

**NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON**

RESOLUTION NO. 19-2011

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF NORTH
BEACH DISTRICT, PACIFIC COUNTY, WASHINGTON, APPROVING
A CONTRACT FOR PROFESSIONAL SERVICES, ENGINEERING
WITH GRAY AND OSBORNE, INC.**

WHEREAS, the Board of Commissioners believes that it is necessary to assure the existing water filtration plant is adequate to meet the current and future needs of the North Beach Water District; and

WHEREAS The Washington State Department of Health's Office of Drinking Water required North Beach Water District to evaluate our filtration system by a civil engineer; and

WHEREAS multiple engineering firms with expertise in water filtration delivered Statements of Qualifications that were reviewed by staff and the Board; and

WHEREAS based on Statement of Qualifications received, and through an interview process the firm Gray and Osborne, Inc. was identified by staff and the Board as the most qualified to perform said engineering services now, therefore,

BE IT RESOLVED by the Board of Commissioners of North Beach Water District that the Professional Services Contract, attached as Exhibit A to this Resolution, is approved and the President of the Board is authorized to sign the Contract.

ADOPTED by the Board of Commissioners of North Beach Water District, Pacific County, Washington, at the regular open public meeting thereof held on the 21st day of November, 2011.



Brian Sheldon, Commissioner



Gwen Brake, Commissioner



R D Williams, Commissioner

Exhibit A

**PROPOSAL AND CONTRACT
FOR
PROFESSIONAL ENGINEERING SERVICES**

NORTH BEACH WATER DISTRICT

NOVEMBER 2011

G&O Job. No. 20112.64

**GRAY & OSBORNE, INC.
CONSULTING ENGINEERS
SEATTLE, OLYMPIA, YAKIMA,
VANCOUVER & ARLINGTON**

**CONTRACT FOR PROFESSIONAL
ENGINEERING SERVICES**

THIS Contract, entered into this day, between the NORTH BEACH WATER DISTRICT, Washington, hereinafter called the "Agency"; and GRAY & OSBORNE, INC., Consulting Engineers, Seattle, Washington, hereinafter called the "Engineer".

WITNESSETH:

WITNESSETH THAT, the Agency now finds that it is in need for the engagement of professional engineering services. The purpose of this Contract it to define the scope of work to be performed, the conditions under which it shall be performed, and method of payment for professional engineering services authorized by the Agency.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto do mutually agree as follows:

ARTICLE 1

EMPLOYMENT OF THE ENGINEER

The Agency, acting pursuant to its vested authority, does hereby engage the Engineer and the Engineer agrees to furnish the engineering services as requested by the Agency in connection with the Water Treatment Plant Evaluation Project, hereinafter also called the "Project." These services are outlined in this Contract and shall be undertaken upon request by the Agency to the Engineer.

ARTICLE 2

CHARACTER & EXTENT OF ENGINEERING SERVICES

Upon execution of this Contract, and authorization of the Agency to proceed, the Engineer shall provide engineering services more fully described in Exhibit "A."

ARTICLE 3

SCOPE OF OWNER SERVICES

The AGENCY shall provide or perform the following:

Provide full information as to the Agency's requirements for the Project.
Assist the Engineer by placing at his disposal all available information pertinent to the site of the Project, including previous reports, drawings, plats, surveys, utility records, and any other data relative to the Project.
Absent specific written direction to the contrary, the Engineer shall be

entitled to rely upon the completeness and accuracy of such documentation.

Examine all studies, reports, sketches, estimates, specifications, drawings, proposals, and other documents presented by the Engineer.

ARTICLE 4

COMPENSATION

It is mutually agreed that the Agency will compensate the Engineer for services furnished based on the cost reimbursement method.

The total cost of these services shall not exceed the amount shown in Exhibit "B" without further written authorization by the Agency.

Total compensation is based on the following:

- (a) Cost Ceiling: The total amount of compensation for engineering services as described herein, and as further defined in letters or exhibits to this Contract including profit (fee), out-of-pocket expenses, direct labor costs, direct overhead and indirect overhead shall not exceed the total dollar cost agreed upon, without a formal amendment to this Contract.
- (b) Compensation Determination: Payment for work accomplished is on the basis of the Engineer's fully burdened labor rate plus direct non-salary cost.
 - 1. The fully burdened labor rate is the salary expense, overhead costs, and fee for professional and technical personnel and principals for the time they are productively engaged in work necessary to fulfill the terms of this Contract.
 - 2. The direct non-salary costs are those costs directly incurred in fulfilling the terms of this Contract including, but not limited to travel, reproduction, supplies and fees for special professional services, of outside consultants. If the Engineer is directed to employ special, professional expertise, the Agency will be billed by the Engineer for the special service invoiced amount plus ten percent (10%) for administrative overhead.

Payment of compensation shall be upon submittal to the Agency of a bill by the Engineer at approximate monthly intervals for services rendered during the preceding time period.

The cost records and accounts pertaining to this Contract are to be kept available for inspection by representatives of the Agency for a period of three (3) years, after final

payment. In the event any audit or inspection identifies any discrepancy in the financial records, the Engineer shall provide clarification and/or make adjustments accordingly.

ARTICLE 5

ADDITIONAL WORK

If during the performance of this contract, or subsequent to completion of the work under this contract other or additional services other than those previously specified, including but not limited to additions or revisions by the Agency are ordered in writing by the Agency, the Engineer agrees to provide the services and the Agency agrees to compensate the Engineer under the same method of Compensation Determination described herein, to be determined at the time the additional services are ordered. The Engineer agrees not to proceed with the additional services until such time as the costs for the additional services have been approved by the Agency.

ARTICLE 6

MAJOR REVISIONS

If, after the design has been approved by the Agency, and the Engineer has proceeded with the final design, and has performed work in processing same and the Agency authorizes new or substantially alters the design, the Agency will pay the Engineer a just and equitable compensation as mutually agreed upon by the Agency and the Engineer, or if an agreement cannot be reached within thirty (30) days, the equitable compensation shall be determined by mediators.

ARTICLE 7

COST ESTIMATE

The Agency is herewith advised that the Engineer has no control over the cost of labor, material, and equipment, including the contractors' and suppliers' methods of producing and delivering such goods and services; or over the methods and styles of competitive bidding or market conditions; and, accordingly, the Engineer's cost estimates are made and furnished on the basis of his experience and qualifications and represent only his best judgment as a design professional and within his familiarity with the construction industry, and, as such, the Engineer cannot and does not warrant, in any other manner or style, the accuracy of the cost estimates, nor that the estimates will or will not vary significantly with bids received by or construction costs realized by the Agency.

ARTICLE 8

FACILITIES TO BE FURNISHED BY THE ENGINEER

The Engineer shall furnish and maintain a central office, work space and equipment suitable and adequate for the prosecution of the work that is normal to the functioning of an established operating engineering practice.

ARTICLE 9

OWNERSHIP OF PLANS

All reports, designs, drawings and specifications prepared by the Engineer, as provided under this Contract shall be and do become the property of the Agency upon payment to the Engineer his compensation as set forth in this Contract. Reuse of any of the instruments of services of the Engineer by the Agency on extensions of this project or on any other project without the written permission of the Engineer shall be at the Agency's risk and the Agency agrees to defend, indemnify and hold harmless the Engineer from all claims, damages and expenses including attorney's fees arising out of such unauthorized reuse of the Engineer's instruments of service by the Agency or by others acting through the Agency.

ARTICLE 10

SEVERABILITY

If any provision of this Contract is held invalid, the remainder of this Contract shall not be affected thereby, if such remainder would then continue to conform to the terms and requirements of the applicable law.

ARTICLE 11

MEDIATION

All claims, disputes and other matters in question between Agency and Engineer shall, in the first instance, be subject to mediation. Either party may notify the other, by certified mail, of the existence of a claim or dispute. If such claim or dispute cannot promptly be resolved by the parties, the Engineer shall promptly contact the Judicial Arbitration and Mediation Service, Inc., or any other recognized mediation service agreed to by the parties, to arrange for the engagement and appointment of a mediator for the purpose of assisting the parties to amicably resolve the claim or dispute. The cost of the mediator shall be borne equally by the parties. The Agency and Engineer further agree to cooperate fully with the appointed mediator's attempt to resolve the claim or dispute, and also agree that litigation may not be commenced, by either party, for a period of ninety calendar days following the receipt by the other party of the written notice of claim or

dispute. This mediation provision may be asserted by either party as grounds for staying such litigation.

ARTICLE 12

ASSIGNABILITY

The Engineer shall not assign nor transfer any interest in this Contract without the prior written consent of the Agency.

ARTICLE 13

EQUAL EMPLOYMENT OPPORTUNITY

The Engineer agrees that it will not discriminate against any employee or applicant for employment because of race, religion, color, sex, age or national origin.

ARTICLE 14

COVENANT AGAINST CONTINGENT FEES

The Engineer warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fees, excepting bona fide employees. For breach or violation of this warranty, the Agency shall have the right to annul this Contract without liability or in its discretion to deduct from the Contract price or consideration or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

ARTICLE 15

SAFETY

The duty and/or Services furnished hereunder by the Engineer, does not include a review of the adequacy of any contractor's safety measures in, on, or near a project construction site. The contractor alone shall have the responsibility and liability thereof, and shall be insured accordingly. Neither the activities of the Engineer, nor the presence of the Engineer's employees at a site, shall relieve the contractor of their obligations, duties, and responsibilities with any health or safety precaution required to ensure the safety of the jobsite.

ARTICLE 16

INDEMNITY AGREEMENT

The Engineer shall hold the Agency harmless from, and shall indemnify the Agency against, any and all claims, demands, actions or liabilities caused by or occurring by reason of any negligent act or omission of the Engineer, its agents, employees or subcontractors, arising out of or in connection with the performance of this Contract.

The Engineer shall be required to indemnify the Agency in those cases where damages have been caused by the concurrent negligence of the Agency and Engineer, its agents, employees or subcontractors. In those cases, the liability of the Engineer for indemnifications shall be limited to that portion of the damages caused by the negligence of the Engineer, its agents, employees or subcontractors.

The Engineer has no duty to indemnify the Agency where damages were caused by the negligence of the Agency.

ARTICLE 17

INSURANCE

A. Public Liability

The Engineer shall provide evidence of comprehensive Public Liability and Property Damage Insurance which includes but is not limited to, operations of the Engineer, commercial general liability, and blanket limited contractual liability with limits of not less than:

COMPREHENSIVE GENERAL LIABILITY

Bodily Injury & Property Damage: \$1,000,000 each person
\$1,000,000 each occurrence
\$1,000,000 each aggregate

AUTOMOBILE LIABILITY

Bodily Injury: \$1,000,000 each person
\$1,000,000 each occurrence

Property Damage: \$1,000,000 single limit

The Agency shall be named as an additional insured as respects this Contract. In conjunction therewith, the Engineer shall furnish a certificate of such insurance to the Agency at the time of execution of this Contract.

B. Professional Liability

The Engineer shall provide Professional Errors and Omissions Liability Insurance which shall provide coverage for any negligent professional acts, errors or omissions for which the Engineer is legally responsible, with limits of not less than:

PROFESSIONAL ERRORS \$1,000,000 each occurrence
AND

OMISSIONS LIABILITY \$1,000,000 aggregate

The Engineer shall furnish a certificate of such insurance to the Agency at the time of execution of this Contract.

ARTICLE 18

STATUS OF ENGINEER

The Engineer is an independent contractor operating for its own account, and is in no way and to no extent an employee or agent of the Agency. The Engineer shall have the sole judgment of the means, mode or manner of the actual performance of this Contract. The Engineer, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing this Contract.

ARTICLE 19

CERTIFICATION OF ENGINEER

Attached hereto is Exhibit "D" Certification Regarding Debarment, Suspension and Other Responsibility Matters.

ARTICLE 20

CHOICE OF LAW/JURISDICTION/VENUE

This Contract shall be governed as to validity, interpretation, construction and effect, and in all other respects, by the laws of the State of Washington. Jurisdiction of any suit or action arising out of or in connection with this Contract shall be in the State of Washington, and the venue thereof be in the same County as the Agency.

ARTICLE 21

NOTICES

In every case where, under any of the provisions of this Contract or in the opinion of either the Agency or the Engineer or otherwise, it shall or may become necessary or desirable to make, give, or serve any declaration, demand, or notice of any kind or character or for any purpose whatsoever, the same shall be in writing, and it shall be sufficient to either (1) deliver the same or a copy thereof in person to the General Manager, if given by the Engineer, or to the President or Secretary of the Engineer personally, if given by the Agency; or (2) mail the same or a copy thereof by registered or certified mail, postage prepaid, addressed to the other party at such address as may have theretofore been designated in writing by such party, by notice served in the manner herein provided, and until some other address shall have been so designated, the address of the Agency for the purpose of mailing such notices shall be as follows:

NORTH BEACH WATER DISTRICT
P.O. Box 618
Ocean Park, Washington 98640

and the address of the Engineer shall be as follows:

GRAY & OSBORNE, INC.
701 Dexter Ave. North
Suite 200
Seattle, Washington 98109-4339

ARTICLE 22

ATTORNEY'S FEES

The parties agree that in the event a civil action is instituted by either party to enforce any of the terms and conditions of this Contract, or to obtain damages or other redress for any breach hereof, the prevailing party shall be entitled to recover from the other party, in addition to its other remedies, its reasonable attorney's fees in such suit or action and upon any appeal therefrom.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year written below.

ENGINEER: Gray & Osborne, Inc.

AGENCY: North Beach Water District

By: _____
(Signature)

By: _____
(Signature)

Name/Title: Thomas M. Zerkel, P.E., President

Name/Title: _____
(Print)

Date: _____

Date: _____

"Equal Opportunity/Affirmative Action Employer"

EXHIBIT A SCOPE OF SERVICES

The North Beach Water District (District) currently owns and operates a water system that supplies water to approximately 2,700 customers at the north end of the North Beach peninsula. The District currently operates two well fields that supply water to the system. The wellfields produce raw water that has elevated levels of iron, manganese, and arsenic. The raw water also has elevated levels of natural organic matter and total organic carbon (TOC) that can contribute to color and the formation of disinfection by products. Water from the well fields is currently treated with ozone followed by a contact chamber, polymer injection, and granular media pressure filter with proprietary media. No residual disinfectant is provided. There are two treatment facilities, one at each wellfield. The treatment facilities are different sizes, but consist of similar unit processes and components. The treatment facilities have little instrumentation and automation.

Due to the age and condition of these facilities, concerns with adequate ozone dosing, and due to concerns with periodic bromate exceedances, we understand that the North Beach Water District would like to complete a comprehensive evaluation of the treatment facilities. We understand the District would like to evaluate the effectiveness of the existing treatment facility with removing iron, manganese, arsenic, and total organic carbon. We also understand that the District would like to evaluate the cost effectiveness and life expectancy of the existing treatment system. As part of the project, the District would also like the existing backwash water settling system evaluated for compliance with Department of Ecology permit requirements.

Gray & Osborne proposes the following scope of work for this project:

Task 1 – Assess the Performance of the Existing Facility

This task will include the following steps:

- Review operating records and Department of Health data to ascertain the effectiveness of the existing facility at meeting current and anticipated drinking water requirements
- Meet with system operators to understand the operation of the existing facility and understand any potential variability in the quality of water produced by the facility.
- Inspect the existing facility, review existing equipment O&M documentation and determine the capacity of each individual system component.
- Collect water quality samples from each filter train during operation and determine residual ozone at various stages in the treatment train.

- Conduct ozone decay tests on water samples from each well to determine ozone demand from each well.
- Assess the amount of bromate formed from each treatment train with the full ozone dose applied.
- Collect water quality samples from each filter train with and without the filter aid polymer being injected and determine impact on system performance.
- Review the filter backwash disposal system and determine whether it meets Ecology Backwash Discharge NPDES requirements.

Task 2 – Evaluate the Cost Effectiveness and Life Expectancy of the Existing Treatment Facility

This task will include the following steps:

- Identify the age, capacity, and design criteria of each of the existing facility components.
- Identify the expected design life of each of the components and assess how much longer they could operate before needing to be replaced.
- Assess the existing building and electrical systems to determine if any systems need to be upgraded to improve their effectiveness or meet current codes.
- Review historical operating expenses including power, labor, and chemicals.
- Discuss current and historical operations and maintenance practices with operation and management staff.
- Develop costs for operating the existing facility to be used as a baseline for comparison with other alternatives.

Task 3 – Identify and Evaluate Improvement Alternatives

This task will include the following steps:

- Identify potential treatment system improvements alternatives. Potential alternatives may include:
 1. Maintain the Existing Treatment System
 2. Improve the Existing Treatment Facilities
 - i. Improve automation and instrumentation on the existing system.
 - ii. Provide a second train of air compressor and oxygen generator at each treatment facility for reliability

- iii. Manifold the treatment trains at the North facility into parallel trains used on all sources. Consolidate the ozone generators into fewer units if possible.
 - iv. Consider elimination or modification of the existing filter polymer.
 - v. Add a granular activated carbon or ion exchange to remove natural organic matter and reduce ozone dose and disinfection by-products.
- Develop preliminary capital and operations cost estimates for each alternative.
 - Qualitatively assess relevant non-cost factors for each alternative.

Task 4 – Prepare Draft Summary Report

We will summarize the results of the water treatment plant assessment and alternatives evaluation in a draft summary report. The report will document the methods used, the analysis completed, and the recommended steps forward. We will review the draft report with District staff and will assist with presentation of materials to the District commissioners and the public.

Task 5 – Prepare Final Summary Report

We will update the draft summary report with comments received and prepare a final summary report.

Task 6 – Conduct QA/QC Reviews

We will complete internal Quality Assurance/Quality Control review of each work product.

Task 7 – Meetings

We will meet with North Beach Water District to review work products. One meeting has been assumed to review the results of the evaluation and draft summary report with water district staff, Commissioners, and public.

ASSUMPTIONS

Gray & Osborne will perform on-site water quality analyses for iron, manganese, arsenic and ozone. The North Beach Water District will pay all costs for analysis of water samples that must be sent to a laboratory for analysis.

DELIVERABLES

Five copies of Draft Summary Report

Five copies of Final Summary Report and one CD with Electronic Files

SCHEDULE

The anticipated schedule for completing this project is as follows:

Notice to Proceed

November 14, 2011

Submit Draft Report

January 31, 2011

Submit Final Report

14 days after receipt of comments on Draft Report

EXHIBIT "B"

ENGINEERING SERVICES SCOPE AND ESTIMATED COST

NORTH BEACH WATER DISTRICT WATER TREATMENT PLANT EVALUATION

Tasks	Project Mgr. Hours	Civil Eng. Hours	Electrical Eng. Hours	CADD Tech. Hours
1 Assess the Performance of the Existing Facility	16	24		
2 Evaluate the Cost Effectiveness and Life Expectancy of the Existing Facility	12	20	16	
3 Identify and Evaluate Improvement Alternatives	8	20	8	
4 Prepare Draft Summary Report	8	16	4	8
5 Prepare Final Summary Report	4	8	2	4
6 Complete QA/QC Review	2	2	2	
7 Meetings	8	8		
Hour Estimate:	58	98	32	12
Estimated Hourly Rates:	\$144	\$112	\$155	\$88
Direct Labor Cost	\$8,352	\$10,976	\$4,960	\$1,056

Subtotal Direct Labor: \$ 25,344
 Direct Non-Salary Cost:
 Mileage & Expenses \$ 536
TOTAL ESTIMATED COST: \$ 25,880

EXHIBIT "D"

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

- I. The Engineer, Gray & Osborne, Inc., certifies to the best of its knowledge and belief, that it and its principals:
- A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - B. Have not within a 3-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission or fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - C. Are not presently indicated for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (I)(B) of this certification; and
 - D. Have not within a 3-year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default.

Thomas M. Zerkel, P.E., President
Gray & Osborne, Inc.

Date

The Agency may confirm the Engineer's suspension or debarment status on General Services Administration Excluded Parties List System website: www.epls.gov.