

THE STATE OF TEXAS

COUNTY OF GALVESTON

AGREEMENT FOR SERVICES

This Agreement entered into as of the ___ day of _____, A.D., 2008, by and between HDR Engineering Inc. ("Consultant"), and the City of Texas City, Texas, ("Client").

WITNESSETH:

WHEREAS, the Client has requested various services of the Consultant with respect to Engineering Services for the City of Texas City's "Sanitary Sewer Extension to BP Facility ("Project")".

NOW, THEREFORE, *Client* and *Consultant* hereby agree as follows:

1. Engagement of Consultant - *Consultant* hereby agrees to perform the services required under the scope of work related to the *Project*, and to provide *Client* with copies of the information, opinions, and other such documents made the basis of the scope of services, which is set out in Attachment "A" and made a part of this contract. *Consultant* agrees to initiate the following services that are set out in Attachment "A" upon receipt of an executed copy of this Agreement.
2. Availability of Information - *Client* agrees to provide *Consultant* with all available information pertinent to the *Project*. *Client* will also provide copies of reports, drawings, and other data, and will, at *Consultant's* request, provide written authorization to review *Client's* files relative to the *Project* which may be in possession of third parties. *Consultant* agrees to return all original documents to *Client* upon completion of the *Project*, but reserves the right to make and keep reproducible copies of all such material.

3. Access to Facilities - *Client* will provide access for the *Consultant* to enter the property and facilities of *Client*, as necessary for *Consultant* to perform services as required under the *Project*.
4. Instruments of Service - All documents prepared in accordance with this contract including exhibits, field notes, laboratory data, original drawings, and specifications are the property of the *Client*. The *Consultant* is given the right to use any of this data in connection with future engineering projects. The *Consultant* may retain copies of reproduces of any information prepared for this *Project*.
5. Fee - The *Consultant's* fee for the scope of services as stated in Attachment "A" provided by *Consultant* under this Agreement as set out in Attachment "A" and being the amount of: \$139,890.00 for Design and Construction Phase Services.
6. Payment and Fee Schedule - The *Consultant* will submit a monthly invoice for services rendered.
7. Terms of Payment - Payment of fees as determined under Paragraph 5 herein above shall be due and payable by *Client* within thirty (30) days following receipt of *Consultant's* monthly invoice.
8. Additional Services - Additional services beyond those described in the Scope of Services will be invoiced on the basis of direct labor cost times a factor of 3.05 and direct cost plus 15%.
9. Insurance - *Consultant* shall maintain Worker's Compensation and Liability Insurance in accordance with Attachment "B".
10. Termination - The *Client* may terminate this contract at any time by giving notice in writing to the *Consultant*. In that case, all finished or unfinished documents and other materials

produced under this contract shall become the *Client's* property. If the contract is terminated by the *Client* in accordance with this provision, *Consultant* shall be paid for all services performed to the date of termination.

11. Governing Law - This Agreement shall be deemed to have been made under, and shall be construed and interpreted in accordance with the laws of the State of Texas. The venue of any suit for enforcement or construction of this contract shall be in Galveston County, Texas.

12. Indemnification.

FOR CONSIDERATION RECEIVED, Consultant agrees to indemnify, save, and hold harmless the City of Texas City, Texas, its employees, officials, and agents from any and all claims, actions, damages, lawsuits, proceedings, judgments, or liabilities, for personal injury, death, or property damage to the extent or degree on a comparative basis of fault resulting from the acts or omissions of the Consultant or acts or omissions of others under the Consultant's supervision or control, arising out of the performance of this agreement.

In the event of any cause of action or claim asserted by a party to this Agreement or any third party, the City will provide the Consultant timely notice of such claim, dispute or notice. Thereafter, the undersigned shall at its own expense, faithfully and completely defend and protect the City against any and all liabilities arising from this claim, cause of action or notice.

If the undersigned should fail to so defend, the City may defend, pay or settle the claim or other cause of action with full rights of recourse against the undersigned for any and all fees, costs, expenses, and payments arising from Consultant's negligence, or the negligence of others under the Consultant's supervision and control, including but not limited to attorney

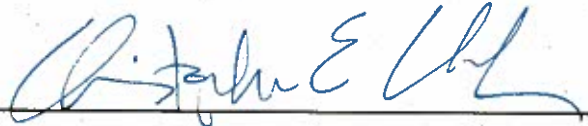
fees and settlement payments, made or agreed to be paid, in order to discharge the claim, cause of action, dispute or litigation.

13. Home Rule Municipality

The City is a municipality incorporated under the laws of the State of Texas, and all laws regulating and concerning Texas municipalities apply, including budgetary laws, The City Charter and The City Code. Consultant acknowledges that the City may only act through its City Commission or a duly authorized representative of City Commission, and that any act of an employee or officer of the City that is not duly authorized is void.

ENTERED INTO AND AGREED by the parties hereto as the day and year first written.

HDR ENGINEERING, INC.
Consultant

BY: 

CHRISTOPHER E. CLAUNCH, P.E.
Senior Vice President

CITY OF TEXAS CITY, TEXAS
Client

BY: _____

MAYOR OF CITY OF TEXAS CITY

ATTEST: _____
City Secretary

HDR | **CLAUNCH & MILLER**
Engineering Consultants
ATTACHMENT "A"

October 28, 2008

Mr. Mike Hogan, P.E.
Director of Utilities
City of Texas City
301 6th Street South
Texas City, Texas 77590

Re: Proposal for Engineering Services for the Sanitary Sewer Extension to BP Facility
City of Texas City

Dear Mr. Hogan:

HDR Engineering Inc., hereinafter HDR | Claunch & Miller (HDR|C&M), is pleased to submit this proposal for performing engineering services for the above referenced project. The proposal is based on our understanding of the project as discussed in our previous meetings and conversations with the City and BP AMOCO Chemical Company (BP) personnel. This project consists of providing engineering design and construction phase services and the preparation of bid documents for providing sanitary sewer service to the BP facility located at 2800 FM 519.

GENERAL OVERVIEW

BP AMOCO Chemical Company (BP) personnel contacted the City of Texas City's Utility Department requesting sanitary sewer service be provided to their facility located at 2800 FM 519 in the City of Texas City. The City requested HDR | Claunch & Miller to assist in providing alternates for providing service to the BP facility.

Based on an examination of the City's wastewater collection system maps, and the location of the BP facility to the nearest City's collection system outfall, it was determined a lift station and force main would be necessary for providing sewer service.

Two alignment options were considered. Option 1 involves the installation of a lift station within the BP Plant Facility and the installation 2,950-feet of force main that would be located within the property of the BP facility and then move to City property and discharging into a manhole located within the City right-of-way at 14th Street and 8th Avenue South. Option 2 involves the installation of a lift station and 1,300-feet of force main within the property of the BP Plant Facility, and the remainder of the force main (9,400 L.F.) located along the right-of-way of FM 519, Loop 197, and 14th Street before discharging into a manhole located near 14th Street and 8th Avenue South. Option 1 would require that a larger segment of the force main be constructed within the plant facility before it enters the City right-of-way. Based on input

received from BP personnel and the City, Option 2 was selected as the most desirable option for the project since a majority of the force main was not located within the property limits of BP facility.

Due to security and access restrictions to the BP Facility, BP personnel have indicated that any project related improvements within the BP facility will be performed by BP utilizing their forces. HDR|C&M will utilize the flow and elevation information provided by BP in sizing the lift station and force main. As requested by BP personnel, HDR|C&M will only provide information on the sizing of the lift station pumps and wet well, piping, and force main. Detailed drawings and specifications for work within the BP Facility will not be provided by HDR|C&M. BP will utilize their own engineering forces to prepare drawings suitable for construction within the limits of BP Facility. Detailed drawings and specifications suitable for bidding by the City for the section of the project located outside the BP Facility will be prepared by HDR|C&M.

A preliminary cost estimate was provided to BP for performing the work. It should be noted that the preliminary cost estimate was based on limited information available and is subject to change. HDR|C&M will update the cost estimate based on information and data gathered during the final design phase. BP was made aware that the cost estimate was subject to change during the design phase

The proposal is separated into Basic Services (expected normal engineering services) and Special Services. A budget for limited site representation is included in this proposal.

SCOPE OF SERVICES

I. DESIGN PHASE SERVICES

A. Design Services

- Obtain utility information for the segment of the force main located outside the BP Facility, where appropriate.
- Coordinate with other governmental entities, which may be impacted by the project.
- Coordinate with the surveyor to provide detailed topographical information for the segment of the force main located outside the BP Facility in order to perform the design.
- Coordinate with Texas Department of Transportation (TxDOT) and the Texas City Terminal Railway Company to obtain requirements for work within their rights-of-way.

- Obtain necessary TxDOT and railroad permits for performing the proposed improvements. This proposal does not include any permit fees/costs associated with obtaining a permit from the railroad company.
- Perform field reconnaissance for the segment of the force main located outside the BP Facility to obtain information on surface features that may impact construction. No field reconnaissance will be performed on BP property.
- Utilize the flow and elevation information provided by BP in sizing the lift station and force main within the BP Facility and the force main sizing within the City right of way. The lift station and force main sizing is dependant on the information provided by BP during the design phase.
- Provide information on the sizing of the lift station pumps and wet well, and force main in a letter form to BP. Detailed drawings and specifications for work within the BP Facility will not be provided by HDR|C&M. BP will utilize their own engineering forces to prepare drawings suitable for construction for improvements within the limits of BP Facility. BP will be responsible for the construction of improvements within their facility. No topographic survey, geotechnical investigation, electrical, structural design will be performed by HDR|C&M for any work within BP facility.
- Prepare project specifications, drawings, bid documents and construction drawings for the proposed sanitary sewer force main located outside the property limits of BP Facility and within the City of Texas City's right-of-way.
- Coordinate with Texas Commission on Environmental Quality (TCEQ) during the design phase.
- Coordinate with BP and City of Texas City during the design phase.
- Provide draft documents of the proposed force main improvements outside the BP Facility for to the City for review and comments.
- Incorporate appropriate comments from pertinent entities into the final bid documents.
- Prepare final cost estimate for the project.
- Furnish three (3) sets of construction documents to the City.

B. Special Services - Design Phase

1. Survey Services

- Utilize a subcontract surveyor mutually agreeable to BP, the City and HDR|C&M.
- Obtain topographical survey information on the proposed force main located outside the BP Facility. For purposes of this proposal it is assumed the force main is approximately 9,400 L.F.
- Coordinate with pipeline companies in obtaining horizontal and vertical location of existing pipelines crossing the easement.
- Perform cross section at any railroad crossings, and highway crossings of the force main alignment.

2. Geotechnical Services

- Utilize a subcontract geotechnical firm mutually agreeable to BP, the City, and HDR|C&M.
- This geotechnical study will consist of field exploration, laboratory testing, and the preparation of a final geotechnical engineering report documenting the findings. No geotechnical investigative work will be performed for the portion of the project located within the BP Facility.
- Field Exploration – Due to the anticipated shallow depth of the proposed force main at some locations along the project alignment, individual borings at 500-foot intervals will not be taken. Instead borings will be taken at locations along the project alignment to provide an overall estimated representation of geotechnical conditions. It must be understood that such representation may change throughout the project locations. For budgetary purposes it is anticipated the alignment will be approximately 9,400 L.F. long. This will provide approximately 190 V.F. of borings.
- Laboratory Testing – Soil mechanics laboratory testing will be performed to measure physical and engineering properties of selected representative soil samples.
- Geotechnical Engineering Report – A final engineering report will be prepared to present findings. It will provide recommendations of construction criteria for the project.

3. Reproduction

- Costs for reproduction will be charged under special services for reproduction of plans, specifications and reports beyond the three (3) sets of construction documents provided (as listed in the design services) to the City.
- Reproduction for review sets, submittals to the City, BP, governmental agencies, and utility companies will be included in the cost for reproduction.

II. CONSTRUCTION PHASE SERVICES

A. Basic Services

1. Construction Administration:

- Assist the City in obtaining bids for the project. The City will advertise the project and will absorb all related advertising costs. HDRIC&M will coordinate with the City and will assist in developing the wording of the advertisement.
- Dispense construction documents from HDRIC&M's office to potential bidders.
- During the bidding process, provide information to and answer questions from potential bidders concerning the Project's construction documents and prepare addendums as necessary.
- Conduct a pre-bid conference for potential bidders.
- Evaluate the bids and the qualifications of the apparent low bidders and advise the City as to the acceptability of the apparent low bidder.
- Conduct a pre-construction conference for the project.
- Act as the City's Project representative during the construction phase.
- Review and respond accordingly to all submittals as required by the contract specifications.
- Prepare change orders necessitated by field conditions.
- Review the Contractor's pay estimates, evaluate the completion of work and make payment recommendations to the City.

- Visit the site at intervals appropriate to the various stages of construction to observe the progress and quality of executed work and to determine in general if such work is proceeding in accordance with the Contract Documents. Full time site representation is not included in this scope.
- HDR/C&M will not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor(s) or the safety precautions and programs incident to the work of the Contractor(s). HDR/C&M's effort will be directed toward providing a greater degree of confidence for the City that the completed work of Contractor(s) will conform to the Contract Documents, but HDR/C&M will not be responsible for the failure of Contractor(s) to perform the work in accordance with the Contract Documents. During site visits and on the basis of on-site observations HDR/C&M shall keep the City informed of the progress of the work, shall endeavor to guard the City against defects and deficiencies in such work and may disapprove or reject work failing to conform to the Contract Documents.
- Conduct a final inspection of the Project and make a recommendation for Final Payment on the project.
- Require and monitor Contractor in maintaining a set of record plans. Engineer shall provide one set of reproducible record plans.

B. Special Services

1. Limited Site Representation Services

- Provide increased support to the City's personnel as needed during the construction phase.
- Conduct progress meeting with the City and Contractor during the construction phase. Provide engineering and technical office personnel support on a periodic and as needed basis throughout construction. These office personnel, consisting of Professional Engineers and design staff, provide on-site support to address contractor's questions, and conflicts uncovered in the field.
- The site representation will be provided in an effort to aid in the process of observing performance of work of the Contractor(s). Through more extensive on-site observations of the work in progress, HDR/C&M shall endeavor to provide further protection for the City of Texas City against defects and deficiencies in the work of the contractor(s); but the furnishing of such on-site representative will not make HDR/C&M responsible for construction means, methods, techniques,

sequences or procedures or safety precautions or programs, or for Contractor(s) failure to perform their work in accordance with the Contract Documents.

2. Construction Testing:

- Construction testing is included in this proposal as a budgetary item. It is anticipated that a separate construction testing firm mutually agreeable to BP, the City, and HDRIC&M will be utilized as a subcontractor to HDRIC&M to perform the testing services. The City has the option to contract directly with the materials testing firm.

FEE

A fee breakdown is included. Due to the nature and magnitude of this project, it is recommended that a miscellaneous services fee amount be authorized to cover additional tasks and costs, which may occur during the progress of the work. Such tasks and costs will only be performed upon authorization from the City.

1. DESIGN & CONSTRUCTION PHASE

The Fees are:

Design Services: The lump sum amount of \$61,900.00

Construction Administration: A lump sum amount of: \$10,900.00

Special Services:

*Topographical Survey: Cost plus 15% \$39,790.00

*Geotechnical Study: Cost plus 15% \$8,300.00

Pipeline Coordination: Lump Sum \$ 5,250.00

*Reproduction: Cost plus 15% \$750.00

*Materials Testing: Cost plus 15% \$3,000.00

*Limited Site Representation: Hourly \$10,000.00

Total Design and Construction Phase Fee \$139,890.00

*At this time the magnitude of these tasks are not known. Therefore budgetary amounts are provided. These figures may increase or decrease depending upon actual work required. If an increase becomes necessary it can be accomplished by utilizing available funds from other line items that have under run, or by contract amendment.

Hourly charges shall be charged based on a raw labor rate times a multiplier of 3.05, reimbursable expenses will be charged at cost plus 15%. Hourly charges for on-site field representative shall be charged based on a raw labor rate times a multiplier of 3.05. Mileage will be charged at the prevailing IRS rate.

HDRIC&M appreciates the opportunity to submit this proposal and we look forward to continuing working with the City on this very important project.

Sincerely,

HDR Engineering, Inc.



Madhu Kilambi, P.E.
Senior Project Manager

cc: Mr. Doug Kneupper, P.E. – City of Texas City

ATTACHMENT "B"
INSURANCE LIMITS

| | | | |
|----|--|-----------------------------------|-------------|
| 1. | General Liability | Each Occurrence: | \$1,000,000 |
| | | Damage to Rented Premises | \$1,000,000 |
| | | Medical Expenses (any one person) | \$10,000 |
| | | Personal and Adv. Injury | \$1,000,000 |
| | | General Aggregate: | \$2,000,000 |
| | | Products - Comp/Op Agg: | \$2,000,000 |
| 2. | Automobile Liability | Combined Single Limit: | \$1,000,000 |
| 3. | Excess Liability Umbrella Form | Each Occurrence: | \$3,000,000 |
| | | Aggregate: | \$3,000,000 |
| 4. | Worker's Compensation and Employers Liability | Each Accident: | \$500,000 |
| | | Disease - Each Employee: | \$500,000 |
| | | Disease - Policy Limit: | \$500,000 |
| 5. | Professional Liability | Each Claim | \$1,000,000 |
| | | Policy Year Aggregate | \$1,000,000 |