



PROFESSIONAL ENGINEERING SERVICES AGREEMENT

Professional Services Agreement (this "Agreement") is effective the ____ day of _____, 2026, between the City of San Luis, Arizona, a municipal corporation of the State of Arizona ("CITY"), and Kimley-Horn and Associates, Inc. an Arizona professional limited liability company, authorized to do business in the State of Arizona ("ENGINEER"). ENGINEER and CITY may be referred to singularly as the "Party" and collectively as the "Parties."

RECITALS

The Parties entered into this Agreement based on the following facts, understanding and intentions of the Parties:

- A. CITY has determined that it is in the public interest to proceed with the work described below in Section One (the "Project").
- B. CITY has determined that the Project involves the performance of professional and technical services of a temporary nature.
- C. CITY desires to engage ENGINEER, and ENGINEER agrees to render certain technical advice and professional services to CITY, as necessary.

In consideration of the mutual covenants contained herein, the Parties agree as follows:

SECTION I – DESCRIPTION OF PROJECT

The Project described in the attached Exhibit 1, ENGINEER's Scope and Fee Proposal for Engineering Services, dated February 11, 2026, for providing bid phase and construction phase support for the rehabilitation of Well Site 3 (WS3). The rehabilitation scope is based on the condition assessment site visit and associated report prepared by Kimley-Horn and is intended restore WS3 to reliable operational status, extend asset life, and ensure regulatory and safety compliance.

SECTION II – SCOPE OF WORK

ENGINEER's scope of work is as described in Exhibit 1.

SECTION III – ADDITIONAL SERVICES

CITY and ENGINEER understand that it may be necessary, in conjunction with the Project, for ENGINEER to perform or secure the performance of services other than those set forth in the proposal. If the CITY requests additional services, ENGINEER shall advise CITY in writing of the need for additional services and the cost and estimated time to perform the additional services. ENGINEER shall not proceed to perform any such additional service until CITY has determined that such additional service is beyond the scope of the basic services to be provided by ENGINEER and has given its written authorization to proceed. Written approval for performance and compensation for additional services may be granted by the San Luis City Engineer or City Manager. Except as stated in this paragraph, any additional service shall require a written amendment to this Agreement and shall be subject to all the provisions of this Agreement.

SECTION IV – AUTHORITY OF THE SAN LUIS CITY ENGINEER

ENGINEER shall perform all necessary services provided under the Agreement and outlined in the proposal and shall do, perform, and carry out such work to meet the professional standard of care. The City Engineer reserves the right to make changes, additions or deletions, to the scope of work as deemed to be necessary or advisable to implement and carry out the purposes of the Agreement. Any changes, additions or deletions to the scope work shall be subject to an approved and executed amendment to the Agreement. The City Engineer is authorized to execute the change orders on behalf of CITY.



SECTION V – RESPONSIBILITY OF ENGINEER

By executing this Agreement, ENGINEER represents and states to CITY that it possesses or will arrange to secure from others all necessary professional capabilities, experience, resources and facilities necessary to provide to CITY the services contemplated under this Agreement. ENGINEER further warrants that it will follow the current generally accepted practices of the profession to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the Project for which services are rendered under this Agreement.

SECTION VI – INDEPENDENT CONTRACTOR

The Parties to this Agreement agree that ENGINEER, its employees, agents and subcontractors shall be independent contractors with regard to the providing of services under this Agreement and that ENGINEER's employees, agents and subcontractors shall not be considered to be employees or agents of CITY, for any purpose, whatsoever, and will not be entitled to any of the benefits CITY provides for its employees. Rights of the ENGINEER as independent contractor include, but are not limited to, control of the work, manner and methods of the work, and the right to contract with other employers.

Rights of the CITY include, but are not limited to, inspection and approval of the work and the right to contract with others to perform the work.

SECTION VII – MATERIALS AND EQUIPMENT

ENGINEER shall furnish at its own expense all materials and equipment necessary to carry out the terms of this Agreement.

SECTION VIII – DIGITAL FILES

ENGINEER shall furnish copies of all deliverables in digital format. Files shall be compatible with the current versions used by CITY. CITY shall be the owner of the files and owner of all copyrights or other intellectual property rights thereto.

SECTION IX – EMPLOYMENT OF PERSONNEL

ENGINEER shall provide experienced and qualified personnel to carry out the work to be performed by ENGINEER under this Agreement and shall be responsible for and in full control of the work of such personnel.

SECTION X – TIME OF PERFORMANCE

Subject to the provisions of this Agreement, ENGINEER agrees to perform the Project in accordance with the proposal. The services of ENGINEER are to be undertaken and completed in such a sequence as to assure their expeditious completion in light of the purpose of this Agreement. ENGINEER's anticipated period of performance following execution of this agreement will be 60 days to complete scope of work, as described in Exhibit 1. Time is of the essence of this Agreement.

SECTION XI – COMPENSATION

Subject to the provisions of this Agreement, ENGINEER agrees to perform the work and services specified and outlined in the proposal for an amount not to exceed \$65,940.00, as delineated in the proposal at Exhibit 1, unless specifically authorized by a written amendment to this Agreement executed prior to the commencement of any additional work. ENGINEER shall prepare invoices in accordance with this Agreement and shall submit such invoices to CITY once a month covering the amount and value of the Project satisfactorily performed by ENGINEER up to the date of such invoice. No later than 45 days from the receipt of an invoice, CITY shall pay ENGINEER for work satisfactorily performed on a time and materials basis.

If the CITY wants the ENGINEER to travel outside of Yuma County, then it shall be handled as an additional service which shall require a written amendment to this Agreement and shall be subject to all the provisions of this Agreement.

SECTION XII – ASSIGNMENT

ENGINEER shall not assign any duties, responsibilities or obligations under this Agreement without the prior written consent of CITY.



SECTION XIII – INDEMNIFICATION

To the fullest extent permitted by law, ENGINEER agrees to indemnify, protect, defend and hold harmless CITY, its Mayor, Council Members, any and all of its officers, directors, officials, and employees (“Indemnified Parties”) for, from and against any and all suits, claims, losses, liabilities, damages, costs, expenses and debt, including reasonable attorneys’ fees and costs incurred by the CITY which arise out of, attributable to or to the extent caused in whole or in part by negligent acts or omissions of ENGINEER (or its officers, directors, shareholders, agents or employees) including but not limited to injuries to ENGINEER’s employees who may or may not be covered by workers’ compensation insurance; except, to the extent such suits, claims, losses, liabilities, damages, costs, expenses and debt result from acts or omission of the CITY or any Indemnified Parties. This indemnification provision shall apply to suits, claims, losses, liabilities, damages, costs, expenses and debt that are not otherwise covered by the CITY’s Liability Insurance provided for by the Arizona Municipal Risk Pool.

Notwithstanding the foregoing, but without limiting insurance coverage provided by Section 14 of this Agreement, ENGINEER, and its partners, agents and employees, shall not be liable to CITY, whether jointly severally or individually, in excess of the compensation paid by the City to the ENGINEER under any Agreement as a result of any negligent act or omission not amounting to willful or intentional wrong. CITY hereby agrees that to the fullest extent permitted by law, but without limiting insurance coverage provided by Section 14 of this Agreement, ENGINEER shall not be liable to CITY for any special, indirect or consequential damages whatsoever, whether caused by ENGINEER’s negligence, errors, omissions, strict liability, breach of contract, breach of warranty or other cause or causes whatsoever.

SECTION XIV – INSURANCE

A. Insurance Requirements.

Prior to the beginning and throughout the duration of the work, ENGINEER will maintain insurance in conformance with the requirements set forth below. ENGINEER will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth in this Section Fifteen, then such coverage shall be amended to do so. ENGINEER acknowledges that the insurance coverage and policy limits set forth in this Section Fifteen constitute the minimum amount of coverage required. Any insurance proceeds in excess of the limits and coverage required in this Agreement, the following types and amounts of insurance:

Without in any way limiting ENGINEER’s liability pursuant to the indemnification described above, ENGINEER shall maintain, during the term of this Agreement, the following types and amounts of insurance:

Coverage Type

Commercial General Liability, including:

Premises and Operations
Contractual Liability

Personal-Injury Liability

Independent Contractors Liability

Coverage Amounts- Minimum Limits:

\$1,000,000 Combined Single Limit, per
occurrence and \$2,000,000 general
aggregate

Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits.

Comprehensive Automobile Liability
(including, owned, non-owned and
hired autos)

\$1,000,000 Combined Single Limit, per
Occurrence



City of San Luis

Engineering Department

If ENGINEER owns no vehicles, then this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If ENGINEER or ENGINEER's employees use personal motor vehicles in any way on this Project, then ENGINEER shall obtain evidence of personal motor vehicle liability coverage for each such person.

<u>Workers Compensation and Employer's Liability</u>	Statutory \$1,000,000
<u>Professional Liability (Errors and Omissions) Insurance</u>	\$1,000,000 per claim and \$2,000,000 annual aggregate

Except for Workers Compensation and Professional Liability Insurance coverage, such insurance shall include additional endorsements naming CITY and its directors, officers, employees and agents as additional insured with respect to liabilities arising out of the performance of services under this Agreement. ENGINEER shall provide CITY with certificates of insurance documenting that the ENGINEER has obtained the above coverages. Such certifications shall include the required provisions and endorsements required by this Agreement. Such Certificates shall include a statement that insurance may not be canceled without 30 days' prior written notice to CITY by first class mail, postage prepaid, 10 days of notice in the event that cancellation is due to nonpayment of premium.

B. Certificates of Insurance and Endorsements.

ENGINEER will provide the City with a certificate of insurance and endorsement naming CITY as an additional insured under General Liability and Auto Liability, if applicable. Such liability insurance maintained by ENGINEER shall be primary and non-contributory and any coverage maintained by CITY shall not be expected to contribute to any claims arising from the work under this Agreement. The ENGINEER shall provide these certificates to the CITY within 10 days of execution of this Agreement and prior to engaging any operation or activities set forth in this Agreement. The foregoing policies shall provide that no cancellation, major change in coverage, or expiration by the insurance company or the insured during the term of this Agreement shall occur without 30 days' written notice to CITY prior to the effective date of such cancellation or change in coverage.

SECTION XV – COMPLIANCE WITH LAWS AND REGULATIONS

Services performed by ENGINEER pursuant to this Agreement shall be performed in accordance with full compliance to all applicable federal, state, and CITY laws and any rules or regulations promulgated under such laws including but not limited to the following Arizona required provisions:

A. Conflict of Interest

ENGINEER declares that he presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services under this Agreement. ENGINEER further declares that in the performance of this Agreement no subcontractor or person having such interest shall be employed. ENGINEER certifies that, if he hires any employee, no one who has or will have any financial interest in this Agreement is an officer or employee of CITY. The Parties agree that in the performance of the services under this Agreement ENGINEER shall at all times be deemed an independent contractor and not an agent or employee of CITY. Under Arizona law, rules and regulations, no member, official or employee of the CITY shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official or employee participate in any decision relating this Agreement which affects his or her

personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This Agreement is subject to A.R.S. §38-511.

B. Employment Eligibility



ENGINEER hereby warrants that it complies with all federal immigration laws and regulations that relate to its employees and with A.R.S. §§ 23-214 and 41-4401 relating to verification of employment eligibility. A breach of this warranty shall be deemed a material breach of this Agreement. CITY retains the legal right to inspect the papers of ENGINEER to ensure that ENGINEER complies with this warranty.

C. San Luis Business License

ENGINEER shall obtain and maintain a San Luis Business License.

SECTION XVI – INSPECTION OF WORK

CITY's representative or its designee shall at all times have the right to inspect the work, services or performance of ENGINEER. ENGINEER shall furnish all reasonable aid and assistance required by CITY for proper examination of the work or services. Such inspection shall not relieve ENGINEER of any obligation to perform such services in accordance with the law or this Agreement.

SECTION XVII – NO WAIVER

ENGINEER agrees that any waiver by CITY of any breach or violation of any term or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by CITY of the performance of any work or services by ENGINEER shall not be deemed to be a waiver of any term or condition of this Agreement.

SECTION XVIII – ATTORNEYS' FEES; COURT VENUE

Should either Party to this Agreement commence legal action against the other (including a formal judicial proceeding, mediation or arbitration), the case shall be handled in Yuma County, Arizona or United States District Court for the District of Arizona at the election of the plaintiff in such legal action. The Parties waive any right to object to such venue. Nothing in this paragraph will be deemed to have authorized the bringing of any legal action in a court which does not otherwise have jurisdiction to adjudicate the legal action. The Party prevailing in such action shall be entitled to reasonable attorneys' fees which shall be fixed by the judge, mediator or arbitrator hearing the case and such fees shall be included in the judgment, together with all costs.

SECTION XIX – NOTICES

- A. All notices to be given under this Agreement, or which may be given by either Party to the other, shall be considered validly given and fully received when made in writing and delivered or refused delivery by means of prepaid service by:
- deposit in the United States Postal Service by certified mail, return receipt requested, and postage prepaid,
 - personal delivery by process server or
 - sent by a nationally recognized courier (e.g., Federal Express, UPS)
- B. Notices for delivery to the CITY shall be to the attention of the City Engineer, copies to the City Manager, City Attorney, and City Clerk.
- C. Notices for delivery to the ENGINEER shall be to the attention of Kevin W. Payne, P.E., CFM, Senior Project Manager, 3300 E. Sunrise Dr. Suite 130, Tucson, Arizona 85718 (or successor statutory agent).

or such other addresses as either Party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective.



SECTION XX – DISPUTE RESOLUTION

In the event of any dispute arising under or related to this Agreement, the Parties shall first meet in good faith to attempt to resolve the dispute through direct negotiations. If the dispute cannot be resolved through such negotiations, the Parties agree to submit the dispute to confidential, non-binding mediation. The mediation shall be conducted by a mutually agreed-upon mediator, or if the Parties cannot agree, a mediator shall be appointed by a recognized mediation organization. The mediation shall occur within 21 days of the mediator's appointment and shall last no more than two business days unless otherwise agreed by the Parties. The costs of mediation shall be shared equally by the parties. Under no circumstances shall the Parties submit the dispute to arbitration, whether binding or non-binding, as a method of resolution.

SECTION XXI – TERMINATION

Either Party may terminate this Agreement upon 30 days' written notice to the other Party. In the event of such termination, CITY shall pay ENGINEER for all services performed up to the effective date of the termination. An itemized statement of the work performed to the date of termination shall be submitted to CITY. In ascertaining the services actually rendered under this Agreement up to the date of termination, consideration shall be given to both completed work and work in the process of completion and to complete and incomplete documents whether delivered to CITY or in the possession of ENGINEER.

SECTION XXII – OWNERSHIP OF DOCUMENTS

Upon completion, termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of CITY and may be used, reused, or otherwise disposed of by CITY without the permission of ENGINEER.

Any modifications made by the CITY to any of the ENGINEER's documents, or any use, partial use or reuse of the documents without written authorization or adaptation by the ENGINEER will be at the CITY's sole risk and without liability to the ENGINEER, and the CITY shall indemnify, defend and hold the ENGINEER harmless from all claims, damages, losses and expenses, including but not limited to attorneys' fees, resulting therefrom.

When ENGINEER creates any copyrightable material or invents any patentable property under this Agreement, CITY shall retain a royalty-free, non-exclusive and irrevocable license to reproduce, publish, recover, or otherwise use the materials or property and to authorize others to do the same.

SECTION XXIII – GOVERNING LAW AND SEVERABILITY

This Agreement shall be administered and interpreted under the laws of Arizona. Jurisdiction of litigation arising from this Agreement shall be in Arizona. If any part of this Agreement is found to conflict with applicable laws, then such part shall be inoperative and void insofar as it conflicts with such laws, but the remainder of the Agreement shall continue to be in full force and effect.

SECTION XXIV – HEADINGS

The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement.

SECTION XXV – AUTHORITY

The undersigned represent to each other that they have full power and authority to enter into this Agreement and that all necessary actions have been taken to give full force and effect to this Agreement.



SECTION XXVI – NO THIRD-PARTY BENEFICIARIES

There are no third-party beneficiaries to this Agreement, and no person or entity not a Party shall have any right or cause of action under this Agreement.

SECTION XXVII – NO AGENCY CREATED

It is not intended by this Agreement to, and nothing contained in this Agreement shall create any agency, partnership, joint venture or other similar arrangement between the Parties.

SECTION XXVIII – NO PERSONAL LIABILITY

No member, official or employee of the CITY shall be personally liable to ENGINEER, or any successor or assignee, (a) if any default occurs or breach by the CITY, (b) for any amount which may become due to the ENGINEER or its successor or assign, or (c) under any obligation of the CITY under this Agreement. Notwithstanding anything contained in this Agreement to the

contrary, the liability of ENGINEER under this Agreement shall be limited solely to the assets of ENGINEER and shall not extend to or be enforceable against: (i) the individual assets of the individuals or entities who are shareholders, members, managers constituent partners, officers or directors of the general partners or members of ENGINEER; (ii) the shareholders, members or managers or constituent partners of ENGINEER; or (iii) officers of ENGINEER.

SECTION XXIX – SURVIVAL

All representations and warranties of ENGINEER, ENGINEER's indemnity, hold harmless and defense obligations shall survive the expiration or earlier termination of the Agreement.

SECTION XXX – TIME OF THE ESSENCE

Time is of the essence in this Agreement, and ENGINEER agrees to use the utmost diligence and dispatch to speedily to have all the work specified in this Agreement entirely completed within 60 days of issuance of Notice to Proceed. Unless otherwise specifically provided in this Agreement, any consent to delay in the performance of the ENGINEER of any obligation shall be applicable only to the particular transaction to which it relates, and it shall not apply to any other obligation or transaction.

SECTION XXXI – FURTHER ACTS

Each of the Parties shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

SECTION XXXII – CERTIFICATION

- A. SAFETY. The ENGINEER expressly agrees that it shall be solely responsible for supervising its employees and that it shall comply with all rules, regulations, orders, standards, and interpretations promulgated pursuant to the federal Occupational Safety and Health Act (known as OSHA) and any occupational safety and health act of Arizona including but not limited to training provisions of personal protective equipment; adherence to all appropriate lockout-tagout procedures and providing all notices, safety data sheets, etc., as required by the right-to-know standard.
- B. NO BOYCOTT OF ISRAEL. The ENGINEER certifies, to the extent permitted by law, that it does not participate in and agrees not to participate in during the term of this Agreement in a boycott of Israel under A.R.S. § 35-393.01.
- C. NO FORCED LABOR OF THE ETHNIC UYGHURS. Under A.R.S. § 35-394, ENGINEER certifies, to the extent permitted by law, that it does not currently, and agrees for the duration of this Agreement that it will not, use:



1. The forced labor of ethnic Uyghurs in the People's Republic of China.
2. Any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.
3. Any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

By signing this Agreement, the ENGINEER certifies in writing that if the ENGINEER becomes aware during the term of the Agreement that the ENGINEER is not in compliance with the written certification, the ENGINEER shall notify the CITY within five business days after becoming aware of the noncompliance. If the ENGINEER does not provide the CITY with a written certification that the ENGINEER has remedied the noncompliance within one hundred eighty days after notifying the CITY of the noncompliance, the Agreement terminates, except that if the Agreement's termination date occurs before the end of the remedy period, the Agreement terminates on the Agreement termination date.

SECTION XXXIII – FORCE MAJEURE

If ENGINEER or CITY are prevented or materially restricted from performing any of their obligations under this Agreement by an event of force majeure, then the obligations of each Party shall be suspended or reduced to the extent made necessary by

the event. As used in this section, "force majeure" means any act or cause not reasonably within the control of the Party whose ability to perform is impaired and which that Party could not have prevented by the exercise of reasonable diligence. Examples of "force majeure" include, but are not limited to, acts of God, fire, flood, explosions, strikes or labor disputes over which the affected Party has no control, sabotage, riots, civil commotion, acts of civil or military authority, wars, pandemic, either state or federally mandate health and safety matters or material changes in applicable business laws or regulations.

SECTION XXXIV – COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signature of all Parties may be physically attached to a single document. Further, ENGINEER shall provide the original, wet ink signature to the CITY for the purposes of recording this agreement.

SECTION XXXV – ENTIRE AGREEMENT

This Agreement, including its Exhibit, represents the entire understanding of CITY and ENGINEER as to those matters contained in this Agreement. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in it. This Agreement may not be modified or altered except by amendment in writing signed by both Parties.

The Parties have executed this Agreement in Yuma County, Arizona, on the day and year set forth above, which is the day the last Party signed this Agreement. The original Agreement will be filed with the City of San Luis Clerk. The ENGINEER agrees that this Agreement, as negotiated, is for the stated work and understands that payment for the total work will be made on the basis of the indicated amount. The CITY shall pay to the ENGINEER, as full consideration for the faithful performance of the Agreement, subject to any additions or deductions as provided in the project documents, the sum of \$65,940.00.

[Remainder intentionally left blank, signature page follows.]



City of San Luis

Engineering Department

City of San Luis, Arizona

Nieves Riedel, City Mayor

Date: _____

Attest:

Sonia Cornelio, City Clerk

Approved As to Form:

Joe Estes, Interim City Attorney

Kimley-Horn and Associates, Inc.

Kevin Payne, P.E., Senior Project Manager

Date: _____