

**PROFESSIONAL ENGINEER SERVICES AGREEMENT FOR
ENGINEERING SERVICES BETWEEN
CITY OF SANDPOINT AND HMH LLC**

THIS PROFESSIONAL ENGINEER SERVICES AGREEMENT ("Agreement") is made and entered into this 16TH day of August, 2025 ("Effective Date"), by and between the City of Sandpoint (CITY), a public body corporate and politic and HMH LLC (ENGINEER), a State of Idaho Corporation.

1. **Scope of Services.** CITY agrees to retain and does hereby retain ENGINEER and ENGINEER agrees to provide the services more fully described in Exhibit A, Scope of Services, attached hereto and incorporated herein by reference, in conjunction with the CITY's Engineering services.
2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect until November 30, 2025, unless otherwise terminated pursuant to the provisions herein.
3. **Compensation/Payment.** ENGINEER shall perform the Services under this Agreement for the total sum not to exceed Forty-Nine Thousand Dollars (\$49,000) payable in accordance with the terms set forth in Exhibit B, Fee Schedule. Payment shall be made Net 30 days upon receipt and approval of an itemized invoice setting forth the services performed, including dates of service. Invoices to be submitted by the 15th of each month for prior months' services rendered and include dates and summary of hours services performed, and tasks performed.
4. **Notices.** Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

CITY OF SANDPOINT

HMH LLC

Attn: City Clerk
1123 Lake Street
Sandpoint, ID 83864

Attn: Dan Tadic
476864 Highway 95, Suite 3
Ponderay, ID 83852

5. **Contract Administration.** An authorized CITY representative/designee will be appointed to administer this Agreement on behalf of CITY and shall be referred to herein as Contract Administrator.
6. **Standard of Performance.** While performing Services under this Agreement, ENGINEER shall exercise the reasonable professional care and skill customarily exercised by reputable members of ENGINEER'S profession and shall use reasonable diligence and best judgment while exercising its professional skill and expertise.
7. **Personnel.** ENGINEER shall furnish all personnel necessary to perform the Services under this Agreement and shall be responsible for their performance and compensation. ENGINEER recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely

completion of the Services. The key personnel, identified in Exhibit A, Scope of Services and Fee Schedule, shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to CITY approval.

8. **Assignment and Subcontracting.** ENGINEER shall not assign any right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the CITY. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of ENGINEER under this Agreement, in a writing satisfactory to the CITY. ENGINEER acknowledges that any assignment may, at the CITY'S sole discretion, require CITY approval, up to and including City Council approval. ENGINEER shall not subcontract any portion of the work required by this Agreement without prior CITY approval. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 11. The ENGINEER acknowledges and agrees that the CITY is an intended beneficiary of any work performed by any subcontractor for purposes of establishing a duty of care between any subcontractor and the CITY.

9. **Independent Contractor.** In the performance of this Agreement, ENGINEER, and ENGINEER'S employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the CITY. ENGINEER acknowledges and agrees that the CITY has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to ENGINEER, or to ENGINEER'S employees, subcontractors and agents. ENGINEER, as an independent contractor, shall be responsible for any and all taxes that apply to ENGINEER as an employer.

10. **Indemnification.** CONTRACTOR shall indemnify and hold the CITY, its officials, officers, employees, agents and assigns, harmless from and/or against any and all claims, damages, and liabilities (including reasonable attorney's fees) that may be suffered or incurred or that arise as a result of and which are caused by CONTRACTOR'S negligent acts, errors, omissions or fault in the performance of its duties under this Contract. This indemnification and defense obligation does not apply when such claims, damages, and liabilities are the result of negligent acts, errors, omissions or fault on the part of the CITY, its officials, officers, employees, agents or assigns. Nothing contained in this indemnification provision shall waive, in any manner, the limits of liability provided to the CITY specified in Idaho Code §6-901 through 6-929, known as the Idaho Tort Claims Act.

11. **Insurance.**
 - 11.1 At all times material hereto, ENGINEER shall keep and maintain a policy or policies of insurance covering losses resulting from general liability, personal injury and property loss, in the amounts of \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate, for any losses sustained as a result of performance of its duties and responsibilities under this Agreement, naming the CITY as an additional insured on each such policy or policies. ENGINEER shall provide the CITY with proof of such insurance prior to commencement of any Work. ENGINEER shall also keep and maintain an automobile insurance policy or policies for each of its employees, in the same amounts stated above, insuring against losses related to operation of its vehicles in performance of its duties under this Agreement. All employees of ENGINEER are deemed its employees only, and ENGINEER shall be responsible for carrying

proper Workers' Compensation coverage on any such employees. Proof of automobile insurance coverage and Workers' Compensation coverage shall also be provided to the CITY prior to commencement of any Work.

- 11.2 ENGINEER shall keep and maintain a policy or policies of insurance covering losses resulting from Professional Liability, Errors and Omissions in the amounts of \$1,000,000 per claim and aggregate for any losses sustained as a result of performance of its duties and responsibilities under this Agreement.
- 11.3 **Subcontractors' Insurance.** ENGINEER shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss that may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers Compensation, Commercial General Liability, Errors and Omissions, and Automobile liability. Upon City's request, ENGINEER shall provide City with satisfactory evidence that Subcontractors have obtained insurance policies and coverages required by this section.
12. **Licenses.** The ENGINEER agrees to possess a CITY Business License as required by Title 3 of City Code, prior to commencement of any services under the term of this Agreement and maintain such license throughout the term of the Agreement. The ENGINEER further agrees to keep and maintain any and all required local, state, and federal licenses and/or certifications to perform work and provide services as described within this Agreement. If requested, the ENGINEER shall provide written proof of such licenses and/or certifications to the CITY for all times when it is performing services under this Agreement.
13. **CITY'S Right to Employ Other ENGINEERS.** City reserves the right to employ other ENGINEER's in connection with this Project. If the City is required to employ another ENGINEER to complete ENGINEER'S work as a result of the failure of the ENGINEER to perform, or due to the breach of any provisions of this Agreement, the CITY reserves the right to seek reimbursement from ENGINEER.
14. **Records.** ENGINEER shall maintain complete and accurate records with respect to costs incurred under this Agreement. All such records shall be clearly identifiable. CITY has the right to review, copy, make transcripts, audit, and/or inspect all documents upon request during ENGINEER normal business hours. ENGINEER shall allow inspections of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.
15. **Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials whether created by or provided to ENGINEER in connection with the performance of this Agreement shall be held confidential by ENGINEER, except as otherwise directed by CITY. Nothing furnished to ENGINEER which is otherwise known to the ENGINEER or is generally known, or has become known, to the related industry shall be deemed confidential. ENGINEER shall not use CITY'S name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any written or electronic form, including but not limited to magazines, newspapers, radio or television, websites, or social media without the express written consent of the CITY.
16. **Ownership of Documents.** All reports, maps, drawings and other contract deliverables prepared under

this Agreement by ENGINEER shall be and remain the property of CITY. ENGINEER shall not release to others information furnished by CITY without prior express written approval of CITY.

17. **Conflict of Interest.** ENGINEER, for itself and on behalf its employees, represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, in the Project affected by the above-described Services. ENGINEER further warrants that neither ENGINEER, nor its employees have any real property, business interests, or income interests that will be affected by this project or, alternatively, that ENGINEER will file with the CITY an affidavit disclosing any such interest.
18. **Solicitation.** ENGINEER warrants that ENGINEER has not employed or retained any person or agency to solicit or secure this Agreement, nor has it entered into any agreement or understanding for a commission, percentage, brokerage, or contingent fee to be paid to secure this Agreement. For breach of this warranty, CITY shall have the right to terminate this Agreement without liability and pay ENGINEER only for the value of work ENGINEER has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from ENGINEER the full amount of such commission, percentage, brokerage, or commission fee. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.
19. **Compliance with Laws.** The CONTRACTOR shall comply with all federal, state, and local laws governing performance of its obligations under this Agreement. The jurisdiction/venue for any action arising out of performance of this Agreement, or interpretation of its terms and conditions, shall be in the District Court in the First Judicial District of the State of Idaho, Bonner County.
21. **Waiver.** No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any such action or failure to act constitute approval of or acquiescence in any breach thereunder, except as may be specifically, provided in this Agreement or as may be otherwise agreed in writing.
22. **Amendments.** This Agreement may be modified or amended only by a written agreement and/or change order executed by the ENGINEER and City.
23. **Termination.**

23.1 The CITY or ENGINEER may terminate this Agreement for its sole convenience with thirty (30) days' written notice. Upon termination, the ENGINEER, and any subcontractors, shall immediately cease any and all work and surrender to the CITY any and all finished or unfinished documents, processes, programs, and any other supplies or materials, which shall immediately become the property of the CITY. As compensation in full for services performed to the date of such termination, the ENGINEER shall receive an amount equal to the value of the work completed as of the termination date, in accordance with the Fee Schedule, Exhibit B, or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Agreement.

23.2 Should the CITY determine that the ENGINEER has failed to supply an adequate work force, to provide services of satisfactory quality, or has failed in any other respect to perform the services or any of its obligations under this Agreement, then the CITY shall give

written notice to ENGINEER, specifying all such defaults, to be remedied within thirty (30) days from the date of such notice. If, after thirty (30) days, the ENGINEER has failed to implement appropriate corrective measures, the CITY may elect to terminate this Agreement.

23.2.1 In the event the CITY terminates this Agreement as provided for in this Section 23.2, the ENGINEER and any subcontractors shall immediately cease any and all work and surrender to the CITY any and all finished or unfinished documents, processes, programs, and any other supplies or materials within fifteen (15) working days after notice of termination which shall immediately become the property of the CITY. As compensation in full for services performed to the date of such termination, the ENGINEER shall receive an amount equal to the value of the work completed as of the termination date in accordance with the Fee Schedule or as negotiated between the parties, less any additional costs incurred by the CITY to procure the services of another contractor to complete the services to be rendered under this Agreement.

23.2.2 In the event the CITY terminates this Agreement as provided for in Section 23.2, it may seek any other remedies available to it in law or equity arising out of the ENGINEER'S failure to fully perform all of its obligations hereunder.

- 24. **Offsets.** ENGINEER acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which ENGINEER owes or may owe to the CITY, CITY reserves the right to withhold and offset said amounts from payments or refunds or reimbursements owed by CITY to ENGINEER. Notice of such withholding and offset, shall promptly be given to ENGINEER by CITY in writing. In the event of a dispute as to the amount owed or whether such amount is owed to the CITY, CITY will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.
- 25. **Successors and Assigns.** This Agreement shall be binding upon CITY and its successors and assigns, and upon ENGINEER and its permitted successors and assigns, and shall not be assigned by ENGINEER, either in whole or in part, except as otherwise provided in this Agreement.
- 26. **Nondiscrimination.** The CITY, in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d to 2000d-4), and associated regulations, as well as Sandpoint City Code, hereby notifies the ENGINEER and any subcontractor that it shall not discriminate against any applicant or employee on the grounds of race, color, national origin, or sex, sexual orientation, or gender identity/expression.


26.1 The CONTRACTOR and any subcontractors shall, in all solicitation or advertisements for employees placed by them or on their behalf, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, sexual orientation, gender identity/expression, age or national origin.

- 27. **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of ENGINEER each represent and warrant that they have the legal power, right and actual authority to bind ENGINEER to the terms and conditions hereof and thereof.

IN WITNESS WHEREOF, City and ENGINEER have caused this Agreement to be duly executed the day and year first above written.

CITY OF SANDPOINT
1123 Lake Street
Sandpoint, Idaho 83864

HMH LLC



Jeremy Grimm (Aug 19, 2025 10:16:03 PDT) 08/19/2025
Date
Jeremy Grimm
Mayor



Shawn Metts (Aug 19, 2025 10:05:46 PDT) 08/19/2025
Date
Dan Tadic, Project Manager

**EXHIBIT A
SCOPE OF SERVICES AND FEE SCHEDULE**

ENGINEERING SERVICES:

Provide Interim City Engineer services for the City of Sandpoint for private development projects and related public infrastructure improvements. Services will be provided on an as-needed basis under the direction of the Public Works Director.

1. General Requirements:
 - a) Provide one designated POC with a backup to ensure continuity.
 - b) Minimum of 4 hours per week at City Hall (Wednesdays preferred) to align with Planning/Building meetings, legal team availability, and informal coordination needs.
 - c) All other work may be performed remotely. Participation in meetings may occur via phone or video conference unless in-person attendance is specifically requested by the City.

2. Services:
 - a) General Engineering Services – Estimated 40 hours per month:
 - (1) Attend bi-weekly Planning & Building meeting. Estimated 4 hours per month.

 - (2) Attend preapplication meetings. Estimated 8 hours per month.

 - (3) Prepare, review, and present memoranda and staff reports to Planning and Zoning Commission and City Council. Estimated 8 hours per month.

 - (4) Sign plats. Estimated 2 hours per month.

 - (5) Recommend, draft, and coordinate permit/application approval conditions and development agreements with Public Works and Community Development staff; Prepare and review Conditions of Approval and staff reports for accuracy, correct policy references, and clear explanations of infrastructure solutions and policy framework; Commission engineering studies as needed for traffic, sewer, water, and storm drainage in support of development project approvals. Estimated 8 hours per month.

 - (6) Serve as professional advisor to citizens, developers, and staff on code interpretations, concerns, and general questions relating to city engineering and land development. Estimated 10 hours per month.

 - b) Development Application Review – Estimated 8 hours per week:
 - (1) Review development applications including site plans, plats, subdivision plans, and will serve request.
 - (2) Evaluate proposed designs for roadways, sidewalks, curb ramps, drinking water infrastructure, sewer infrastructure, stormwater systems and management plans, grading, drainage, and erosion control.

- (3) Prepare written review comments with clear references to applicable standards and provide recommendations for approval, revision, or denial.
3. Public Infrastructure Permit and Approval – Estimated 8 hours per week:
- (a) Review and approve construction drawings for public infrastructure (road extensions, watermain extensions, sewer main extensions, stormwater systems) intended for acceptance by the City, including in the role of Qualified Licensed Professional Engineer.
 - (b) Support issuance of Public Infrastructure permits.
 - (c) Verify that developers have obtained required state and federal permits (e.g., DEQ, ITD, Army Corps of Engineers) prior to construction.
 - (d) Review and approve record drawings.
 - (e) Confirm completion of all required inspections, testing, and documentation per ISPWC prior to recommending City acceptance.
 - (f) Prepare written recommendations for acceptance of public improvements into City ownership and maintenance.

Services outlined above total approximately 104 hours per month – estimated 3 months' service.

4. Additional assistance for the following if remaining monthly allocated time permits:
- a) Recommend and develop updates to checklists, processes, City engineering standards, and codes based on lessons learned from development review or that would improve the efficiency, timeliness, and responsiveness of the City's engineering and plan review services.

All work may be performed remotely and participation in meetings may occur via telephone and/or Zoom meetings.

ADDITIONAL SERVICES:

Except as noted herein, work not described above shall be performed as additional services. Additional services may include but are not limited to: Providing any other services not specifically included within this Scope of Work.

EXCLUSION:

Engineering services are not included within this scope of work.

FEE SCHEDULE

Fees for services as outline in Exhibit A, Scope of Services, are as follows:

2025 MUNICIPAL RATE SCHEDULE

.Rates are calculated at a 2.8 loaded rate for all staff.

Design - Staff	Hourly Rate
Dan Tadic	\$176.40
Kayla Kassa	\$151.20
Justin Shaw	\$218.40
Brett Cummings	\$176.40
Dan Inloes	\$159.60

Total Agreement Price not to exceed \$49,000. City makes no guarantee entire Agreement price will be expended during the term of this Agreement.