fire flow. A preliminary engineering report was completed in June 2021 to evaluate alternatives with the objective to install a standby power source, and the City has subsequently decided to proceed with a diesel-powered engine-generator with sub-base fuel tank and sound-attenuated enclosure installed in the grass area northeast of the pump station.

The following information has been provided to Engineer from the Owner:

- Location: 100 Park Circle W., Ketchum, ID. Lat: 43.689535 degrees; Long: -114.372498 degrees.
- Elevation: 5834 feet.
- Electrical Service: 480/277V, 3-phase, 250-amp. Served from 150-kVA Idaho Power owned transformer.
- Electrical Loading: 150HP pump controlled via VFD and other miscellaneous pumphouse loads such as lighting, receptacles, heating, etc. Idaho Power peak demand measured at 124kW.

- **Electrical Considerations:** The project presently utilizes a passive harmonic filter to mitigate harmonics back to the Idaho Power system, but the capacitor in a passive filter creates operational problems for an engine-generator. Modifications will be required to disconnect the capacitor when connected to the engine-generator.
- **Other Considerations:** The project is located adjacent to homeowners so a sound-attenuated weather protective enclosure is required (70dBA max @23 feet is assumed).
- **Project Delivery Method:** Design-bid-build.
- **Funding:** Project will be publicly funded by the City of Ketchum, ID.

Engineer will be responsible for electrical engineering services and associated generator foundation structural engineering services. Specific discipline work is anticipated as follows:

Electrical

- Generator sizing calculations
- Generator and automatic transfer switch (ATS) integration into existing power distribution system
- Prepare electrical sheet specifications as required
- Assist in obtaining approval of electrical documents from reviewing agencies.
- Electric utility coordination by others

Structural

- Review Owner furnished geotechnical data and associated recommendations (if any) required for new generator foundation design
- Generator foundation plans
- Prepare structural sheet specifications as required

Preliminary Construction Document Index

Drawings:

- Electrical Legend and General Electrical Notes
- One-Line Diagrams (Existing and New)
- Site Plan and Building Plan
- Electrical Specifications
- Electrical Details
- Structural Index, Legends, and Specifications
- Foundation Plan and Details

Assumptions

- The Owner will provide existing project record drawings to Engineer to develop base files in AutoCAD.
- Most coordination meetings will be via telephone calls and virtual meetings.
- One (1) site visit for 4 hours.
- Owner's purchasing department standard general conditions to the contract and bid forms will be provided by Owner. Engineer will assist the Owner by providing the applicable technical information.

- A commercial off-the-shelf engine-generator with sub-base fuel tank and sound-attenuated weather protective enclosure will be located adjacent to existing pump station.
- ATS will be installed on exterior of existing pump station due to interior space constraints.
- Design is based upon existing information provided by the Owner and from observations of existing conditions without the benefit of field measurements and invasive investigation made undesirable by expense and inconvenience to the Owner. Unforeseen conditions uncovered during the progress of work may require additional cost and delay and will be provided as an Additional Service.
- Engineer will provide an opinion of probable capital cost for the project upon design completion.
- Structural design will be based on available geotechnical information (if readily available) or to code minimum soil properties.
- Does not include geotechnical engineering, civil engineering, and architectural services. Other civil or structural improvements such as screening/fencing around the generator and roadway extension/pavement around the generator will be provided by Owner.
- This proposal does not include the following, but we would be pleased to provide a fee for these services, if desired:
 - Additional site visits.
 - Owner presentations to gain alignment among various nearby homeowners.
 - Evaluation and incorporation of value engineering recommendations.
 - Security infrastructure, Information Technology (IT) infrastructure, and SCADA telecommunications.

Bidding Services and Services During Construction (SDC)

Bidding and SDC services are based on the above-listed design scope and may change if any of the above-listed design scope changes. Bidding and SDC services generally include the following:

- Provide bidding assistance related to questions from contractors during bid phase.
- Provide timely responses to RFIs pertaining to the construction documentation. This does not include time involved due to Contractor errors and deviations from the construction documents.
- Provide review of submittal packages related to the disciplines for which Engineer is providing engineering and design services prior to construction. This does not include time required to revise drawings due to Contractor substitutions.
- Provide one (1) site visit at substantial completion.
- Provide as-build record drawings of completed work.
- This proposal does not include the following, but we would be pleased to provide a fee for these services, if desired:
 - Evaluation and incorporation of value engineering recommendations.
 - Services for review and/or preparation of Owner or Contractor proposed changes to the project other than as specifically provided in the above scope of work.
 - Time involved due to Contractor errors and deviations from the construction documents or time required to revise drawings due to Contractor substitutions.

- Providing services for pre-negotiation or procurement of Owner-Furnished equipment.

Assumptions

- The Owner will hire a Contractor with similar experience with this type of structure and project type to complete the work.
- Fourteen (14) calendar days turnaround time for submittals and RFI's.
- One submittal and one resubmittal per engineering discipline at an average of 6 hours per submittal to review, document comments, and return. Submittals reviewed for general conformance with the project design concept and general compliance with the information or design requirements given in the Contract Documents.
- One request for information (RFI) for every two drawings at an average of 4 hours per each RFI for office staff to prepare responses. RFI's submitted by the Contractor will not include calculations and other submittal items or design changes.
- One Field Order and one Construction Change Order at an average of 8 hours for each.
- The anticipated procurement lead time for the generator will likely result in much of the construction occurring in early summer 2023.
- Record drawings effort assume Contractor mark-ups are complete and accurate and work is only to convert the Contractor-supplied record drawing materials into final drawings, and not to independently validate or correct record drawings. Final record drawings produced in AutoCAD Release 2014 or later and provided in electronic format for reproduction.

Owner Responsibilities

- Furnishing geotechnical engineering (if available), civil engineering, and architectural services for such items as generator foundation subgrade, screening/fencing around the generator, and roadway extension/pavement around the generator.
- Provide relevant project information such as objectives, critical success factors, schedule, budget, surveys, and geotechnical reports. The Engineer will rely on the accuracy of information provided.
- Identifying a project representative who is authorized to make decisions on the Owner's behalf.
- Making decisions and approvals in a timely manner to avoid unreasonable delay in the orderly and sequential progress of Engineer's services.

Schedule

The preparation of construction documents and provided services could be completed within a range of 6 weeks to 12 weeks. Estimated schedule is as follows:

- 80% design deliverable: April 2022
- 100% design deliverable: June 2022
- Bidding: July 2022
- Construction: August 2022-June 2023

Milestone completion dates can be accomplished within 2 weeks after all applicable coordination items have been received from the Owner including, but not limited to, the following:

- Contract between Owner and Engineer has been executed.
- Any Owner specific standards, requirements, and review comments have been received.

Schedules set outside of the specified range will likely impact total fees and will be addressed as needed. Our availability to start work on the project could be as early as two weeks from when we receive written notice to proceed.

Deliverables

It is anticipated Engineer will provide a preliminary review set for team coordination (80% completion) prior to issuing final construction documents. Digitally signed electronic copies of project documents will be provided for permit, bid and for construction sets.

As per industry standards, our engineering drawings are intended to convey sizing and general system intent such that a trained and licensed contractor can interpret that intent and construct the physical representation. Our drawings are not assembly drawings that convey enough detail to instruct an untrained individual on the necessary steps to create the physical representation.

Compensation

We propose to provide these services for this project on a time and expense basis, not to exceed \$26,500. Billing will be only for actual effort expended on project. Effort will not exceed the NTE amount without prior agreement with Owner. The fee breakdown is as follows:

Design:	\$17,500
SDC:	\$9,000

Fee Assumptions:

- Design fee assumes that the Northwood Well project and the Operations Building project are designed at the same time to take advantage of economies of scale and other efficiencies.
- SDC fee assumes the Northwood Well project will be bid as a separate project (not under the same construction contract as Operations Building).

Additional Services (Not Part of Scope)

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

- Making major revisions in drawings, specifications or other documents when such revisions constitute a major departure from the approved preliminary engineering report.
- Preparing documents for alternate bids or out-of-sequence services requested by the Owner or Architect.
- Time involved due to Contractor errors and deviations from the construction documents or time required to revise drawings due to Contractor substitutions.
- Providing professional services made necessary by the fault of the Contractor or by major defects in the work of the Contractor by use of substitute products with different characteristics from products used as basis of design.

- Preparing a set of reproducible (as-built) record prints of drawings showing significant changes in the work made during the construction phase, based on marked-up prints, drawings and other data furnished by the Contractor.
- Providing extensive assistance in the utilization of any equipment or system such as initial start-up or testing, adjusting and balancing, preparation of operating and maintenance manuals, training personnel for operation and maintenance, and consultation during operation.
- 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.
- Services necessary due to the default of the Contractor.
- Services related to damages caused by fire, flood, earthquake or other acts of God.
- Services related to force majeure events.
- Services related to Owner's operation and use of the completed project other than as specifically provided in the above scope of work.
- Services related to warranty claims, enforcement and inspection.
- Services for the investigation and analysis of contractor claims; preparation of reports on contractor claims; provision of professional claims analysis services; participation in litigation or alternative dispute resolution of claims.
- Services to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by Owner.
- Services that affect Engineer's project management and coordination responsibilities due to modifications of Owner's or Contractor's project team.

Should additional services be required, they will be billed at Engineer'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.

Invoices will be sent to the Owner 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 Owner 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.

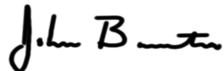
We have a preference for ACH:
 First Interstate Bank
 Routing: 092901683
 Account: 352721
 With payment advice to:
 invoices@dcengineering.net

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,



John Barrutia, P.E.

Principle

DC Engineering, Inc

APPROVED

 City of Ketchum

 DATE

Exhibit A – Consultant Contract Provisions for City of Ketchum Water Department

Project Name: Northwood Well Legally Required Standby Generator

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 Owner for the project specified and its obligations to the Owner 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 Owner upon payment for services rendered except Consultant retains copyright in its standard systems, sections, details and specifications. Consultant grants Owner 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 Owner shall be at Owner’s sole risk, and Owner agrees to indemnify, defend, and hold Consultant harmless from all claims, damages, and expenses, including attorneys’ fees, arising out of such use by Owner or by others acting through Owner.
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 Owner 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 Owner may, at any time, by written notice, suspend further work by Consultant. The Owner 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 Owner’s behalf.
Owner shall pay Consultant pursuant to the rates and charges set forth in the Proposal. Consultant will submit monthly invoices to Owner for services rendered and expenses incurred. If Owner does not pay invoices within noted time, Consultant may, upon written notice to the Owner, suspend further work until payments are brought current. The Owner 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 Owner’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 Owner before suspending services.
8. **LIABILITY** – The total liability, in the aggregate, of Consultant and Consultant’s officers, directors, employees, agents, and Consultants to Owner and anyone claiming by, through or under Owner, 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 \$50,000 whichever is greater.
9. **INDEMNITY** - The Consultant shall indemnify and hold the Owner and the Owner’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 Owner, Owner’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 Owner 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 Owner 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 Owner or Consultant.
Consequential Damages: The Consultant and Owner 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.



Proposal Agreement to Perform Engineering Services for City of Ketchum Water Department

Proposal Date: January 28, 2022

Project Name: Water Department

Operation Building Standby
Power

Services Performed For:

City of Ketchum Water Department

P.O. Box 2315

110 River Ranch Road

Ketchum, ID 83340

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

This proposal is effective as of 1/28/2022, and is entered into by and between DC Engineering (Engineer) and City of Ketchum Water Department (Owner) and is subject to the terms and conditions specified below, as well as the Contract Provisions in the attached Exhibit A.

Scope of Engineering Services

A preliminary engineering report was completed in June 2021 to evaluate alternatives with the objective to install a standby power source, and the City has subsequently decided to proceed with a diesel-powered engine-generator with sub-base fuel tank and sound-attenuated enclosure installed adjacent to the Operations Building.

The following information has been provided to Engineer from the Owner:

- Location: Within the same fenced area as the Ketchum Wastewater Treatment Plant located off River Ranch Road. Lat: 43.661698 degrees; Long: -114.354327 degrees.
- Elevation: 5740 feet.
- Electrical Service: 240/120V, 1-phase, 300-amp. Served from 50-kVA Idaho Power owned transformer.
- Electrical Loading: Electric boiler, HVAC, lighting, welding, receptacles, and other miscellaneous loads. Idaho Power peak demand measured at 43kW.
- Other Considerations: The project is located adjacent to homeowners so a sound-attenuated weather protective enclosure is required (70dBA max @23 feet is assumed).
- Project Delivery Method: Design-bid-build.
- Funding: Project will be publicly funded by the City of Ketchum, ID.

Engineer will be responsible for electrical engineering services and associated generator foundation structural engineering services. Specific discipline work is anticipated as follows:

Electrical

- Generator sizing calculations
- Generator and automatic transfer switch (ATS) integration into existing power distribution system
- Prepare electrical sheet specifications as required
- Assist in obtaining approval of electrical documents from reviewing agencies.
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- Generator foundation plan
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Assumptions

- The Owner will hire a Contractor with similar experience with this type of structure and project type to complete the work.
- Fourteen (14) calendar days turnaround time for submittals and RFI's.
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conformance with the project design concept and general compliance with the information or design requirements given in the Contract Documents.

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Deliverables

It is anticipated Engineer will provide a preliminary review set for team coordination (80% completion) prior to issuing final construction documents. Digitally signed electronic copies of project documents will be provided for permit, bid and for construction sets.

As per industry standards, our engineering drawings are intended to convey sizing and general system intent such that a trained and licensed contractor can interpret that intent and construct the physical representation. Our drawings are not assembly drawings that convey enough detail to instruct an untrained individual on the necessary steps to create the physical representation.

Compensation

We propose to provide these services for this project on a time and expense basis, not to exceed \$12,000. Billing will be only for actual effort expended on project. Effort will not exceed the NTE amount without prior agreement with Owner. The fee breakdown is as follows:

Design:	\$4,000
SDC:	\$8,000

Fee Assumptions:

- Design fee assumes that the Northwood Well project and the Operations Building project are designed at the same time to take advantage of economies of scale and other efficiencies.
- SDC fee assumes the Operations Building project will be bid as a separate project (not under the same construction contract as Northwood Well). SDC fee will likely be impacted if project is constructed beyond summer 2023.

Additional Services (Not Part of Scope)

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

- Making major revisions in drawings, specifications or other documents when such revisions constitute a major departure from the approved preliminary engineering report.
- Preparing documents for alternate bids or out-of-sequence services requested by the Owner or Architect.
- Time involved due to Contractor errors and deviations from the construction documents or time required to revise drawings due to Contractor substitutions.
- Providing professional services made necessary by the fault of the Contractor or by major defects in the work of the Contractor by use of substitute products with different characteristics from products used as basis of design.
- Preparing a set of reproducible (as-built) record prints of drawings showing significant changes in the work made during the construction phase, based on marked-up prints, drawings and other data furnished by the Contractor.
- Providing extensive assistance in the utilization of any equipment or system such as initial start-up or testing, adjusting and balancing, preparation of operating and maintenance manuals, training personnel for operation and maintenance, and consultation during operation.
- 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.
- Services necessary due to the default of the Contractor.
- Services related to damages caused by fire, flood, earthquake or other acts of God.
- Services related to force majeure events.
- Services related to Owner’s operation and use of the completed project other than as specifically provided in the above scope of work.
- Services related to warranty claims, enforcement and inspection.
- Services for the investigation and analysis of contractor claims; preparation of reports on contractor claims; provision of professional claims analysis services; participation in litigation or alternative dispute resolution of claims.
- Services to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by Owner.
- Services that affect Engineer’s project management and coordination responsibilities due to modifications of Owner’s or Contractor’s project team.

Should additional services be required, they will be billed at Engineer’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
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. Invoices will be sent to the Owner 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 Owner 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

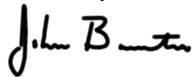
Invoices@dcengineering.net

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,



John Barrutia, P.E.

Principle

DC Engineering, Inc

APPROVED

City of Ketchum

DATE

Exhibit A – Consultant Contract Provisions for City of Ketchum Water Department

Project Name: Water Department Operation Building Standby Power

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 Owner for the project specified and its obligations to the Owner 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 Owner upon payment for services rendered except Consultant retains copyright in its standard systems, sections, details and specifications. Consultant grants Owner 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 Owner shall be at Owner's sole risk, and Owner agrees to indemnify, defend, and hold Consultant harmless from all claims, damages, and expenses, including attorneys' fees, arising out of such use by Owner or by others acting through Owner.
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 Owner 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 Owner may, at any time, by written notice, suspend further work by Consultant. The Owner 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 Owner's behalf.
Owner shall pay Consultant pursuant to the rates and charges set forth in the Proposal. Consultant will submit monthly invoices to Owner for services rendered and expenses incurred. If Owner does not pay invoices within noted time, Consultant may, upon written notice to the Owner, suspend further work until payments are brought current. The Owner 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 Owner'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 Owner before suspending services.
8. **LIABILITY** – The total liability, in the aggregate, of Consultant and Consultant's officers, directors, employees, agents, and Consultants to Owner and anyone claiming by, through or under Owner, 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 \$50,000 whichever is greater.
9. **INDEMNITY** - The Consultant shall indemnify and hold the Owner and the Owner'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 Owner, Owner'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 Owner 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 Owner 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 Owner or Consultant.
 - Consequential Damages:** The Consultant and Owner 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.



CITY OF KETCHUM
PO BOX 2315 * 480 EAST AVE. * KETCHUM, ID 83340
Administration 208-726-3841 (fax) 208-726-8234

PURCHASE ORDER
 BUDGETED ITEM? ___ Yes ___ No

PURCHASE ORDER - NUMBER: 22057

To: 5635 DC ENGINEERING 440 E CORPORATE DR STE 103 MERIDIAN ID 83642	Ship to: CITY OF KETCHUM PO BOX 2315 KETCHUM ID 83340
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P. O. Date	Created By	Requested By	Department	Req Number	Terms
01/25/2022	kchoma	kchoma		0	

Quantity	Description	Unit Price	Total
1.00	ENGINEERING BACKUP POWER NWW 64-4340-7806	50,000.00	50,000.00
	SHIPPING & HANDLING		0.00
	TOTAL PO AMOUNT		50,000.00

_____ Authorized Signature