BOARD OF SUPERVISORS

MADISON COUNTY, MISSISSIPPI

Department of Engineering/Road Management Dan Gaillet, P.E., County Engineer/ Road Manager

3137 South Liberty Street, Canton, MS 39046 Office (601) 855-5670 FAX (601) 859-5857

MEMORANDUM

September 27, 2017

To:

Sheila Jones, Supervisor, District I Trey Baxter, Supervisor, District II Gerald Steen, Supervisor, District III David Bishop, Supervisor, District IV Paul Griffin, Supervisor, District V

From: Dan Gaillet, P.E.

County Engineer and Road Manager

Re:

Tisdale Road

The Engineering Department recommends that the Board retain Neel Schaffer, Inc. for bidding and CE&I services for the reconstruction of Tisdale Road for a fee of \$65,000.

Tisdale Road Bidding and Construction

AGREEMENT FOR PROFESSIONAL SERVICES

BETWEEN

Madison County

AND

NEEL-SCHAFFER, INC.

This is an Agreement made on
between
the Madison County Board of Supervisors, Madison County, Mississippi, the OWNER, and NEEL-SCHAFFER,
INC., the ENGINEER.
The OWNER intends to solicit bids for, and contract for construction of, improvements to Tisdale Road between
Hoy Road and U.S. Hwy 51in Madison, Madison County, Mississippi, which is described in more detail in Exhibit
A, Project Description, and hereinafter called the "Project."
Exhibit B contains the "Scope of Bidding, Contracting and Construction Phase Services". Exhibit C contains
the "Project Schedule", and compensation is detailed in Exhibit D, "Payment to Engineer".
The OWNER and the ENGINEER, in consideration of the mutual covenants herein, agree with respect to the
performance of professional engineering services by the ENGINEER with respect to the Project and the payment
for these services by the OWNER as set forth herein.

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Neel-Schaffer, Inc.

SECTION 1 — BASIC SERVICES OF ENGINEER

- 1.1 ENGINEER shall provide for OWNER professional engineering services for all phases of the Project to which this Agreement applies as hereinafter provided. These services will include serving as OWNER's professional engineering representative for the Project, providing consultation and advice and furnishing customary engineering services.
- 1.2 By execution of this Agreement,

 OWNER authorizes ENGINEER to provide Basic

 Services for the Bidding, Contracting and Construction

 Phases of the Project in accordance with Exhibit B,

 "Scope of Bidding, Contracting and Construction

 Phase Services."

SECTION 2 — ADDITIONAL SERVICES OF ENGINEER

If authorized in writing by OWNER, ENGINEER shall provide, or obtain from other qualified persons or firms, Additional Services which are not included as part of the Basic Services specified in Section 1. Additional Services shall include, but are not limited to, the following:

2.1. Services resulting from material changes in the general scope, extent or character of the Project designed or specified by ENGINEER or its design including, but not limited to, changes in size, complexity, OWNER's schedule, character of construction or method of financing; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to the preparation of such studies, reports or documents, or are due to any other causes beyond ENGINEER's control.

- 2.2. Preparing documents for alternate bids requested by OWNER for Contractor's work which is not executed or documents for out-of-sequence work.
- 2.3. Services resulting from the award of more than one separate prime contract for construction, materials or equipment for the **Project unless multiple** awards were contemplated and included as part of Basic Services in Section 1.
- 2.4. Assistance in connection with rebidding or renegotiating contracts for construction which involve modifying the Contract Documents to revise the Project's general scope, extent or character as necessary to reduce or increase the Construction Cost to bring it within the cost limit.
- 2.5. Preparing to serve or serving as a consultant or witness for OWNER in any litigation,

arbitration or other legal or administrative proceeding involving the Project.

- 2.6. Services in making revisions to Contract

 Documents occasioned by the acceptance of
 substitutions proposed by Contractor; and services after
 the award of the construction contract in evaluating and
 determining the acceptability of an unreasonable or
 excessive number of substitutions proposed by
 Contractor.
- 2.7. Services resulting from significant delays in Project schedule which occurred through no fault of ENGINEER.
- 2.8. Additional or extended services during construction made necessary by (a) work damaged by fire or other cause during construction; (b) a significant amount of defective, neglected or delayed work of Contractor or supplier; (c) protracted or extensive assistance in the startup or utilization of any equipment or system; (d) acceleration of the progress schedule involving services beyond normal working hours; and (e) default or bankruptcy by Contractor.
- 2.9. Evaluating an unreasonable claim or an excessive number of claims submitted by Contractor or others in connection with the Project.

- 2.10. Services during out-of-town travel required of ENGINEER other than visits to the Project site or OWNER's office.
- 2.11. Additional Services in connection with the Project, including services which are to be furnished by OWNER in accordance with Section 3 and services not otherwise provided for in Basic Services as specified in Section 1 of this Agreement.

SECTION 3 — OWNER'S RESPONSIBILITIES

OWNER shall do the following in a timely manner so as not to delay the services of ENGINEER and bear all costs incident thereto:

- 3.1. Designate in writing a person to act as OWNER's representative with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define OWNER's policies and decisions with respect to ENGINEER's services for the Project.
- 3.2. Provide all criteria and full information as to OWNER's requirements for the Project, including design objectives and constraints; space, capacity and performance requirements; and flexibility, expendability, and any budgetary limitations. Also furnish copies of design and construction standards

which OWNER will require to be included in the Contract Documents.

- 3.3. Assist ENGINEER by placing at ENGINEER's disposal available information pertinent to the Project including previous reports; geotechnical information; utility locations; property descriptions, zoning, deed and other land use restrictions; and any other data relative to design or construction of the Project. ENGINEER shall not be liable for any claims for injury or loss arising from errors, omissions or inaccuracies in documents or other information provided by the OWNER.
- 3.4. Arrange for access to and make all provisions for **ENGINEER** to enter upon public and private property as required for **ENGINEER** to perform services under this **Agreement**.
- 3.5. Examine studies, reports, sketches, drawings, specifications, proposals and other documents presented by **ENGINEER** and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of **ENGINEER**.
- 3.6. Acquire property for easements and rights-of-way required for construction of the Project.
- 3.7. Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any development that

affects the scope or timing of ENGINEER's services, or any defect or nonconformance in the work of the ENGINEER or of any Contractor.

The OWNER shall promptly report to the 3.8 ENGINEER any defects or suspected defects in the ENGINEER's services of which the OWNER becomes aware, so that the ENGINEER may take measures to minimize the consequences of such a defect. OWNER further agrees to impose a similar notification its all contractors requirement on OWNER/Contractor contract and shall require all subcontracts at any level to contain a like requirement. Should legal liability for the defects exist, failure by the OWNER and the OWNERS' contractors or subcontractors to notify the ENGINEER shall relieve the ENGINEER of any liability for costs of remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.

SECTION 4 — PERIOD OF SERVICE

4.1. The provisions of this Section 4 and the various rates of compensation for ENGINEER's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of all phases to which this Agreement applies. Specific

periods of time and/or completion dates for rendering services are set forth in Exhibit C, "Project Schedule."

- 4.2. If OWNER requests modifications or changes in the scope, extent or character of the Project, or if periods of time and/or completion dates are exceeded through no fault of ENGINEER, the period of service and amount of compensation for ENGINEER's services shall be adjusted equitably.
- 4.3. In the event that the work designed or specified by ENGINEER is to be performed under more than one prime construction contract, the period of service and/or amount of compensation for ENGINEER's services shall be adjusted equitably unless multiple awards were contemplated and included as part of Basic Services in Section 1.

SECTION 5 — PAYMENTS TO ENGINEER

- 5.1. Methods of Payment. OWNER shall pay ENGINEER for Basic Services rendered under Section 1 and Additional Services rendered under Section 2 in accordance with the provisions of Exhibit D, "Payments to Engineer."
- 5.2. Times of Payment. ENGINEER shall submit monthly statements for Basic and Additional Services rendered. For lump sum and percentage methods of payment, statements will be based upon

ENGINEER's estimate of the proportion of the total services actually completed at the time of billing. For cost-plus-fixed-fee method of payment, the amount of fixed fee billed will be based on the proportion of the costs incurred at the time of billing to the maximum allowable costs established for this Agreement.

OWNER shall make prompt monthly payments in response to ENGINEER's monthly statements.

Payment of any invoices by the OWNER shall be taken to mean that the OWNER is satisfied with the Engineer's services to the date of the payment and is not aware of any deficiencies in those services.

recognizes time is critical with respect to payment of the ENGINEER's statements, and that timely payment is a material part of the consideration of this Agreement. ENGINEER's statements shall be due and payable within 30 calendar days of statement date. If the OWNER fails to make payments; the ENGINEER, after giving seven days written notice to the OWNER, may suspend services until the OWNER has paid in full all amounts due for services, expenses, and other related charges without recourse to the OWNER for loss or damage caused by such suspension. The OWNER waives any and all claims against the ENGINEER for any such

suspension. Payment of invoices shall not be subject to any discounts, set-offs or back-charges unless agreed to in writing by both parties. If OWNER objects to all or any portion of an invoice, OWNER shall notify the ENGINEER within 30 calendar days of the invoice date, identify the cause of the disagreement and pay when due that portion of the statement not in dispute. If OWNER fails to make any payment due ENGINEER for services and expenses, excepting any portion of the statement in dispute, within 30 calendar days after receipt of ENGINEER's statement, the amounts due ENGINEER shall include a charge at the rate of one percent (1%) per month from the 30th day unless special arrangements have been previously made and agreed to by both parties in writing. Payment will be credited first to interest and then to principal. In the event of a disputed or contested billing, only that portion so contested may be withheld from payment, and the undisputed portion will be paid. If ENGINEER brings any action at law or in equity to enforce or interpret the terms of this Agreement, or if ENGINEER must either prosecute or defend any action related to the subject matter of the Agreement, and prevails in such action, then ENGINEER shall be entitled to reasonable attorney's fees, expenses

and costs, including expert witness fees, if applicable.

- 5.4. Termination Payment. In the event of termination by OWNER or ENGINEER under Paragraph 6.2, OWNER shall pay ENGINEER for services and expenses provided to date of termination in accordance with the methods of payment specified in Paragraph 5.1. In addition, Cost of termination, including salaries, overhead and fee, incurred by Engineer either before or after the termination date shall be reimbursed by OWNER.
- 5.5. Records of Costs. Records of costs pertinent to ENGINEER's compensation will be kept in accordance with generally accepted accounting principals. ENGINEER is only obligated to maintain these records for a period of three years following date of final payment for services rendered under this Agreement.

SECTION 6 — GENERAL TERMS AND CONDITIONS

- 6.1. Construction Cost.
- 6.1.1. Opinions of Cost. Since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor's methods of determining prices, or over

competitive bidding or market conditions, ENGINEER's opinions of probable construction cost provided for herein are to be made on the basis of qualifications and represent experience and ENGINEER's best judgment as an experienced and qualified professional, generally familiar with the construction industry; but ENGINEER cannot and does not guarantee that proposals, bids or actual construction cost will not vary from opinions of probable cost prepared by ENGINEER.

- 6.1.2. Construction Cost Budget. If a construction cost budget is established by written agreement between OWNER and ENGINEER and specifically set forth in this Agreement as a condition thereto, the following will apply:
- 6.1.2.1. The acceptance by OWNER at any time during the provision of services under this Agreement of a revised opinion of probable construction cost in excess of the then established budget will constitute a corresponding revision in the construction cost budget to the extent indicated in such revised opinion.
- 6.1.2.2. Any construction cost budget so established will include a contingency of 10 percent unless another amount is agreed upon in writing.
- 6.1.2.3. ENGINEER will be permitted to determine what materials, equipment, component

systems and types of construction are to be included in the contract documents and to make reasonable adjustments in the extent of the **Project** to bring it within the budget.

- 6.1.2.4. If proposals or bids have not been obtained within six months after completion of the design phase, the established construction cost budget will not be binding on ENGINEER, and OWNER shall consent to an adjustment in such cost limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the design phase and the date on which proposals or bids are sought.
- 6.1.2.5. Use of an estimated or actual construction cost of the project as a basis of payment to the ENGINEER shall not be construed to mean that a construction cost budget has been established for the Project.
- 6.2. Termination. The obligation to provide further services under this Agreement may be terminated by either party upon 30 calendar days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. This Agreement may be terminated by OWNER, under the same terms, whenever OWNER shall determine that

termination is in its best interests. Cost of termination, including salaries, overhead and fee, incurred by ENGINEER either before or after the termination date shall be reimbursed by OWNER.

6.3. Suspension. Upon written notice to the ENGINEER, the OWNER may suspend all or any part of the ENGINEER's work. Suspension for any reason exceeding 60 calendar days shall, at the ENGINEER's option, make this Agreement subject to re-negotiation or termination as provided for elsewhere in this Agreement. Any suspension shall extend the period of service in a manner that is satisfactory to both the OWNER and the ENGINEER.

- 6.4. Ownership and Reuse of Documents.
- 6.4.1. Contract Documents and reports prepared by ENGINEER pursuant to this Agreement shall be the property of the ENGINEER.
- 6.4.2. Contract Documents prepared or furnished by ENGINEER and ENGINEER's independent professional associates and consultants, pursuant to this Agreement are instruments of service with respect to the Project. These documents are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on

Any reuse without written any other project. verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, or to ENGINEER's independent professional associates or consultants. OWNER shall indemnify and hold harmless ENGINEER and ENGINEER's independent professional associates and consultants from all claims, damages, losses and expenses including attorneys' fees arising out of or Any such verification or resulting there from. adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

- 6.5. Insurance.
- 6.5.1. ENGINEER agrees to maintain the following insurance coverages with the following available limits of insurance during the performance of ENGINEER's work hereunder:
- 6.5.1.1. Commercial General Liability insurance with standard ISO coverage and available limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate;
- 6.5.1.2. Automobile Liability insurance with standard ISO coverage and available combined single limits of \$1,000,000 per accident;

- 6.5.1.3. Worker's Compensation insurance with limits as required by statute and Employer's Liability insurance with limits of \$1,000,000 per employee for bodily injury by accident/\$1,000,000 per employee for bodily injury by disease/\$1,000,000 policy limit for disease; and
- 6.5.1.4. Professional Liability insurance covering ENGINEER's negligent acts, errors, or omissions in the performance of professional services with available limits of \$1,000,000 per claim and annual aggregate.
- ENGINEER shall provide evidence of 6.6. procuring the above insurance coverages by delivering a certificate of insurance to OWNER prior to the start of ENGINEER's work and annually upon renewal of coverage. ENGINEER shall cause OWNER to be named as an additional insured on ENGINEER's commercial general liability policy, which shall be primary and noncontributory. Personnel and Facilities. The ENGINEER has, or will secure at his own expense, personnel, equipment and other materials and supplies required to perform the services under this Agreement within the period of service set forth in Section 4. ENGINEER may subcontract a portion of these services, but these Subcontractors shall be subject to written approval by the OWNER. Such personnel shall not be employees of nor have contractual relationship with the OWNER.

- 6.7. Accounting System. The ENGINEER shall maintain an accounting system which accounts for costs in accordance with generally accepted accounting principles. The OWNER reserves the right to audit the ENGINEER's accounts which relate to services provided under this Agreement.
- 6.8. Successors and Assigns. Neither OWNER nor ENGINEER shall assign any interest in this Agreement without the prior written consent of the other and in no case shall assignment relieve assignor from liability under this Agreement. This Agreement shall bind the successors and legal representatives of both parties. Nothing in this Agreement shall give any rights or benefits to anyone other than OWNER and ENGINEER.
- retained ENGINEER to provide professional services. The relationship is that of a buyer and seller of professional services and it is understood that the parties have not entered into any joint venture or partnership with the other, nor is the relationship a fiduciary relationship between ENGINEER and OWNER. The ENGINEER shall not be considered to be the agent of the OWNER. To the extent that OWNER is a public entity or a person or entity obligated to repay some or all of an amount borrowed

in a municipal securities offering, it is expressly understood and agreed that the ENGINEER is not acting as a municipal advisor to the OWNER, as that term applies to the Dodd-Frank Wall Street Reform and Consumer Protection Act and its supporting regulations, that ENGINEER's services will not include the provision of advice or recommendations regarding municipal financial products or the issuance of municipal securities, and that the OWNER is responsible for retaining an independent registered municipal advisor for such advice or recommendation.

6.10. Standard of Care. The ENGINEER will strive to perform services under this Agreement in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, express or implied, and no warranty or guarantee is included or intended in this Agreement or in any report, opinion, document or otherwise.

6.11. Indemnification.

6.11.1. To the fullest extent permitted by law, the ENGINEER agrees to hold harmless and indemnify

OWNER from and against liability arising out of

ENGINEER's negligent act, error, or omission in the

performance of professional services under this Agreement. It is specifically understood and agreed that in no case shall the ENGINEER be required to pay an amount disproportional to ENGINEER's adjudicated culpability, or any share of any amount levied to recognize more than actual economic damages.

6.11.2. To the fullest extent provided by law, the OWNER agrees to hold harmless and indemnify ENGINEER from and against liability arising out of OWNER's negligence. It is specifically understood and agreed that in no case shall the OWNER be required to pay an amount disproportional to OWNER's culpability, or any share of any amount levied to recognize more than actual economic damages.

6.11.3. In the event of joint or concurrent negligence of ENGINEER and OWNER, each shall bear that portion of the loss or expense that its share of the joint or concurrent negligence, error or omission, as the case may be, bears to the total negligence, error or omission, as the case may be (including that of third parties), which caused the personal injury or property damage.

6.11.4. The OWNER shall not be liable to the ENGINEER and the ENGINEER shall not be liable

to the OWNER for any special, incidental or consequential damages, including, but not limited to, loss of use and loss of profit, incurred by either party due to the fault of the other, regardless of the nature of this fault, or whether it was committed by the OWNER, or the ENGINEER or their employees, agents or subcontractors.

- 6.11.5 ENGINEER's indemnification obligation as set forth herein is expressly subject to and limited by the limitation of liability provision agreed upon by the OWNER and ENGINEER as set forth in Section 6.16 Risk Allocation of this Agreement.
- 6.12. Compliance with Codes and Standards. The ENGINEER's professional services shall exercise due professional care to incorporate those publicly announced federal, state and local laws, regulations, codes and standards that are applicable at the time the services are rendered. In the event of a change in a law, regulation, et al., the ENGINEER shall assess its impact. If, in the ENGINEER's professional opinion, the impact is such to significantly affect the ENGINEER's compensation or the period of service, then the compensation and/or period of service can be renegotiated.
- 6.13. Force Majeure. Neither OWNER nor ENGINEER shall be liable for faults or delays caused

by any contingency beyond his control, including, but not limited to, acts of God, wars, strikes, walkouts, fires, natural calamities, or demands or requirements of governmental agencies.

- 6.14. Separate Provisions. If any provisions of this Agreement are held to be invalid or unenforceable, the remaining provisions shall be valid and binding.
- 6.15. Risk Allocation. In light of the relative risks and rewards of the parties, OWNER and ENGINEER have allocated the risks such that the OWNER agrees to limit the ENGINEER's liability to the OWNER and all contractors arising from this Agreement such that the total aggregate liability of the ENGINEER shall not exceed \$50,000 or the ENGINEER's total fee for services rendered on this project, whichever is greater.
- 6.16. Waiver of Subrogation. OWNER waives any rights or claims for damage to persons or property that it or any of its successors in interest or insurers may have against ENGINEER for any claim or action arising out of ENGINEER's operations related to the Project or this Agreement, but only to the extent that such rights or claims for damages are covered by a policy of liability, casualty, property or

other insurance, regardless of who procures such insurance

6.17. Period of Repose. Any applicable statute of limitations shall commence to run and any alleged course of action shall be deemed to have accrued not later than the completion of services to be performed by ENGINEER.

6.18. Hazardous Materials.

6.18.1. When hazardous materials are known, assumed or suspected to exist at a project site, ENGINEER is required to take appropriate precautions to protect the health and safety of his personnel, to comply with the applicable laws and regulations and to follow procedures deemed prudent to minimize physical risks to employees and the public. OWNER hereby warrants that, if he knows or has any reason to assume or suspect that hazardous materials may exist at the project site, he will inform ENGINEER in writing prior to initiation of services under this Agreement.

6.18.2. Hazardous materials may exist at a site where there is no reason to believe they could or should be present. OWNER agrees that the discovery of unanticipated hazardous materials constitutes a changed condition mandating a renegotiation of the scope of work or termination of services. ENGINEER agrees to notify OWNER as soon as practically possible

should unanticipated hazardous materials or suspected hazardous materials be encountered. OWNER waives any claim against ENGINEER and agrees to indemnify, defend and hold ENGINEER harmless from any claim or liability for injury or loss arising from ENGINEER's encountering unanticipated hazardous materials or suspected hazardous materials. OWNER also agrees to compensate ENGINEER for any time spent and expenses incurred by ENGINEER in defense of any such claim.

6.19. Subsurface Conditions and Utilities.

6.19.1. The OWNER recognizes that a comprehensive sampling and testing program implemented by trained and experienced personnel of ENGINEER, or ENGINEER's subconsultants, with appropriate equipment may fail to detect certain hidden conditions. The OWNER also recognizes that actual environmental, geological and geotechnical conditions that ENGINEER properly inferred to exist between sampling points may differ significantly from those that actually exist.

6.19.2. ENGINEER will locate utilities which will affect the Project from information provided by the OWNER and utility companies and from ENGINEER's surveys. In that these utility locations are based, at least in part, on information from others,

ENGINEER cannot and does not warrant their completeness and accuracy.

6.19.3. OWNER waives any claim against ENGINEER and agrees to indemnify, defend and hold ENGINEER harmless from any and all damage, liability or cost for any property damage, injury or economic loss arising from errors or inaccuracies of information related to subsurface investigations or underground utilities in Contract Documents prepared by ENGINEER or ENGINEER's subconsultants, except for damage caused by sole negligence of ENGINEER.

6.20. Anticipated Change Orders. OWNER recognizes and expects that a certain amount of imprecision and incompleteness is to be expected in Contract Documents; that all details of a completed project are not intended to be covered in the Contract Documents; that a certain amount of errors, omissions, ambiguities and inconsistencies are to be expected in Contract Documents; that contractors are expected to furnish and perform work, materials and equipment that may reasonably be inferred from the Contract Documents or from the prevailing custom or trade usage as being required to produce the intended result whether or not specifically called for, and that a certain amount of Change Orders are to be expected. As long

as ENGINEER provides services within professional standards and the standard of care of ENGINEER's profession in accordance with paragraph 6.10, OWNER agrees not to make any claim against ENGINEER for cost of these Change Orders unless these costs become a significant part of the construction contract amount. In no case will OWNER make claim against ENGINEER for costs incurred if the Change Order work is a necessary part of the Project for which OWNER would have incurred costs if work had been included originally in the Contract Documents unless OWNER can demonstrate that such costs were higher through issuance of the Change Order than they would have been if originally included in the Contract Documents in which case any claim of OWNER against ENGINEER will be limited to the cost increase and not the entire cost of the Change Order.

6.21. Value Engineering. If the OWNER retains the services of a VALUE ENGINEER (VE) to review the Contract Documents prepared by the ENGINEER, it shall be at the OWNER's sole expense and shall be performed in a timely manner so as not to delay the orderly progress of the ENGINEER's services. The OWNER shall promptly notify the ENGINEER of the identity of the VE and shall define the VE's scope of services and

All for the ENGINEER. responsibilities recommendations of the VE shall be given to the ENGINEER for review, and adequate time will be provided to the ENGINEER to respond to these recommendations. If the ENGINEER objects to any recommendations made by the VE, it shall so state in writing to the OWNER, along with the reasons for objecting. If the OWNER requires the incorporation of changes in the Contract Documents to which the ENGINEER has objected, the OWNER agrees, to the fullest extent permitted by law, to waive all claims against the ENGINEER and to indemnify and hold harmless the ENGINEER from any damages. liabilities or costs, including reasonable attorneys' fees and costs of defense, which arise in connection with or as result of the incorporation of such changes In addition, the required by the OWNER. ENGINEER shall be compensated for services necessary to incorporate recommended VE changes into reports, drawings, specifications, bidding or The ENGINEER shall be other documents. compensated as Additional Services for all time spent to prepare for, review and respond to the recommendations of the VE. The ENGINEER's time for performance of its services shall be equitably adjusted.

- 6.22. Affirmative Action. During the performance of this Agreement, the ENGINEER agrees to take affirmative action to ensure that applicants are employed, and employees are treated during employment, without regard to their race, color, religion, sex or national origin.
- 6.23. Conflicts. In the event of a conflict between the main text of this Agreement and any appendix thereof, provisions of the main text shall govern.
- 6.24. Governing Law. The laws of the State of Mississippi will govern the validity of this Agreement, its interpretations and performance, and remedies for any claims related to this Agreement.
- 6.25. Dispute resolution. All disputes, controversies or claims, or whatever kind or character, between the parties, their agents and/or principals, arising out of or in connection with the subject matter of this Agreement: shall be litigated in no other venue other than the Circuit Court of Madison County, Mississippi or the United States District Court which includes within its geographical division Madison County, Mississippi; and shall be litigated only before a judge hearing the matter alone, as both finder of fact and law, without a jury. By entering into this Agreement, the parties knowingly,

purposefully and intelligently agree to waive their individual rights to have any dispute, controversy or claim amongst them, to include the OWNER's individual shareholders, directors, and officers, decided, heard or adjudged by a trial by jury.

- 6.26. Amendment. This Agreement shall not be subject to amendment unless another instrument is executed by duly authorized representatives of each of the parties.
- Entire Understanding of Agreement. 6.27. This Agreement represents and incorporates the entire understanding of the parties hereto, and each party acknowledges that there are no warranties, representations, covenants or understandings of any kind, matter or description whatsoever, made by either party to the other except as expressly set forth herein. OWNER and ENGINEER hereby agree that any purchase orders, invoices, confirmations, acknowledgments or other similar documents executed or delivered with respect to the subject matter hereof that conflict with the terms of this Agreement shall be null, void and without effect to the extent they conflict with the terms of this Agreement.
- 6.28. Nonwaiver. No waiver by a party of any provision of this Agreement shall be deemed to

have been made unless in writing and signed by such party.

- 6.29. Course of Dealing. OWNER and ENGINEER agree that these General Terms and Conditions establish a course of dealing between them and shall apply to this and all other services, projects, agreements or dealings between the them, unless OWNER or ENGINEER gives the other written notice of objection to any term or condition before commencement of performance in connection with any other provision of services or projects involving the two of them
- 6.30. Separate Provisions. If any provisions of this Agreement are held to be invalid or unenforceable, the remaining provisions shall be valid and binding.
- 6.31. The ENGINEER authorizes Mark J.

 Beyea, P.E., Registered Professional Engineer No.

 12599, in the State of Mississippi, to act on his behalf for this Project.

SECTION 7 — DEFINITIONS

As used herein, the following words and phrases have the meanings indicated, unless otherwise specified in various sections of this Agreement:

- 7.1. Addenda. Written or graphic instruments issued prior to the opening of bids which clarify, correct or change the bidding documents or the Contract Documents.
- 7.2. Agreement. This contract including all exhibits and documents included by reference.
- 7.3. Application for Payment. The form accepted by ENGINEER which is to be used by Contractor in requesting progress or final payments and which is to include such supporting documentation as is required by the Contract Documents.
- 7.4. Bid. The offer or proposal of the bidder submitted on the prescribed form setting forth the prices for the construction work to be performed.
- 7.5. Change Order. A document recommended by ENGINEER which is signed by Contractor and OWNER and authorizes an addition, deletion or revision in the construction work, or an adjustment in the contract price or the contract time, issued on or after the effective date of the construction contract.
- 7.6. Contract Documents. The drawings and specifications, addenda, and other documents required to obtain bids from contractors for construction of the Project.

- 7.7. Contractor. The person, firm or corporation with whom OWNER has entered into a contract for construction of the Project.
- 7.8. Construction Cost. Total cost of entire Project to OWNER not including ENGINEER's compensation and expenses, cost of land and rights-of-way, or compensation for or damages to properties, unless this Agreement so specifies; nor will it include OWNER's legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project or the cost of services to be provided by others to OWNER pursuant to Section 3 of this Agreement.
- 7.9. Direct Labor Costs. Salaries and wages paid to ENGINEER's personnel engaged directly on the Project, including engineers, draftsmen, technicians, designers, surveyors, resident project representatives and other technical and administrative personnel; but does not include indirect payroll related costs or fringe benefits.
- 7.10. Drawings. The drawings which show the character and scope of the Project and which have been prepared or approved by ENGINEER and are referred to in the Contract Documents.
- 7.11. Reimbursable Expenses. Actual expenses incurred by ENGINEER directly in

connection with providing services for the Project.

These include, but are not limited to, transportation and subsistence; reproduction and printing; communications; postage and express mail; equipment rental; and expense of computers and other specialized equipment.

- 7.12. Resident Project Representative. The authorized representative of ENGINEER who is assigned to the construction site or any part thereof for the purpose of observing the performance of the work of the Contractor.
- 7.13. Shop Drawings. All drawings, diagrams, illustrations, schedules and other data which are specifically prepared by or for Contractor to illustrate some portion of the work and all illustrations, brochures, standard schedules and other information prepared by a Supplier and submitted by Contractor to illustrate material or equipment for some portion of the Project.

Specifications. Those portions of the Contract Documents consisting of written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the **Project** and certain administrative details applicable thereto.

- 7.14. Subcontractor. An individual, firm or corporation having a direct contract with Contractor or with any other subcontractor for the performance of a part of the Project at the site.
- 7.15. Supplier A manufacturer, fabricator, supplier, distributor, material man or vendor of products or equipment used in construction of the project.

SECTION 8 — SPECIAL PROVISIONS AND EXHIBITS

- 8.1. This Agreement is subject to the following Special Provisions. N/A
- 8.2. The following Exhibits are attached to and made a part of this Agreement.
 - 8.2.1. Exhibit A, "Project Description."

- 8.2.2. Exhibit B, "Scope of Bidding, Contracting and Construction Phase Services."
 - 8.2.3. Exhibit C, "Project Schedule."
 - 8.2.4. Exhibit D, "Payments to Engineer."
- 8.3. This Agreement, consisting of Pages 1 to 19, inclusive, together with the Exhibits identified above,

constitutes the entire agreement between OWNER and ENGINEER and supersedes all prior written and oral understandings. This Agreement and said Exhibits may only be amended, supplemented, modified or canceled through a duly executed written instrument.

	Manufaction 2 and 1 and
IN WITNESS WHEREOF, the parties hereto h	ave made and executed this Agreement as of the day and year first
written above.	
OWNER:	engineer: Neel-Schaffer, Inc.
	BY: MARK J. BEYEA
BY:	
TITLE:	TITLE: <u>ENCUNIESEZ</u> MANACER
WITNESS:	WITNESS: JUMMUSTREY

EXHIBIT A

PROJECT DESCRIPTION

Madison County intends to make improvements to Tisdale Road between Hoy Road and U.S. Highway 51. The improvements shall consist of undercutting and reconstructing a section of the road measuring approximately 1,350 feet. Roadside drainage ditches with appropriate erosion control treatments will be established in the reconstructed section. This section is located between Sundown Road and U.S. Highway 51. Selected drainage culverts will be replaced. Base failures will be repaired throughout the remaining length of Tisdale Road and the entire section of road will be resurfaced with asphalt. New pavement markings will be applied.

EXHIBIT B

SCOPE OF BIDDING, CONTRACTING AND CONSTRUCTION PHASE SERVICES

1	BIDDING AND CONTRACTING PHASE						
	After the OWNER has authorized the project for bidding, the Bidding and Contracting Phases will be initiated and the ENGINEER shall:						
1.1	Prepare and issue Contract Documents to prospective bidders, and maintain a record of their issuance.						
1.2	Prepare and issue Addenda as appropriate to interpret, clarify, correct or expand Contract Documents to each known procurer of the Contract Documents.						
1,3	Provide information on the general scope, unusual conditions and desired sequence of construction as requested by procurers of Contract Documents.						
1.4	Conduct a pre-bid conference if requested by the OWNER.						
1.5	Assist the OWNER in advertising for and obtaining bids for the contract for construction.						
1.6	Consult with and advise the OWNER as to the acceptability of subcontractors, suppliers, and other persons or organizations proposed by the prime Contractor as required by the Contract Documents.						
1.7	Consult with and advise the owner as to the acceptability of substitute materials and equipment proposed by the Contractor when substitution prior to the award of contracts is allowed by the Contract Documents.						
1.8	Attend the bid opening, prepare bid tabulation sheets and assist owner in evaluating bids.						
1.9	Assist the OWNER in the preparation of the documents necessary to complete the award.						
1.10	Conduct a preconstruction conference.						
1.11	The Bidding and Contracting Phase will be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective contractors.						
2	CONSTRUCTION PHASE						
	General Administration of Construction Contract.						
2.1	The ENGINEER shall consult with and advise OWNER and act as OWNER'S representative; shall issue all instructions of OWNER to Contractor; and shall act as initial interpreter of the Contract Documents and judge of the acceptability of the work thereunder.						

- 2.2 Visits to Site and Observation of Construction.
- The ENGINEER shall make visits to the site at intervals appropriate to the various stages of 2.2.1 construction as he deems necessary in order to observe as an experienced and qualified design professional the progress and quality of the various aspects of Contractor's work. Based on information obtained during such visits and on such observations, the ENGINEER shall endeavor to determine in general if such work is proceeding in accordance with the Contract Documents and shall keep OWNER informed of the progress of the work. The purpose of the ENGINEER'S visits to the site will be to enable him to carry out the duties and responsibilities assigned to and undertaken by him during the Construction Phase, and, in addition, through his experience as a qualified design professional, to provide for OWNER a greater degree of confidence that the completed work of Contractor will conform generally to the Contract Documents and that the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents has been implemented and preserved by Contractor. On the other hand, the ENGINEER shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct or have control over Contractor's work; nor shall the ENGINEER have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor, for safety precautions and programs incident to the work of Contractor or for any failure of Contractor to comply with laws, rules, regulations. ordinances, codes or orders applicable to Contractor's furnishing and performing the work. Accordingly, the ENGINEER can neither guarantee the performance of the construction contract by Contractor nor assume responsibility for Contractor's failure to furnish and perform his work in accordance with the Contract Documents.
- 2.2.2 Defective Work. During such site visits and on the basis of such observations, the **ENGINEER** may recommend to the **OWNER** disapproval or rejection of Contractor's work if the **ENGINEER** believes that such work will not produce a completed Project which conforms generally with the Contract Documents or that it will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.
- 2.2.3 Clarifications and Interpretations; Change Orders. The ENGINEER shall issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of the work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. In connection therewith, if appropriate, the ENGINEER shall recommend Change Orders to OWNER and shall prepare Change Orders as required.
- 2.2.4 Shop Drawings. The **ENGINEER** shall review and approve (or take other appropriate action in respect of) Shop Drawings, samples and other data which Contractor is required to submit, but only for conformance with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents and compliance with the information given in the Contract Documents. Such reviews and approvals or other action shall not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto.

- 2.2.5 Substitutes. The ENGINEER shall evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.
- 2.2.6 Inspections and Tests. The ENGINEER shall have authority, as OWNER'S representative, to require special inspection or testing of the work, and shall receive and review all certificates of inspections, testings and approvals required by laws, rules, regulations, ordinances, codes, orders or the Contract Documents (but only to determine generally that their content complies with the requirements of, and the results certified indicate compliance with, the Contract Documents).
- 2.2.7 Applications for Payment. Based on the ENGINEER'S on-site observations as an experienced and qualified design professional and on review of applications for payment and the accompanying data and schedules:
- 2.2.7.1 The ENGINEER shall determine the amounts owed to Contractor and recommend in writing payments to Contractor in such amounts. Such recommendations of payment will constitute a representation to OWNER, based on such observations and review, that the work has progressed to the point indicated, and that, to the best of the ENGINEER'S knowledge, information and belief, the quality of such work is generally in accordance with the Contract Documents. In the case of unit price work, the ENGINEER's recommendations of payment will include final determinations of quantities and classification of such work (subject to any subsequent adjustments allowed by the Contract Documents).
- By recommending any payment, the ENGINEER shall not thereby be deemed to have 2.2.7.2 represented that on-site observations made by the ENGINEER to check the quality or quantity of Contractor's work as it is performed and furnished have been exhaustive, extended to every aspect of the work in progress, or involved detailed inspections of the work beyond the responsibilities specifically assigned to the ENGINEER in this Agreement and the Contract Documents. The ENGINEER'S review of Contractor's work for the purposes of recommending payments will not impose on the ENGINEER responsibility to supervise, direct or control such work or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto or Contractor's compliance with laws, rules, regulations, ordinances, codes or orders applicable to their furnishing and performing the work. It will also not impose responsibility on the ENGINEER to make any examination to ascertain how or for what purposes any Contractor has used the monies paid on account of the contract price, or to determine that title to any of the work, materials or equipment has passed to OWNER free and clear of any lien, claims. security interests or encumbrances, or that there may not be other matters at issue between OWNER and Contractor that might affect the amount that should be paid.
- 2.2.8 Contractor's Completion Documents. The ENGINEER shall receive, review and transmit to OWNER with written comments maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection, tests and approvals which are to be assembled by Contractor in accordance with the Contract Documents (but such review will only be to determine that their content complies with the requirements of the Contract Documents); and shall transmit them to OWNER with written comments.
- 2.2.9 Substantial Completion. Following notice from Contractor that Contractor considers the entire work ready for its intended use, the ENGINEER and OWNER, accompanied by

Contractor, shall conduct an inspection to determine if the work is substantially complete. If, after considering any objections of **OWNER**, the **ENGINEER** considers the work substantially complete, the **ENGINEER** shall deliver a certificate of substantial completion to **OWNER** and Contractor.

- 2.2.10 Final Notice of Acceptability of the Work. The ENGINEER shall conduct a final inspection to determine if the completed work of Contractor is acceptable so that the ENGINEER may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, the ENGINEER shall also provide a notice that the work is acceptable to the best of the ENGINEER's knowledge, information and belief and based on the extent of the services performed and furnished by the ENGINEER under this Agreement.
- 2.2.11 Record Documents. Upon completion of the work, the ENGINEER shall compile for and deliver to the OWNER a complete set of record documents conforming to information furnished to the ENGINEER by the Contractor. This set of documents shall consist of record specifications and reproducible record drawings showing the reported location of the work. In that record documents are based on information provided by others, the ENGINEER cannot and does not warrant their accuracy.
- 2.2.12 Limitation of Responsibilities. The **ENGINEER** shall not be responsible for the acts or omissions of any Contractor, or of any subcontractor, any supplier, or of any other person or organization at the site or otherwise furnishing or performing any of the work. The **ENGINEER** shall not be responsible for Contractor's failure to perform or furnish the work in accordance with the Contract Documents.
- 2.2.13 Progress Meetings and Reports. During construction, the ENGINEER will schedule and conduct monthly progress meetings with the OWNER, Contractor and appropriate subcontractors, if any, to discuss progress, scheduling problems, conflicts and observations of all parties involved. The ENGINEER shall also prepare minutes of the meeting. The ENGINEER shall also prepare a construction progress report monthly which shall be submitted to OWNER by the 10th day of each month for the preceding month's work. This report shall accompany the Contractor's and the ENGINEER'S monthly payment requests.
- 2.2.14 Duration of Construction Phase. The Construction Phase will commence with the execution of the construction contract for the Project or any part thereof and will terminate upon written recommendation by the ENGINEER of final payment and submission of record documents to OWNER.

3 RESIDENT PROJECT REPRESENTATIVE

- 3.1 The ENGINEER shall furnish a Resident Project Representative (RPR) to assist the ENGINEER in observing progress and quality of the work of the Contractor.
- Through more extensive, but not full-time, on-site observations of the work in progress and field checks of materials and equipment by the RPR and assistants, the ENGINEER shall endeavor to provide further protection for OWNER against defects and deficiencies in the work of the Contractor; but, the furnishing of such services will not make the ENGINEER responsible for or give him control over construction means, methods, techniques, sequences

	or procedures or for safety precautions or programs, or responsibility for Contractor's failure to perform the work in accordance with the Contract Documents.
3.3	The duties and responsibilities of the RPR are limited to those of the ENGINEER in his agreement with the OWNER and in the construction Contract Documents, and are further limited and described as follows:
3.3.1	General Duties: RPR is the ENGINEER'S agent at the site and will act as directed by and under the supervision of the ENGINEER and will confer with the ENGINEER regarding RPR's actions. RPR's dealings in matters pertaining to the on-site work shall in general be with the ENGINEER and Contractor keeping OWNER advised as necessary. RPR's dealings with subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with OWNER with the knowledge of and under the direction of the ENGINEER.
3.3.2	Specific Duties and Responsibilities of RPR
3.3.2.1	Schedules. Review the progress schedule and schedule of Shop Drawing submittals prepared by Contractor and consult with the ENGINEER concerning acceptability.
3.3.2.2	Conferences and Meetings. Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
3.3.2.3	Liaison: Serve as the ENGINEER'S liaison with Contractor, working principally through Contractor's superintendent and assist in understanding the intent of the Contract Documents; and assist the ENGINEER in serving as OWNER'S liaison with Contractor when Contractor's operations affect OWNER'S on-site operations.
3.3.2.4	Assist in obtaining from OWNER additional details or information, when required for proper execution of the work.
3.3.2.5	Shop Drawings and Samples: Record date of receipt of Shop Drawings and samples.
3.3.2.5.1	Receive samples which are furnished at the site by Contractor, and notify the ENGINEER of availability of samples for examination.
3.3.2.5.2	Advise the ENGINEER and Contractor of the commencement of any work requiring a Shop Drawing or sample if the submittal has not been approved by the ENGINEER.
3.3.2.6	Review of Work, Rejection of Defective Work, Inspections and Tests: Conduct on-site observations of the work in progress to assist the ENGINEER in determining if the work is in general proceeding in accordance with the Contract Documents.
3.3.2.6.1	Report to the ENGINEER whenever RPR believes that any work will not produce a completed Project that conforms generally to the Contract Documents or will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any

	inspection, test or approval required to be made; and advise the ENGINEER of work that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.
3.3.2.6.2	Verify that tests, equipment and systems startups and operating and maintenance training are conducted in the presence of appropriate personnel, and that Contractor maintains adequate records thereof; and observe, record and report to the ENGINEER appropriate details relative to the test procedures and startups.
3.3.2.6.3	Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections and report these results to the ENGINEER .
3.3.2.7	Interpretation of Contract Documents. Report to the ENGINEER when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by the ENGINEER .
3.3.2.8	Modifications: Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to the ENGINEER. Transmit to Contractor in writing decisions as issued by the ENGINEER.
3.3.2.9	Records: Maintain at the job site orderly files for correspondence, reports of job conferences, Shop Drawings and samples, reproductions of original Contract Documents including all addenda, Change Orders, additional Drawings issued subsequent to the execution of the contract, the ENGINEER'S clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing submittals received from and delivered to Contractor and other Project related documents.
3.3.2.9.1	Prepare a daily report or keep a diary or logbook, recording Contractor's hours on the job site, weather conditions, data relative to questions of Change Orders or changed conditions, list of job site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to the ENGINEER.
3.3.2.9.2	Record names, addresses and telephone numbers of all Contractors, subcontractors and major suppliers of materials and equipment.
3.3.2.9.3	Reports: Furnish the ENGINEER periodic reports as required of progress of the work and of Contractor's compliance with the progress schedule and schedule of Shop Drawings and sample submittals.
3.3.2.10	Consult with the ENGINEER in advance of scheduled major tests, inspections or start of important phases of the work.
3.3.2.11	Draft and recommend to the ENGINEER proposed Change Orders, obtaining backup material from Contractor.
3.3.2.12	Report immediately to the ENGINEER and OWNER the occurrence of any accident.

Payment Requests. Review applications for payment with Contractor for compliance with 3.3.2.13 the established procedure for submission and forward with recommendations to the ENGINEER, noting particularly the relationship of the payment requested to the work completed and materials and equipment delivered at the site but not incorporated in the work. Certificates, Maintenance and Operation Manuals. During the course of the work, verify that 3.3.2.14 certificates, maintenance and operation manuals and other data required to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have this material delivered to the ENGINEER for review and forwarding to OWNER prior to final payment for the work. Completion: Before the ENGINEER certifies substantial completion, submit to Contractor 3.3.2.15 a list of observed items requiring completion or correction. Observe whether Contractor has performed inspections required by laws, rules, regulations, 3.3.2.16 ordinances, codes, or orders applicable to the work, including but not limited to those to be performed by public agencies having jurisdiction over the work. Conduct a final inspection in the company of the ENGINEER, OWNER, and Contractor 3.3.2.17 and prepare a final list of items to be completed or corrected. Observe whether all items on final list have been completed or corrected and make 3.3.2.18 recommendations to the ENGINEER concerning acceptance. Limitations of Authority of the Resident Project Representative: Shall not authorize any 3.4 deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items), unless authorized by the ENGINEER. Shall not exceed limitations of the ENGINEER'S authority as set forth in the Contract 3.4.1 Documents and this Agreement. Shall not undertake any of the responsibilities of Contractor, subcontractors, suppliers or 3.4.2 Contractor's superintendent. Shall not advise on, issue directions relative to, or assume control over any aspect of the 3.4.3 means, methods, techniques, sequences or procedures of construction unless such advice or directions are specifically required by the Contract Documents. Shall not advise on, issue directions regarding to, or assume control over safety precautions 3.4.4 and programs in connection with the work. Shall not accept Shop Drawings or sample submittals from anyone other than Contractor. 3.4.5 Shall not authorize OWNER to occupy the Project in whole or in part. 3.4.6 Shall not participate in specialized field or laboratory tests or inspections conducted by 3.4.7 others except as specifically authorized by the ENGINEER.

Exhibit C Project Schedule Tisdale Road Improvement Bidding and Construction Phase Services Madison County

	2017						2018		
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Task									
1.0 Bidding Services								 	
1.1 Solicitation of Bids									
1.2 Receipt of Bids and Evaluation									
1.3 Contracts and Bonds									
2.0 Construction Phase Services									
2.1 Construction Observation									
2.2 Construction Materials Testing									
2.3 Project Acceptance and Contract Closeout									

EXHIBIT D

PAYMENTS TO ENGINEER

1 PAYMENT TO ENGINEER

OWNER will pay ENGINEER for services rendered under Section 1, as supplemented by Exhibit B, "Scope of Bidding, Contracting and Construction Phase Services", the following amounts:

- 1.1 For Bidding and Contracting Services: a lump sum of \$5,000
- 1.2 For Construction Phase Services: OWNER shall pay ENGINEER for services rendered under Section 1 on the basis of the ENGINEER's Direct Labor Costs times a factor of 2.61 plus a fee equal to 12% of the total labor amount and Reimbursable Expenses. Total Labor amount shall consist of the Direct Cost Labor time the 2.61 factor. Total fee for Construction Phase Services shall not exceed \$60,000.00. Payments to ENGINEER for Construction Phase Services shall be made in accordance with paragraph 5.2 of this Agreement.
- 1.3 For Additional Services: OWNER shall pay ENGINEER for additional requested services, on the basis of the ENGINEER's Direct Labor Costs times a factor of 2.61 plus a fee equal to 12% of the total labor amount and Reimbursable Expenses. Payments to ENGINEER for Additional Services shall be made in accordance with paragraph 5.2 of this Agreement.
- 1.4 Payments to ENGINEER by OWNER are not contingent on any factor except ENGINEER's ability to provide services in a manner consistent with the standard of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.
- Payments to ENGINEER by OWNER specifically are not contingent on OWNER's receipt of grants for the Project or OWNER's decision to suspend or cancel the Project.