



**AGENDA  
BILL  
Item 6.B**

**Division 22-1 Reservoir  
Replacement Project  
Professional Services  
Agreement Approval**

DATE SUBMITTED:	May 7, 2025	MEETING DATE:	May 14, 2025
TO: BOARD OF COMMISSIONERS	FROM: Greg Nicoll, District Engineer		
GENERAL MANAGER APPROVAL	 A handwritten signature in blue ink that appears to read "Greg Nicoll".		
ATTACHED DOCUMENTS	1. Professional Services Agreement with Gray & Osborne Engineers		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

The Division 22-1 reservoir, a 514,000-gallon welded steel reservoir, is one of three reservoirs that receives treated water from the Sudden Valley Water Treatment Plant and distributes that treated water to the rest of the South Shore system from these reservoirs. As a result, the operability and integrity of this reservoir is critical to the operation of the South Shore system.

The Division 22-1 reservoir was originally constructed in 1971 and has not been renovated or recoated since its original construction. In 2016, BHC Consultants completed a seismic vulnerability assessment that identified seismic deficiencies that would make it unlikely that the reservoir could withstand a significant seismic event. In addition, a coating assessment completed in 2022 by Evergreen Coating Engineers determined that a significant portion of the coating system has failed and extensive corrosion of the structure has compromised the structural integrity of the roof of the reservoir.

Due to the seismic and structural deficiencies and failed coating system, the District applied for and was awarded a Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant (HMG) in 2024 to fund replacement of the reservoir with a new reservoir meeting seismic design standards. This grant includes a 75% grant contribution from FEMA and a 12.5% grant contribution from Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department, who also administers the grant on behalf of FEMA. The Board took action at the regularly scheduled March 12, 2025 Board meeting to accept this grant.

District staff subsequently advertised a request for qualifications (RFQ) for professional services to design, permit and assist with construction administration of

the project. The District received a total of three statements of qualifications from engineering firms and selected Gray & Osborne as the most qualified team.

The project and associated grant funding has been split into two phases: Phase 1 – Design/Permitting; and Phase 2 – Construction. The attached professional services agreement is limited to services required to complete Phase 1 - Design/Permitting. Tasks to complete this phase of work include preparation of a Project Report, survey, geotechnical evaluation, permitting, 60% and 90% draft plans and specifications, and final plans and specifications for bidding. This contract will be amended to include construction administration services following project bidding and construction contractor selection.

#### **FISCAL IMPACT**

The total contract amount for this professional services agreement, which includes Phase 1 – Design/Permitting, is \$269,600, which is well within the FEMA HMG grant amount of \$462,400 for Phase 1. The cost sharing for Phase 1 is as follows: FEMA 75% (\$346,800), WA-EMD 12.5% (\$57,800), and Lake Whatcom Water and Sewer District 12.5% (\$57,800). Following completion of design, the grant and this PSA will be amended to include Phase 2 - Construction.

The Water Utility System Reinvestment Fund will finance the District's grant match of \$57,800. However, because the Hazard Mitigation Grant had not been awarded at the time of development of the 2025-26 Budget, this expenditure is not defined in the approved biennial budget and will be addressed in a future budget amendment.

#### **APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)**

Product Quality  
Infrastructure Strategy and Performance  
Community Sustainability

#### **RECOMMENDED BOARD ACTION**

Staff recommends that the Board authorize the General Manager to execute the professional services agreement with Gray & Osborne Engineers.

#### **PROPOSED MOTION**

Recommended motion is:

“I move to authorize the General Manager to execute the professional services agreement with Gray & Osborne Engineers for design and permitting for the Division 22-1 Reservoir Replacement Project as presented.”

**PROFESSIONAL SERVICES AGREEMENT  
FOR  
DIVISION 22-1 RESERVOIR REPLACEMENT**

**THIS AGREEMENT**, made and entered into by and between Lake Whatcom Water and Sewer District, Whatcom County, Washington, hereinafter referred to as "District", and Gray & Osborne, Inc. ("Consultant"), a corporation with a place of business at 1130 Rainier Avenue South, Suite #300, Seattle, WA 98144, collectively referred to as "Parties", shall be effective upon the authorized signatures of both Parties to this Agreement ("Effective Date").

**WHEREAS**, the District, a special purpose municipal corporation, provides water and sewer service to its constituents; and

**WHEREAS**, the District desires to retain the Consultant to perform certain professional services necessary to perform the **Division 22-1 Reservoir Replacement** ("Project"); and

**WHEREAS**, the District procured the professional services as required by RCW 39.80; and

**WHEREAS**, the Consultant represents it has available and offers to provide qualified personnel and facilities necessary to accomplish such services required for the Project within the required time.

The Parties enter into this Agreement. The term Agreement and Contract shall be used interchangeably and refer to this Agreement.

**SECTION 1: PERIOD OF PERFORMANCE**

- 1.1. All required work and services specified in the terms and conditions of this Agreement for the Project per Exhibit A, Scope of Work, shall be completed on **December 31, 2026** unless extended or terminated earlier by the District pursuant to the terms and conditions of this Agreement. The District reserves the right to let the Agreement expire and to select another consultant to perform the additional study and/or phases.
- 1.2. Time is a material consideration in the performance by the Consultant under this Agreement. The Consultant shall complete its work and services within the Project schedule, including any established milestones and task completion dates, and the Period of Performance, set forth in the Scope of Work. The completion dates for tasks may be modified by a written directive; however, the Period of Performance for the Agreement may only be modified through an amendment. No completion dates shall be extended because of any unwarranted delays attributable to the Consultant. Completion dates may be extended in the event of a delay caused by the District which results in a delay in the performance of an affected task, or because of unavoidable delay caused by any governmental action or other conditions beyond the control of the Consultant, which could not be reasonably anticipated and which results in a delay in the performance of an affected task.
- 1.3. Time Extensions. The Total Price, Period of Performance and task budgets shall not be increased because of any unwarranted delays or costs attributable to the Consultant. In the event of a delay not attributable to the Consultant which (1) delay could not be reasonably anticipated and (2) results in an increase in costs to perform the work, the

District may, through the execution of an amendment, increase the Total Price, Period of Performance and/or task budget.

## **SECTION 2: ADMINISTRATION AND SUPERVISION**

- 2.1. District. An employee of the District, hereinafter called the "Project Manager," who shall be designated in writing by the General Manager, shall perform day-to-day management of this contract. The General Manager or their designee will issue notices to proceed, approve all requests for payment, authorize termination or modification of tasks, and approve in writing changes to the task budgets. The Project Manager will be responsible for determining when the Consultant has satisfactorily performed all work and for ensuring that the Consultant complies with all provisions of this Agreement.
- 2.2. Consultant. The Consultant represents that it has, or will obtain, all personnel necessary to perform the services required under this Agreement and that such personnel shall be qualified, experienced and licensed as may be necessary or required by laws and regulations to perform such services. All services required under this Agreement shall be performed by the Consultant, its employees, or by subconsultants whose selection has been authorized by the District; provided, that the District's authorization shall not relieve the Consultant or its subconsultants from any duties or obligations under this Agreement or at law to perform in a satisfactory and competent manner. All contractual duties, requirements and obligations that the Consultant owes to the District shall also be owed to the District by the Consultant's subconsultants retained to perform the work pursuant to this Agreement. The term "Consultant" shall refer to **Gray & Osborne, Inc.** and all of its subconsultants.
  - A. Authorized Subconsultants. The Contract shall identify in the Scope of Work, Exhibit A, the subconsultants who are authorized to perform work under this Contract.
  - B. Process for Adding or Removing Subconsultants. If during the term of this Contract, the Consultant wishes to add or remove a subconsultant, the Consultant shall provide the General Manager with a written request identifying the proposed change. The written request shall include the following information:
    1. Identity of the subconsultant and the work to be performed;
    2. Resumes and documentation outlining the subconsultant's experience;
    3. If the subconsultant is to perform work of the consultant or another subconsultant already identified in Exhibit A, an explanation of why the work is going to be transferred to a new subconsultant.
  - C. District Approval of Subconsultants. The District has sole discretion in approving or rejecting proposed subconsultants. Each subcontract shall be available for review and the cost summary subject to review by the Project Manager prior to the subconsultant proceeding with the work. Before any subconsultant not already identified in the Contract can perform any work under this Contract, the District shall provide written authorization to the Consultant.
  - D. Substitution of Personnel. The Consultant recognizes and agrees that if a change is made substituting or changing assigned key personnel, the Consultant shall be responsible for any and all costs associated with "Transfer of Knowledge and Information". The Transfer of Knowledge and Information shall be defined to

include the labor hours spent reviewing project documentation, participating in meetings with Project personnel, and participating in site visits to familiarize oneself with the Project and project location(s). The District shall not pay for any time spent for the "Transfer of Knowledge and Information".

1. The Consultant shall provide sufficient advance notice of any intention to remove or reassign key personnel. The Consultant shall not remove or reassign the key personnel assigned to this Project without written consent from the District. Exhibit E, Key Personnel, is a listing of key individuals for this work. Notice for the substitution of individuals and positions identified as Key Personnel shall include the following:
  - a. An explanation of the reason for the reassignment or removal;
  - b. The name of the person proposed to replace the individual; and
  - c. Identification of the experience and qualifications of the individual proposed.
2. For individuals who are not identified as "Key Personnel" in Exhibit E, the Consultant shall provide documentation supporting the labor rate for the substituted personnel prior to submitting an invoice and the labor rate shall not exceed 110 percent of the originally assigned personnel's labor rate.
3. District Request Removal Personnel. The Consultant shall remove from the Project any personnel or subconsultant if, after the matter has been thoroughly considered by the District and the Consultant, the District considers such removal necessary and in the best interests of the Project and so advises the Consultant in writing. In this case, the District will compensate the consultant for Transfer of Knowledge costs associated with the removal of any personnel or subconsultant.

### **SECTION 3: SCOPE OF WORK**

- 3.1. The District hereby retains the Consultant upon the terms and conditions contained herein to perform certain work and services on the Project. The work and services for the Project to be performed by the Consultant are set forth in Exhibit A, Scope of Work, attached hereto, and incorporated herein by this reference. The general Project Schedule is also set forth in Exhibit A, attached hereto and incorporated herein by reference.
- 3.2. The District shall make available to the Consultant, without cost, copies of as-built plans, drawings, survey notes, studies, soil reports, maintenance and performance records, and other relevant data, and property descriptions of various District facilities related to the Project, which are readily available, and on file at the District. These documents are available solely as additional information to the Consultant and do not relieve the Consultant of its duties and obligations under this Agreement nor constitute any representation or warranty by the District as to conditions or other matters related to the Project.
- 3.3. It shall be the responsibility of the Consultant to gather and become familiar with all site information including existing improvements specific to each assigned Task Order.

## **SECTION 4: CHANGES IN WORK**

- 4.1. Any direction from the District to perform work that results in an increase or decrease in scope, changes to the Total Price or Period of Performance, or changes impacting the Scope and Budget for the project shall be made only by an amendment prior to the work being performed.
- 4.2. In the event the Consultant identifies something that may impact the scope of work, Project Schedule and/or cost, Consultant shall inform the Project Manager within five (5) business days of the event and possible impacts to scope, schedule and cost. If appropriate, the parties shall execute an amendment.
- 4.3. The District may, at any time, by written amendment direct the Consultant to make additions within the general scope of the services or work to be performed under this Agreement, delete portions of the Project, or revise portions of the work. Any changes within the general scope of work, which result in an increase or decrease in time of performance or cost, shall only be made by amendment.

## **SECTION 5: RESPONSIBILITY OF THE CONSULTANT**

- 5.1. Standard of Care
  - A. The Consultant shall be responsible for the professional quality, technical adequacy and accuracy, timely completion and coordination of all plans, designs, drawings, specifications, reports and other services prepared or performed pursuant to this Agreement. The Consultant shall perform its work to conform to generally accepted professional standards applicable to the types of services and work provided hereunder. The Consultant shall be responsible for the professional standards, performance and actions of all persons and firms performing work pursuant to this Agreement. The Consultant shall, without additional compensation, correct or revise any errors, omissions or specific breaches of a contractual obligation in such plans, designs, drawings, specifications, reports and other services.
  - B. The District's approval of plans, drawings, designs, specifications, reports and other products of the professional services rendered hereunder shall not in any way relieve the Consultant of responsibility for the technical adequacy or accuracy thereof. Neither the District's review, approval or acceptance of, nor payment for, any of the services shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.
  - C. The Consultant shall be knowledgeable and familiar with the District's Construction General Conditions and any District provided Division 0 (which includes General and Supplemental conditions and Bidding Provisions) and Division 1 (General Construction Requirements). Any technical specifications drafted by the Consultant shall be consistent with these Divisions and such technical specifications should not create any ambiguity or conflict with these Divisions.

D. Consistent with generally accepted professional standards, the Consultant shall promptly bring to the District's attention any concerns that the Consultant has regarding the design, or any finding, conclusions, or final decisions made by the District. The Consultant shall, at the District's request, provide the District with a written evaluation of its concerns, along with proposed solutions to any identified problems.

5.2. Maintenance of Project Documentation

A. Upon written request by the Project Manager, the Consultant shall provide the District with access to all documents and correspondence, including e-mail communications, memoranda, and all other written materials prepared or used in performance of work on this Project.

B. The Consultant is cautioned that information and documentation submitted to the District may become a public record in accordance with the Revised Code of Washington and may not be exempt from disclosure under the Washington State Public Records Act.

C. The Consultant acknowledges that unauthorized disclosure of information or documentation concerning this Project may cause substantial economic loss or harm to the District. Except as otherwise required by Court Order or subpoena, the Consultant shall not without prior written authorization by the General Manager allow the release, dissemination, distribution, sharing, or otherwise publication or disclosure of information or documentation obtained, discovered, shared or produced pursuant to this Agreement.

## **SECTION 6: PRODUCTS**

6.1. In the performance of this Agreement, the Consultant shall, to the extent practicable, design and draft specifications that provide for maximum use of structures, machines, products, materials, construction methods, and equipment which are readily available through competitive procurement, or through standard or proven production techniques, methods and processes.

6.2. The Consultant shall not, in the performance of work under this Agreement, produce a design or specification which would require the use of structures, machines, products, materials, construction methods, equipment, or processes which the Consultant knows to be available only from a single source, unless the Consultant has provided a written justification for the use of a single source in writing and the District concurs.

6.3. The Consultant shall not, in the performance of work under this Agreement, produce a design or specification which would be restrictive or written in such a manner as to contain proprietary, exclusionary, or discriminatory requirements other than those based upon performance, unless such requirements are necessary to test or demonstrate a specific thing, or to provide for necessary interchangeability of parts and equipment. The Consultant shall report to the District any single source or restrictive design or specification giving the reason(s) why, in the Consultant's professional judgment, it is necessary to restrict the design or a particular specification. The Consultant shall substantiate in writing, and to the District's satisfaction, the basis for the single source or restrictive design or specification.

6.4. When one or more brand names or trade names of comparable quality or utility are listed, the words "or approved equal" shall follow the brand name(s) and the salient characteristics shall be identified.

## **SECTION 7: COMMENCEMENT AND MONTHLY REPORTS**

7.1. Notice to Proceed. After execution of this Agreement by the District and the Consultant, the District will issue a written notice to proceed on the Project or specific tasks thereof. Such notices to proceed will be provided for specific tasks identified as necessary to produce specified work products and shall set forth the date of commencement of the work, a description of the work to be performed, the schedule for the work authorized, and the budgets for such tasks. Upon receipt of a notice to proceed, the Consultant shall promptly commence work.

7.2. Monthly Reports. Unless otherwise stated in the Scope of Work, not later than the 10th day of each calendar month during the performance of the Project, the Consultant shall submit to the Project Manager, a monthly report, in a format approved by the Project Manager, sufficient to show the activities completed and the Project progress as measured against the Project Schedule and Exhibit B, Project Budget. At a minimum the monthly report shall identify work completed, costs incurred, budget status (budget vs. estimated balance to complete), amendments, project schedule, any variance between planned vs. actual project performance, all issues that may result in completion of any task beyond the established schedule or task budget, and all issues that may result in an increase in Total Price.

## **SECTION 8: COMPENSATION**

8.1. Subject to the provisions set forth in this Agreement, the District will pay the Consultant for authorized and satisfactorily completed work and services rendered under this Agreement. No more than monthly progress payments shall be full compensation for work performed and services rendered, for all supervision, labor, supplies, materials, equipment or use thereof, taxes, and for all other necessary incidentals, but in no case shall the total progress payment exceed the Total Price as defined herein. The amount to be paid to the Consultant shall be computed as hereinafter set forth; provided, that such payment shall not exceed a maximum amount of **TWO-HUNDRED SIXTY-NINE THOUSAND SIX-HUNDRED DOLLARS (\$269,600)** ("Total Price"). In the event the Consultant incurs costs in excess of the Total Price, the Consultant shall pay such excess from its own funds and the District shall not be required to pay any part of such excess and the Consultant shall have no claim against the District on account thereof.

8.2. Compensation for work and services shall be based on Labor Costs (fully burdened billing rates that include wages and salaries, benefits, overhead and profit), and Other Direct Costs.

A. Labor Costs. Direct Labor Costs shall be the total number of allowable hours worked on each Task Order by each individual multiplied by the Billing Rates identified in Exhibit B.

1. Billing Rates are "fully loaded," which includes salaries, overhead, and profit.

2. The District shall only pay the Billing Rate and shall not pay any premium associated with overtime.
3. The parties agree to the Billing Rates as set forth in Exhibit B. Billing Rates may be subject to reasonable adjustments, but only in accordance with paragraph 8.4 below.

B. Other Direct Costs. Other Direct Costs ("ODC") are those costs identified within Exhibit D or any Task Order-specific scope of work which can be specifically identified with the Contract objectives, are required for performance of the Contract, are approved in advance in writing by the Project Manager, and are actually incurred.

8.3. Unallowable Costs. The District shall not pay for any costs or direct charges associated with or relating to the following activities:

- A. Any resubmission, changes to or adjustments in the invoices, and fixing improper invoices and the preparation and submission of monthly invoices if this cost is not included in the Consultant's overhead.
- B. Preparation of, discussion and/or negotiation of a request for adjustments in any Billing Rate and/or Labor Escalation percentage; and
- C. Changing or reassigning personnel or subconsultants, including but not limited to preparing requests concerning Transfer of Knowledge for Key Personnel. Exception, the District will pay for costs associated with the change or reassignment resulting from a written request from the District requesting the specific personnel or subconsultant change.
- D. Preparation of any documentation related to, discussion of, or negotiation of equitable adjustment, disputes, claims or Section 16, Disputes and Remedies.
- E. Meals, except when in Travel Status outside of Whatcom and Skagit counties.

8.4. Limitations on Changes to Labor Rates.

- A. The Consultant agrees that all Billing Rates identified in this Agreement shall be effective for the entire Contract duration, including all amendments; provided however, Billing Rates may be increased at the sole discretion of the District on an annual basis.
- B. Billing Rate increases must be based on actual and verifiable increases in labor costs.
- C. Should the Consultant seek an adjustment in Billing Rate(s) or ODC, Consultant must notify the District in writing of its request to modify the existing rate. Consultant shall submit only one request per year that must include all individual rate increase requests. This request shall include the amount of the increase for each rate in addition to the new rate.

- 8.5. Approval of Increases by District; Adjustments in Billing Rates, and the amount of any rate increase require the approval of the General Manager. The Consultant shall provide additional information as requested by the District. The District shall review the Consultant's request for a rate increase and respond in writing to the request within sixty (60) calendar days of receipt of such request.
- 8.6. Effective Period. Any change to the Billing Rates shall not be effective until the date the General Manager approves, in writing, the increase. Rates shall not be retroactive. Only services performed after the date the General Manager approves the rate increase shall be billed at the new Billing Rate. The written approval is considered a part of the Contract documents and shall be incorporated into the Contract in the next amendment.
- 8.7. Invoice Process. The Consultant shall submit to the Project Manager an invoice for payment for work completed to the end of the previous month associated with active Project Task Orders. Such invoices shall be for work performed subsequent to that work covered by all previously submitted invoices and shall be computed pursuant to the rates and limitations set forth hereinabove.
  - A. Invoices shall detail the work by task, hours and employee name and level for which payment is being requested; include copies of all invoices from authorized subconsultants for which payment is being requested; and shall itemize, and include copies of, receipts and invoices for the Other Direct Costs.
  - B. At no time shall the total cumulative amounts paid for Project work exceed the total which would be due upon the completion of all Project work multiplied by the percentage of the required work satisfactorily completed, as determined by the District.
  - C. In the event of a disputed invoice, the District shall pay the undisputed amounts and withhold from payment the disputed portion of the invoice.
- 8.8. Prompt Payment of Subconsultants. Within ten (10) business calendar days of receipt of a progress payment from the District that includes dollars for work performed by subconsultants, Consultant shall pay such subconsultants out of such amounts as are paid by the District, for all work satisfactorily completed by the subconsultant.
- 8.9. Final Payment. Final payment of any Task Order balance earned by and payment to the Consultant for Project work will be made within sixty (60) calendar days after all of the following:
  - A. Satisfactory completion of all work required by this Agreement;
  - B. Receipt by the District of the plans, studies, surveys, photographs, maps, calculations, notes, reports and all other documents and/or deliverables which are required to be prepared and submitted by the Consultant under this Agreement;
  - C. Delivery of all equipment/materials purchased specifically for the Project where the District has reimbursed the Consultant for such costs;

- D. Receipt by the District of a fully executed final statement of amounts invoiced by and paid to each subconsultant under this Agreement; and,
- E. Execution and delivery by the Consultant of a release of all claims against the District arising under or by virtue of this Agreement, other than such claims, if any, as may be specifically exempted by the Consultant from the operation of the release in stated amounts to be set forth therein.
- F. No payment, whether monthly or final, to the Consultant for any Project work shall constitute a waiver or release by the District of any claims, right or remedy it may have against the Consultant under this Agreement or by law; nor shall such payment constitute a waiver, remission or discharge by the District of any failure or fault of the Consultant to satisfactorily perform the Project work as required under this Agreement.

## **SECTION 9: TERMINATION OF AGREEMENT**

### **9.1. Termination for Default**

- A. The District may terminate this Agreement, in whole or in part, in writing if the Consultant substantially fails to fulfill any or all of its material obligations under this Agreement through no fault of the District.
- B. If the District terminates all or part of this Contract for default, the District shall determine the amount of work satisfactorily performed to the date of termination and the amount owing to the Consultant using the criteria set forth below; provided, that (a) no amount shall be allowed for anticipated profit on unperformed services or other work and (b) any payment due to the Consultant at the time of termination may be adjusted to the extent of any additional costs the District incurs because of the Consultant's default. In such event, the District shall consider the actual costs incurred by the Consultant in performing the Project work to the date of termination, the amount of work originally required which was satisfactorily completed to the date of termination, whether that work is in a form or of a type which is usable and suitable to the District at the date of termination, the cost to the District of completing the work itself or of employing another firm to complete it and the inconvenience and time which may be required to do so, and other factors which affect the value to the District of the Project work performed to the date of termination. Under no circumstances shall payments made under this provision exceed the total price set forth in active Task Orders executed under this Agreement. This provision shall not preclude the District from filing claims and/or commencing litigation to secure compensation for damages incurred beyond that covered by withheld payments.
- C. Upon receipt of a termination notice the Consultant shall at no additional cost to the District:
  1. Promptly discontinue all services affected (unless the notice directs otherwise);
  2. Terminate all subcontracts to the extent they relate to the work terminated; and

3. No later than thirty (30) calendar days after receipt of termination, promptly deliver or otherwise make available to the District all data, drawings, electronic drawing files, specifications, calculations, reports, estimates, summaries, Official Project Documentation and other Project documentation, such other information and materials as the Consultant or subconsultants may have accumulated in performing this Agreement, whether completed or in progress and all equipment/materials purchased specifically for the Project where the District has paid the Consultant for such items.

D. Termination for Convenience.

1. The District may terminate this Agreement, in whole or in part, for the convenience of the District. The District shall terminate by delivery to the Consultant a Notice of Termination specifying the extent of the termination and the effective date.
2. If the District terminates this Contract for convenience, the District shall pay the Consultant only for the following items:
  - a. An amount for Labor Costs and Indirect Costs in accordance with the Contract and Exhibit B for services satisfactorily performed to the date of termination;
  - b. Actual and reasonable Other Direct Costs, as allowed under Exhibit D, incurred before the termination; and
  - c. Actual and Reasonable termination settlement costs the Consultant reasonably incurs relating to commitments which had become firm before the termination, unless the District determines to assume said commitments. Reasonable termination settlement costs include settlement costs for subconsultants and actual reasonable accounting and clerical costs related to preparing a termination settlement proposal.
3. Upon receipt of a termination notice the Consultant shall at no additional cost to the District:
  - a. Promptly discontinue all services affected (unless the notice directs otherwise);
  - b. Terminate all subcontracts to the extent they relate to the work terminated;
  - c. No later than thirty (30) calendar days after receipt of termination, promptly deliver or otherwise make available to the District all data, drawings, specifications, calculations, reports, estimates, summaries, Official Project Documentation, other Project documentation, and such other information and materials as the Consultant may have accumulated in performing this Agreement, whether completed or in progress and all equipment/materials purchased specifically for the Project where the District has reimbursed the Consultant for such costs;

- d. Take any action necessary, or that the District may direct, for the protection and preservation of property related to this Agreement that is in the possession of the Consultant and in which the District has or may acquire an interest.

## **SECTION 10: OWNERSHIP AND USE OF DOCUMENTS**

- 10.1. Reports, studies, drawings, specifications, calculations or other information developed under the terms of this Agreement shall become the property of the District after full payment to Consultant for their preparation. Any reuse of drawings/plans, specifications and/or calculations for another project without written verification or adaptation by Consultant will be at the District's sole risk and without liability or legal exposure to Consultant. District shall defend, indemnify and hold Consultant harmless from all claims, damages, losses, and expenses, including attorney's fees, arising out of or resulting therefor. The District further acknowledges that it may receive certain materials from Consultant by way of electronic file and agrees that should it modify such materials in connection with their subsequent use, that Consultant shall bear no responsibility for the contents thereof.

## **SECTION 11: THIRD-PARTY CLAIMS AND DISPUTES**

- 11.1. At the District's request, Consultant will assist the District in review and evaluation claims and disputes, preparing information for the District's legal counsel, providing services as witness in litigation or arbitration to which the District is a party and providing other services in connection with actual or potential claims or disputes arising out of the work, regardless of whether or not consultant is named in such legal action. The parties shall cooperate to agree on the compensation for such services. If Consultant is determined to be responsible for the claim, dispute or litigation due to its negligence or breach of the contract herein, it shall remit back to the District the amounts paid under this section to the extent of such negligence or breach.

## **SECTION 12: AUDIT AND ACCESS TO RECORDS**

- 12.1. The Consultant, including its subconsultants, shall maintain books, records, documents, and other evidence directly pertinent to performance of the work under this Agreement in accordance with generally accepted accounting principles and practices consistently applied. The District, or any of its duly authorized representatives, shall, for the purpose of audit and examination, have access to and be permitted to inspect such books, records, documents, and other evidence for inspection, audit and copying for a period of six years after completion of the Project. The District shall also have access to such books, overhead data, records and documents during the performance of Project work if deemed necessary by the District to verify work performed and Invoices, to assist in negotiations for amendments to the Agreement or modifications to tasks, and to resolve claims and disputes.
- 12.2. Audits conducted under this Section shall be in accordance with generally accepted auditing standards and established procedures and guidelines of the reviewing or audit agency(ies).

## **SECTION 13: LEGAL RELATIONS**

- 13.1. The Consultant shall comply, and shall ensure its subconsultants comply, with all the terms of this Agreement and the District resolutions and federal, state and local laws, regulations and ordinances applicable to the work and services to be performed under this Agreement.
- 13.2. In performing work and services hereunder, the Consultant and its subconsultants, employees, agents and representatives shall be acting as independent contractors and shall not be deemed or construed to be employees or agents of the District in any manner whatsoever. The Consultant shall not hold itself out as, nor claim to be, an officer or employee of the District by reason hereof and will not make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the District. The Consultant shall be solely responsible for any claims/costs and/or losses arising from the Consultant's failure to pay wages, compensation, benefits or taxes and/or pay for services, supplies and/or materials provided by Consultant employees, agents and representatives, including subconsultants, and will protect, defend, indemnify and hold the District harmless there from.
- 13.3. To the maximum extent permitted by law, the Consultant agrees to indemnify and save harmless the District, its officers, agents and employees, from and against any and all suits, claims, actions, losses, costs, reasonable attorney fees and expenses, penalties, judgments, settlements and damages of whatsoever kind or nature arising out of, in connection with, or incident to errors or omissions in the performance of contractual obligations, and/or the negligent performance of work or services provided by or on behalf of the Consultant, except to the extent caused by the negligence of the District. The Consultant's indemnity obligation includes an obligation to (a) satisfy any judgment or other final decision of a court or other tribunal; (b) pay any reasonable settlement negotiated by the District with respect to claims that are within the scope of the indemnity obligation; and (c) pay all claims against the District by an employee or former employee of the Consultant or its subconsultants, and for this purpose, by mutual negotiation, the Consultant expressly waives, as respects the District only, all immunity and limitation on liability under any industrial insurance act, including Title 51 RCW, other worker's compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. The Consultant further agrees to defend all claims against the District and its officers, agents, and employees which, if proven, could result in liability of the District, its officers, agents, or employees for loss or damage caused by any such errors, omissions, or negligent work or services performed by the Consultant. The Consultant's obligation to defend shall include timely payment of all reasonable attorney fees, costs and expenses incurred in the defense of such claims. In the event of litigation between the parties to enforce the rights under this paragraph, reasonable attorney fees and expenses shall be allowed to the prevailing party.
- 13.4. The District's rights and remedies in this Agreement are in addition to any other rights and remedies provided by law.
- 13.5. The indemnification, protection, defense and save harmless obligations contained herein shall survive the expiration, abandonment or termination of this Agreement.

## **SECTION 14: INSURANCE**

- 14.1. Prior to execution of the Agreement, the Consultant shall file with the District certificates of insurance and endorsements from the insurer(s) certifying to the coverage of all insurance required herein. All evidences of insurance must be certified by a properly authorized officer, agent, general agent or qualified representative of the insurer(s) and shall certify the name of the insured, the type and amount of insurance, the location and operations to which the insurance applies, the expiration date, and provides that the District receives notice at least thirty (30) calendar days prior to the effective date of any policy limit or cancellation of required coverages. The Consultant shall notify the District at least thirty (30) calendar days prior to the effective date of any cancellation or reduction in coverage in the policy. Documentation of coverage shall be provided on each insurance renewal date. The Consultant shall, upon demand of The District, make available to The District at Consultant's local office in The District all such policies of insurance and the receipts of payment of premiums thereon. Failure to provide such policies of insurance within a time acceptable to The District shall entitle The District to suspend or terminate the Consultant's work hereunder, Suspension or termination of this Agreement shall not relieve the Consultant from its insurance obligation hereunder.
- 14.2. The Consultant shall obtain and maintain at a minimum the limits of insurance set forth below. By requiring such minimum insurance, the District shall not be deemed or construed to have assessed the risks that may be applicable to the Consultant under this Agreement. The Consultant shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.
- 14.3. Each insurance policy shall be written on an "occurrence" form; excepting that insurance for professional liability, errors and omissions when required, is acceptable on a "claims made" form.
- 14.4. If coverage is approved and purchased on a "claims made" basis, the Consultant shall continue coverage either through (1) policy renewals for not less than seven years from the date of completion of the work which is the subject of this Agreement or (2) the purchase of an extended discovery period for not less than seven years from the date of completion of the work which is the subject of this Agreement, if such extended coverage is available.
- 14.5. If, in order to meet the requirements of this Section, the Consultant must rely on the insurance to be provided by one or more subconsultant, then such subconsultant(s) shall be required to meet all of the requirements herein applicable to the insurance they are providing, and shall include District and Consultant as additional insureds on all liability policies except Professional Liability/Errors & Omissions and Workers Compensation. The District will not make any payments on work performed by subconsultants until all insurance documentation from such subconsultants have been received and accepted by the District.
- 14.6. Consultant hereby grants to District a waiver of any right to subrogation which any insurer of said Consultant may acquire against the District by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received waiver of subrogation endorsement from the insurer.
- 14.7. The Consultant shall maintain limits no less than, for:

- A. General Liability. \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a \$1,000,000 aggregate limit. Coverage shall be at least as broad as Insurance Services Office form number (CG 00 01) covering COMMERCIAL GENERAL LIABILITY.
- B. Professional Liability Errors and Omissions. \$2,000,000 per claim and in the aggregate.
- C. Automobile Liability. \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number (CA 00 01) covering BUSINESS AUTO COVERAGE, symbol 1 "any auto"; or the combination of symbols 2, 8, and 9.
- D. Workers' Compensation. Statutory requirements of the State of residency. Coverage shall be at least as broad as Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, as well as any similar coverage required for this work by applicable Federal or "other States" State Law.
- E. Employer's Liability or "Stop Gap". Coverage shall be at least as broad as the protection provided by the Workers Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the general liability policy.

14.8. Any deductibles or self-insured retentions must be declared to, and approved by, the District. The deductible and/or self-insured retention of the policies shall not limit or apply to the Consultant's liability to the District and shall be the sole responsibility of the Consultant.

14.9. The insurance policies required in this Agreement are to contain, or be endorsed to contain the following provisions:

- A. Liability Policies except Professional Liability & Errors and Omissions and Workers Compensation:
  1. The District, its officers, officials, employees and agents are to be covered as additional insured as respects liability arising out of activities performed by or on behalf of the Consultant in connection with this Agreement. Such additional insured status shall include Products-Completed Operations.
  2. To the extent of the Consultant's negligence, the Consultant's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the District, its officers, officials, employees or agents shall not contribute with the Consultant's insurance or benefit the Consultant in any way.

3. The Consultant's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
4. When Consultant's scope of work involves a vessel on or around water the policy shall include Jones Act coverage.

14.10. If at any time of the foregoing policies shall fail to meet the minimum standards above, the Consultant shall, upon notice to that effect from the District, promptly obtain a new policy, and shall submit the same to the District, with the appropriate certificates and endorsements, for approval.

## **SECTION 15: DISPUTES AND REMEDIES**

- 15.1. **Choice of Law.** This Agreement and all provisions hereof shall be interpreted in accordance with the laws of the State of Washington in effect on the Effective Date.
- 15.2. **General Manager Review.** All claims, counter-claims, disputes and other matters in question between the District and the Consultant arising out of or relating to this Agreement or the breach of it shall be referred to the General Manager or a designee for determination, together with all facts, data, contentions and so forth which relate thereto. The General Manager shall make a determination within thirty (30) calendar days of such referral.
- 15.3. **Mediation and Arbitration.** The parties will first attempt to mediate any dispute arising under or in connection with this Agreement, in accordance with the provisions of the Washington Uniform Mediation Act, Ch. 7.07 RCW. In the event such mediation is unsuccessful, any such dispute will be settled by arbitration as set forth in this Section 15.3. No legal right of action may arise out of any such dispute until arbitration has been completed. Each party, however, will have full access to the courts to compel compliance with these arbitration provisions, to enforce an arbitration award or to seek injunctive relief, whether or not arbitration is available or under way. The arbitration will take place as follows:
  - A. **Notice.** The party demanding arbitration must give the other parties a written notice. The written notice must contain, in addition to the demand for arbitration, a clear statement of the issue or issues to be resolved by arbitration, an appropriate reference to the provision of the Agreement which is involved, the relief the party requests through arbitration, and the name and address of the arbitrator requested by the demanding party.
  - B. **Response.** The party receiving the notice of the demand for arbitration must provide a written response to the demand within fifteen (15) days following receipt of the notice. The response must contain a clear statement of the respondent's position concerning the issue or issues in dispute and the name and address of the arbitrator it selects as the arbitrator to hear the dispute. If the parties fail to agree upon an arbitrator within five (5) days following the time allowed for this response to the demand for arbitration, the demanding party may apply to the presiding department of the Superior Court for Whatcom County, Washington to designate the arbitrator.

- C. Arbitration. The arbitrator will meet in Bellingham, Washington, within twenty (20) days after the selection of the arbitrator and will allow each party an opportunity to submit oral and written evidence and argument concerning the issue in dispute. The arbitrator may resolve only the question or questions submitted to arbitration and must include as part of his consideration a full review of the Agreement and all material incorporated in the Agreement by reference.
- D. Decision. The decision of the arbitrator will be final and will bind the parties.
- E. Consent to Change. By consent of all parties to any dispute under this Agreement, the method of selection of an arbitrator or arbitrators, or even the arbitrator(s) selected, may be changed at any time.
- F. Payment of Costs. Subject to the provisions of Section 13.3, in any arbitration, each party will pay its own costs, witness fees and attorneys' fees. The fees charged by the arbitrator and the costs of the proceeding shall be borne equally.
- G. State Law. Except to the extent inconsistent with the terms of this Agreement, the terms and provisions of Chapter 7.04A RCW are incorporated in and made a part of this Agreement.

15.4. **Exhaustion of Administrative Remedies.** Referral to and determination by the General Manager or a designee and mediation and arbitration shall be a condition precedent to the commencement of a civil action to adjudicate such dispute.

15.5. **Jurisdiction & Venue.** Subject to these provisions herein, the Superior Court of Whatcom County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement and the laws of the state of Washington shall apply.

## **SECTION 16: NOTICE**

16.1. Any notice required to be given under the terms of this Agreement shall be in writing and directed to the party at the address set forth below. Notice shall be considered issued and effective upon receipt thereof by the addressee-party.

Gray & Osborne, Inc.	Lake Whatcom Water and Sewer District
Attn: Keith Stewart, P.E.	Attn: Justin Clary, General Manager
1130 Rainier Avenue South, Suite #300	1220 Lakeway Drive
Seattle, WA 98144	Bellingham, WA 98229
Phone: 206.284.0860	Phone: 360.734.9224

## **SECTION 17: ENTIRETY, AMENDMENT AND EXECUTION OF AGREEMENT**

17.1. This Agreement merges and supersedes all prior negotiations, representations and agreements between the Parties relating to the subject matter hereof and constitutes the entire agreement between the Parties.

17.2. The Contract documents included in the Agreement are identified below. Any inconsistency or conflict between the Contract documents shall be resolved by giving precedence in the following descending order of importance:

- A. Professional Services Agreement for **Division 22-1 Reservoir Replacement**, as modified by the latest amendment;
- B. Exhibit A, Scope of Work, as modified by the latest amendment;
- C. Exhibit B, Project Budget;
- D. Exhibit C, Insurance;
- E. Exhibit D, Allowable Other Direct Costs; and
- F. Exhibit E, Key Personnel List

17.3. This Agreement shall be executed in two (2) counterpart copies, any of which shall be considered for all purposes as the original.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their respective authorized officers or representatives as of the day and year written below.

***Gray & Osborne, Inc.***

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Mike Johnson, President

***Lake Whatcom Water and Sewer District***

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Justin Clary, General Manager

***Approved as to Form***

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Robert Carmichael  
Attorney for Lake Whatcom Water and Sewer District

## **EXHIBIT A**

### **SCOPE OF WORK**

#### **LAKE WHATCOM WATER AND SEWER DISTRICT DIVISION 22-1 WATER RESERVOIR REPLACEMENT PROJECT ENGINEERING SERVICES**

#### **PROJECT UNDERSTANDING**

The Lake Whatcom Water and Sewer District (District) owns and maintains a public water and sewer system that serves residential and commercial customers in Whatcom County, Washington. Their Washington State Department of Health (DOH) Water System ID number is #95910.

On April 28, 2025, the District selected Gray & Osborne (G&O) to provide design and construction management engineering services for a new welded steel water storage reservoir at their existing Division 22 reservoir site. The existing Division 22-1 reservoir is a 500,000-gallon welded steel tank adjacent to the District's recently (2017) installed Division 22-2 reservoir. The Division 22-1 reservoir is in need of significant upgrades to the coating system and was found to be seismically deficient for several current, critical design parameters. The District recently analyzed their alternatives and decided that full and complete replacement of the reservoir provided the best overall value.

At this point in time, the District would like to proceed with engineering design for the replacement reservoir in 2025-2026, and construction of the new reservoir in 2026-2027.

In general, the Scope of Services to be provided for the project include the following work items.

1. Project Report to identify critical design parameters for the proposed replacement reservoir. This Report will meet the requirements of WAC 246-290-110 for Washington State Department of Health Project Report.
2. Completion of building code review and supplemental geotechnical analysis to confirm seismic parameters for new structures.
3. Design of a replacement water reservoir.
4. Bid services during the public bidding process.
5. Construction management services.

For budgeting and scheduling purposes, the District has elected to divide the project into two separate phases: Design and Construction Management. While the general outline of tasks previously listed includes both phases, the following Scope of Work only includes work for the design phase of the project. A separate Scope of Work will be developed for construction administration services at the completion of the design phase.

Gray & Osborne is pleased to provide the following Scope of Work for the design phase of this project.

## **SCOPE OF WORK**

### **Task 1 – Project Management**

Services shall include overall project management and oversight of the project by the Project Manager.

Work will include the following:

- A. Provide overall project management and oversight of the work;
- B. Procure sufficient staff resources to dedicate to the project;
- C. Manage and control project budget and schedule;
- D. Manage and provide monthly progress reports and invoices; and
- E. Coordinate the project with the District.

#### Deliverables:

- Monthly progress reports and invoices (.pdf).

### **Task 2 – Geotechnical Investigation**

Services shall include geotechnical efforts by our geotechnical sub-consultant, PanGEO Inc. of Seattle, Washington. Their work will provide analysis and recommendations for foundation design necessary to design the replacement reservoir.

Work will include the following:

- A. Site reconnaissance visit;
- B. Review of existing geotechnical documentation, including, but not limited to, materials generated during design of the Division 22-2 tank;

- C. Completion of a geotechnical engineering analysis and summary report; and
- D. Post report analysis and consultation, as needed.

Deliverables:

- Final geotechnical engineering analysis and summary report (.pdf).

Assumptions:

- 1. Site reconnaissance will be completed by up to 2 geotechnical engineers. Gray & Osborne will not attend geotechnical site reconnaissance visit.
- 2. Subgrade exploration (borings, test pits, etc.) are specifically excluded from this Scope of Work.
- 3. Soil sample collection and analysis is specifically excluded from this Scope of Work.
- 4. District will provide Record Drawings for the existing Division 22-1 reservoir, if available.
- 5. G&O will provide review and comment on the Draft Geotechnical Report within 14 calendar days of receipt from PanGEO.
- 6. Draft Geotechnical Report review comments will be incorporated into the Final Geotechnical Report. The Final Report shall be made available within 14 calendar days after submission of Draft review comments.

### **Task 3 – Project Report**

Services shall include preparation of a Project Report (Report) that will meet the requirements of Washington Administrative Code (WAC) 296-240-110 for an Engineering Report. The report will be submitted to the Washington State Department of Health (DOH) for their review, comment, and approval in conjunction with the 90 percent Plans, Specifications, and Cost Estimate.

In general, the Report will provide the following information.

- A. Project introduction;
- B. Project background and description of existing facilities;
- C. Identification and description of proposed alternative;

- D. Verification and modelling of distribution system with only Division 22-2 tank in service to verify system pressure and fire-flows;
- E. Reservoir design criteria, description of reservoir components, summary of construction activities, and summary of startup and testing activities; and
- F. Project cost estimate.

Services will also include collection of existing tank coating samples for RCRA-8 metal analysis. Both interior coating and exterior coating samples will be analyzed. The results of this testing will be included in the Report.

Deliverables:

- Draft Predesign Report (.pdf).
- Final Predesign Report (.pdf).

Assumptions:

- 1. District will provide review and comment for the Draft Report within 21 calendar days of receipt.
- 2. DOH engineers will provide review and comment for the Report within 90 calendar days of receipt.
- 3. District will either: (1) provide their water model for use by G&O; or (2) will coordinate with their preferred modelling entity for integration of design parameters provided by G&O. If this option is selected, the District will then provide modelling results and/or figures as needed to complete the Report. Data must be provided in standard format (.xlsx, .csv, .pdf, etc.), and information for figures must be compatible with GIS mapping software.
  - a. If the latter option is selected by the District, a separate engineering services contract with that entity may be required.

## **Task 4 – Project Design**

Services shall include the preparation of plans, technical specifications, contract documents, and cost estimates for construction of a new welded steel reservoir. The contract documents will be prepared in a format suitable for public bidding, including plans, specifications in CSI format, and cost estimates with District review at the 60 percent and 90 percent design level.

Reservoir design will be based on the District's previous analysis and desire for a new welded steel reservoir. Design for the reservoir includes the following assumptions:

- A. Reservoir will have a working volume between 550,000 – 650,000 gallons.
- B. Reservoir will be an above-grade, welded steel reservoir with a diameter of approximately 50 feet.
- C. The new reservoir will be located in the same location as the existing Division 22-1 reservoir.
- D. Potable water piping will be designed to connect the new reservoir to existing inlet and outlet site piping. New potable water inlet and outlet piping will include sampling accommodations. Stormwater piping will be designed to connect to the existing stormwater drain system installed for the Division 22-2 reservoir project.
- E. System control and monitoring will use District or industry standard instrumentation (ultrasonic level sensor, submersible pressure sensor, floats, etc.) and these devices will be designed to be integrated into the District's existing Supervisory Control and Data Acquisition (SCADA) system.
- F. Design will include all associated sitework, site piping, grading, and electrical modifications as required to construct, operate, access, and maintain the new reservoir.

Gray & Osborne will assist the District with the acquisition of permits necessary to complete the project. This will include completion of forms required for permit application, correspondence with the permitting agency, attendance at meetings with the permitting authority, and providing plans and specifications for permitting agency review, comment, and approval. Revised documents will be provided as required to address agency comments.

## Deliverables

- 60 percent design submittal including Plans, Technical Specifications, and Cost Estimate (.pdf)
- 90 percent design submittal including Plans, Technical Specifications, and Cost Estimate (.pdf)
- 100 percent design submittal including Plans, Technical Specifications, and Cost Estimate (.pdf)
- Plans and Technical Specifications as required for review and acquisition of the required permits.
  - For this Scope of Work, we have assumed up to 2 project submittals will be required (1 initial submittal and 1 resubmittal) for project approval.
- Materials required for permit documentation.

## Assumptions

1. G&O will meet with District staff at project onset to discuss District goals and objectives and to perform a site visit with District staff to identify site issues.
2. G&O will attend up to two additional site visits during the course of design. These meetings will include a G&O Project Manager and Project Engineer, and will be to review design parameters, verify field conditions, and coordinate with District staff.
3. G&O will attend up to four project meetings during the course of design. These meetings are assumed to take place virtually and do not include a site visit.
4. Up to one additional site visit for a Field Survey crew may be provided; however, the existing basemap from the Division 22-2 reservoir project will be utilized to the maximum extent possible.
5. G&O will combine our 16-Chapter CSI Technical Specifications with the District's current general conditions, contract, legal, and proposal documents.
6. G&O will use our standard title block and CAD standards for all drawing files.

7. G&O will provide review and comment for the full and complete bid package prior to project advertisement.
8. Anticipated permit documents include the following items: Conditional Use Permit, Height Variance Application, Whatcom County Land Disturbance and Clearing Permit, Stormwater Permit, and State Environmental Policy Act (SEPA) Checklist.
  - a. G&O will attend up to four meetings (1 hour each) with county officials to discuss the project and any comments/revisions necessary. These meetings are assumed to take place virtually.
9. Washington State Department of Health project approval will be required.
  - a. G&O will provide Plans, Specifications, and the Cost Estimate to DOH at the 90 percent design level for their review and comment.
  - b. G&O will then submit final, signed construction documents to DOH prior to project award.
10. All permit and regulatory agency review fees will be paid by the District.
11. The project building permit will be a deferred submittal until reservoir drawings and design calculations are provided by the vendor. The Contractor will be responsible for final building permit acquisition.
12. District will create, facilitate, and complete any and all sign postage for the project.
13. Height variance may be required for proposed reservoir.
14. Stormwater permit may be required for the proposed reservoir.

### **Task 5 – Bid and Award Assistance/Support**

This task will include bid assistance/support as required and will include the following:

- A. Coordinate bid sequencing with District staff;
- B. Provide bidding documents to District staff;
- C. Answer bidder questions, as necessary;
- D. Prepare contract addenda, as necessary;

- E. Attend pre-bid meeting at District office and project location;
- F. Review Contractor qualifications, review Supplemental Bidder Criteria, and prepare Mandatory Bidder Responsibility Checklist; and
- G. Prepare Recommendation to Award Letter.

Deliverables:

- Addenda, if required (.pdf)
- Mandatory Bidder Responsibility Checklist (.pdf)
- Recommendation to Award Letter (.pdf)

Assumptions:

1. District staff will submit all documents and pay all fees required for advertisement of the project.
2. District staff will coordinate and facilitate bid opening activities.
3. District staff will prepare final bid tabulation and provide to G&O.

**Task 6 – Quality Assurance/Quality Control**

This task will include up to three, in-house, quality assurance/quality control (QA/QC) meetings at G&O's office in Seattle during the course of the project. The meetings will include senior project staff, selected design team members, and District staff (as desired). After QA/QC meetings are held, we will ensure incorporation of relevant recommendations into the project documents prior to submittal to the District.

QA/QC meetings will take place at the following levels:

- A. Completion of 60 percent design
  - 1. Plans, Specifications, and Cost Estimate
- B. Completion of 90 percent design
  - 1. Plans, Specifications, and Cost Estimate

- C. Completion of 100 percent design
  - 1. Plans, Specifications, and Cost Estimate
- D. Ensure incorporation of relevant recommendations and suggestions into bid/construction documents resulting from QA/QC reviews.

This task also includes work by a coatings specialist, Lance Stevens, P.E., with Evergreen Coating Engineers Inc. Lance will provide review and comment on the Plans, Specifications, and Cost Estimate for the project at the 60% and 90% deliverable milestones.

G&O will also provide review and comment on the final, combined, contract bid package prior to advertisement to ensure consistency and accuracy.

#### Deliverables

15. None

#### Assumptions

1. None

### **PROJECT SCHEDULE**

Gray & Osborne proposes to complete the work listed above according to the following schedule.

Notice to Proceed (NTP).....	May 2025
Complete Geotechnical Investigation .....	June 2025
Complete 60 Percent Project Design .....	September 2025
<i>District Comments Returned</i> .....	<i>September 2025</i>
Complete 90 Percent Project Design .....	November 2025
<i>District Comments Returned</i> .....	<i>December 2025</i>
<i>DOH Comments Returned</i> .....	<i>February 2026</i>
Complete 100 Percent Project Design .....	March 2026
Project Advertisement.....	March 2026
Project Award .....	April 2026
Project Construction.....	June 2026– October 2027

Adjustments to the schedule above may be required based on document review times and/or availability of District staff. The District will be notified immediately if any deviations from the schedule above are required.

## **PROJECT BUDGET**

Based on the Scope of Work described above, the proposed fee for design services is \$269,600 as shown in the attached Exhibit B.

## EXHIBIT B

## **ENGINEERING SERVICES SCOPE AND ESTIMATED COST**

## LAKE WHATCOM WATER AND SEWER DISTRICT - DIVISION 22-1 WATER RESERVOIR REPLACEMENT ENGINEERING SERVICES

Tasks	Principal Hours	Project Manager Hours	Structural Engineer Hours	Electrical Engineer Hours	Engineer-In-Training Hours	AutoCAD Technician Hours	Professional Land Surveyor Hours	Field Survey (2 person) Hours
1 Project Management		16						
2 Geotechnical Investigation		2	2					
3 Project Report	2	30	4	2	64	40		
4 Project Design								
60 percent design	8	36	16	32	96	172	6	10
90 percent design	12	48	24	64	136	180		
100 percent design	2	24	24	48	80	140	2	
5 Bid and Award Assistance/Support		8	2	2	8	8		
6 Quality Assurance/Quality Control	16	16	8	4	16			
Hour Estimate:	40	180	80	152	400	540	8	10
Fully Burdened Billing Rate Range:*	\$165 to \$265	\$148 to \$265	\$125 to \$232	\$125 to \$232	\$105 to \$180	\$65 to \$180	\$125 to \$208	\$200 to \$315
Estimated Fully Burdened Billing Rate:*	\$250	\$215	\$200	\$230	\$140	\$160	\$200	\$300
Fully Burdened Labor Cost:	\$10,000	\$38,700	\$16,000	\$34,960	\$56,000	\$86,400	\$1,600	\$3,000

Total Fully Burdened Labor Cost: \$ 246,660

### Direct Non-Salary Cost:

#### Mileage & Expenses (Mileage @ current IRS rate)

RCRA-8 Sample Testing \$ 1,000

### Subconsultant:

PanGEO, Inc. \$ 8,959

Evergreen Coating Engineers, LLC \$ 10,340

\* Actual labor cost will be based on each employee's actual rate. Estimated rates are for determining total estimated cost only. Fully burdened billing rates include direct salary cost, overhead, and profit.

**EXHIBIT C**

**INSURANCE**  
**Lake Whatcom Water and Sewer District**  
**Division 22-1 Reservoir Replacement**

[To be provided during contract execution]

**EXHIBIT D**

**ALLOWABLE OTHER DIRECT COSTS  
Lake Whatcom Water and Sewer District  
Division 22-1 Reservoir Replacement**

Gray & Osborne proposes no Other Direct Costs.

## **EXHIBIT E**

### **KEY PERSONNEL LIST** **Lake Whatcom Water and Sewer District** **Division 22-1 Reservoir Replacement**

#### **Key Personnel List**

Keith Stewart, P.E. – Principal-In-Charge  
Russ Porter, P.E. – Project Manager  
Keith Goss, P.E. – Project Engineer (Water / Civil)  
Alex Quinn, P.E. – Project Engineer (Structural)  
Jason Newquist – Project Engineer (Electrical)  
Stacey Clear, P.E., P.M.P. – Project Engineer (Stormwater)  
Rick Bond, P.L.S. – Survey  
Phil Marshall – CAD Technician  
Mark Nagel – CAD Technician  
Mike Johnson, P.E. – Quality Assurance / Quality Control