

AGREEMENT BETWEEN
WADE-TRIM, INC.
AND THE CITY OF ANN ARBOR
FOR PROFESSIONAL SERVICES

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 100 North Fifth Avenue, Ann Arbor, Michigan 48104 ("City"), and Wade Trim, Inc. ("Consultant"), a Michigan Corporation with its address at 25251 Northline Road, P.O. Box 10, Taylor, Michigan, 48180 agree as follows on this _____ day of _____, 2008.

The Consultant agrees to provide professional services to the City under the following terms and conditions:

I. DEFINITIONS

Administering Service Area/Unit means Public Services Area, Project Management Services Unit.

Contract Administrator means Homayoon Pirooz, P.E. or whomever the Contract Administrator may from time to time designate.

Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for or delivered to City by Consultant under this Agreement.

Project means Valhalla Drive Sanitary Sewer Extension Project, File No. 2007-082.7.

II. DURATION

This agreement shall become effective on _____, 2008, and shall remain in effect until satisfactory completion of the Services specified below unless terminated as provided for in this agreement.

III. SERVICES

- A. The Consultant agrees to provide professional engineering services ("Services") in connection with the Project as described in Exhibit A. The City retains the right to make changes to the quantities of service within the general scope of the agreement at any time by a written order. If the changes add to or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original agreement.
- B. Quality of Services under this agreement shall be of the level of professional quality performed by experts regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.

- C. The Consultant shall perform its Services for the Project in compliance with all applicable laws, ordinances and regulations. Unless otherwise noted, the Consultant shall perform its Services in accordance with the City's Public Services Department Standard Specifications.
- D. The Consultant may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

IV. COMPENSATION OF CONSULTANT

- A. The Consultant shall be paid in the manner set forth in Exhibit B. Payment shall be made monthly, unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Consultant, and approved by the Contract Administrator.
- B. The Consultant will be compensated for Services performed in addition to the Services described in Section III, only when those additional Services have received prior written approval of the Contract Administrator. Compensation will be on the basis of reasonable time spent and reasonable quantities of materials used, according to the schedule of rates in Exhibit B. The Contract Administrator shall be the sole arbitrator of what shall be considered "reasonable" under this provision.
- C. The Consultant shall keep complete records of time spent and materials used on the Project so that the City may verify invoices submitted by the Consultant. Such records shall be made available to the City upon request and submitted in summary form with each invoice.

V. INSURANCE/INDEMNIFICATION

- A. The Consultant shall procure and maintain during the life of this contract, such insurance policies, including those set forth below, as will protect itself from all claims for bodily injuries, death or property damage which may arise under this contract; whether the acts were made by the Consultant or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:
 - 1. Professional liability insurance protecting the Consultant and its employees in an amount not less than \$1,000,000.
 - 2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident
Bodily Injury by Disease - \$500,000 each employee
Bodily Injury by Disease - \$500,000 each policy limit

3. Commercial General Liability Insurance" equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements including, but not limited to: Products and Completed Operations, Explosion, Collapse and Underground coverage or Pollution. Further, the following minimum limits of liability are required:

\$1,000,000	Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined.
\$2,000,000	Per Job General Aggregate
\$1,000,000	Personal and Advertising Injury

4. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.

5. Umbrella/Excess Liability Insurance shall be provided to apply excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.

B. Insurance required under V.A.3 and V.A.4 of this Contract shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Contractor agrees to waive any right of recovery by its insurer against the City.

C. In the case of all Contracts involving on-site work, the Consultant shall provide to the City before the commencement of any work under this Contract documentation demonstrating it has obtained the above mentioned policies. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the Consultant supplies a copy of the endorsements required on the policies. Upon request, the Consultant shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the

term of this Contract, the Consultant shall deliver proof of renewal and/or new policies to the Administering Service Area/Unit at least ten days prior to the expiration date.

- D. Any insurance provider of Consultant shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- E. To the fullest extent permitted by law, for any loss not covered by insurance under this contract, the Consultant shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, to its proportionate extent, from any negligent, grossly negligent, reckless and/or intentional wrongful or tortious acts or omissions by the Consultant or its employees and agents occurring in the performance of this agreement.

VI. COMPLIANCE REQUIREMENTS

- A. Nondiscrimination. The Consultant agrees to comply with the nondiscrimination provisions of Chapter 112 of the Ann Arbor City Code and to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity, and tends to eliminate any inequality based upon race, national origin or sex. The Consultant agrees to comply with the provisions of Section 9:161 of Chapter 112 of the Ann Arbor City Code, Exhibit C.
- B. Living Wage. The Consultant is a "covered employer" as defined in Chapter 23 of the Ann Arbor City Code and agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Consultant agrees to pay those employees providing Services to the City under this Agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code; to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23. A copy of selected provisions of Chapter 23 of the Ann Arbor City Code is attached as Exhibit D. The current living wage rates under Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3) of the Ann Arbor City Code, is \$10.33 an hour for a covered employer that provides employee health care to its employees and \$11.96 an hour for a covered employer that does not provide health care to its employees.

VII. WARRANTIES BY THE CONSULTANT

- A. The Consultant warrants that the quality of its Services under this agreement shall conform to the level of professional quality performed by experts regularly rendering this type of service.
- B. The Consultant warrants that it has all the skills, experience, and professional licenses necessary to perform the Services it is to provide pursuant to this agreement.
- C. The Consultant warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services specified in this agreement.
- D. The Consultant warrants that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes.

VIII. TERMINATION OF AGREEMENT

- A. This agreement may be terminated by either party without further notice in the case of a breach of this agreement by the other party, if the breaching party has not corrected the breach within 15 days after notice of the breach.
- B. The City may terminate this agreement if it decides not to proceed with the Project by notice pursuant to Article XII. If the Project is terminated for reasons other than the breach of the agreement by the Consultant, the Consultant shall be compensated for reasonable time spent and reasonable quantities of materials used prior to notification of termination.

IX. OBLIGATIONS OF THE CITY

- A. The City agrees to give the Consultant access to the Project area and other City owned properties as required to perform the necessary Services under this agreement.
- B. The City shall notify the Consultant of any defects in the Services of which the Contract Administrator has actual notice.

X. ASSIGNMENT

- A. The Consultant shall not subcontract or assign any portion of the services without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Consultant shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.

- B. The Consultant shall retain the right to pledge payment(s) due and payable under this agreement to third parties.

XI. NOTICE

All notices and submissions required under this agreement shall be by personal delivery or by first-class mail, postage prepaid, to the address stated in this agreement or such other address as either party may designate by prior written notice to the other. Notice shall be considered delivered under this agreement when personally delivered to the Contract Administrator or placed in the U.S. mail, postage prepaid to the Administering Service Area/Unit, care of the Contract Administrator.

XII. CHOICE OF LAW

This agreement shall be construed, governed, and enforced in accordance with the laws of the State of Michigan, including interpretation, enforceability, validity and construction. The parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

XIII. OWNERSHIP OF DOCUMENTS

Upon completion or termination of this agreement, all documents prepared by the Consultant, including tracings, drawings, estimates, specifications, field notes, investigations, studies and reports shall become the property of, and, at the option of the City, be delivered to, the City. The City acknowledges that the documents are prepared only for the Project. Prior to completion of the contracted Services the City shall have a recognized proprietary interest in the work product of the Consultant.

XIV. CONFLICT OF INTEREST

Consultant certifies it has no financial interest in the Services to be provided under this agreement other than the compensation specified herein. Consultant further certifies that it presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, which would conflict in any manner with its performance of the Services under this agreement.

XV. SEVERABILITY OF PROVISIONS

Whenever possible, each provision of this agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this agreement or the application of the provision to other parties and circumstances.

XVI. EXTENT OF AGREEMENT

This agreement represents the entire understanding between the City and the Consultant and it supersedes all prior representations or agreements whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this agreement. This agreement may be altered, amended or modified only by written amendment signed by the Consultant and the City.

FOR CONSULTANT

By _____
Andrew J. McCune, P.E.
Senior Vice-President

FOR THE CITY OF ANN ARBOR

By _____
John Hieftje, Mayor

By _____
Jacqueline Beaudry, City Clerk

Approved as to substance:

By _____
Roger W. Fraser, City Administrator

By _____
Sue F. McCormick
Public Services Area Administrator

Approved as to Form and Content:

By _____
Stephen K. Postema, City Attorney

**EXHIBIT A
SCOPE OF SERVICES
VALHALLA SANITARY SEWER PROJECT**

Project Understanding and Assumptions

Based on information provided in the Request for Proposals (RFP), discussions with the CITY, and field visits, the following criteria and project understandings form the basis of our Proposal.

- This project involves providing sanitary sewer service to the homes on Valhalla Drive via a new 8-inch sanitary sewer from Valhalla Drive, across a portion of the University of Michigan (U of M) Golf Course, to the existing sanitary sewer near the east end of Golf View Lane.
- The plans will include locations for the service lead connections approximately ten feet outside the edge of the traveled roadway for each parcel.
- Connection to service leads, abandonment of existing septic tanks/fields, and any associated engineering is not included in the Scope of Services and will be the responsibility of the property owner.
- Valhalla Drive is a one-lane private dirt road serving six homes and other private properties. The areas on either side of the dirt road are heavily wooded and should be preserved if possible. The sanitary sewer will be located along the dirt road, therefore, a common parking area for residents will be required while construction is being performed.
- The CONSULTANT will obtain from the CITY, and other sources as necessary, "as-built" drawings, GIS data, service lead information, historical break records, plat maps, tax records, ROW plans, condominium documents, private utility location and "as-built" drawing, and any other pertinent information as available and appropriate to characterize existing utility services and features in the vicinity of the project work area.
- Valhalla is a private road, and the sanitary sewer will be crossing private properties and the U of M property. Temporary construction and permanent easements will be required. The CONSULTANT will prepare metes and bounds legal descriptions of all required easement areas and exhibit drawings prepared on 8-1/2" x 11" sheets to depict the proposed easement areas.
- The CITY will provide CONSULTANT access to the project site during design of the Project. However, a right-of-entry permit will be required to be obtained by the CITY for access to any U of M or private properties.
- To avoid disruption issues with the U of M golf course, it will be advantageous to perform construction when the golf course is closed in winter months.
- According to the National Wetlands Inventory website, wetlands are not present on this Project. However, it's our understanding that wetlands may still exist near the end of Golf View Drive. The CONSULTANT will provide a certified wetland delineator to determine if wetlands exist, properly locate them, and attempt to avoid design improvements within existing wetlands, or buffer areas, as defined within Chapter 60 of the CITY's ordinance should they be present.

- Traffic impact for this project will be minimal; however, access and parking during construction will need to be addressed. Therefore, a maintenance of traffic plan is required.
- All fees associated with permit applications, construction permits, plan reviews, bonds, advertisements, and recordings/filings will be paid for by the CITY.
- The CITY will review documents prepared by CONSULTANT and provide comments within a two week period.
- The CONSULTANT will attend and facilitate meetings as indicated in the Scope of Services and provide written meeting minutes.
- Sanitary sewer main, service leads, manholes, and other sanitary sewer appurtenances shall be designed in accordance with the CITY of Ann Arbor Public Services Department Standard Details and Specifications.
- Traffic study, environmental impact study, water or sewer study and modeling, pump station design, drainage improvement study, lighting, landscaping and irrigation plans and other types of services not specifically described in the Scope of Services are not included in this scope of work.
- Construction services are not included in the Scope of Services.

Scope of Services

This project involves providing sanitary sewer service to the homes on Valhalla Drive. The proposed project calls for an 8-inch sanitary sewer to be installed on Valhalla Drive. Service leads will be provided for each parcel to their property line, but service leads from the property line to the individual home or vacant parcel will be the responsibility of the property owner. The proposed outlet for the gravity system is the sanitary sewer located at the end of Golfview Lane, behind the U of M Tennis Club. This requires crossing the University of Michigan Golf Course and driving range.

- A design kick-off meeting will be held with the CITY personnel to discuss the project, the project objectives, stakeholders to be involved, schedule, and staging of the Project.
- Utility companies will be contacted by the CONSULTANT to obtain information on their facilities within the project area. This information will be added to the topographic survey.
- Prepare conceptual drawings showing minimally invasive routes for the sanitary sewer through the golf course, approximate location of sanitary sewer along Valhalla Drive, and a parking area and walking route for residents. The CONSULTANT shall provide enough resources to study and amend three different routes for the proposed sanitary sewer. The CONSULTANT shall not begin work on a route with the approval of the CITY.
- Three copies of the conceptual drawings will be submitted to the CITY for review.
- Meet with U of M Golf course to review the concept and determine if they have a preferred route. The CONSULTANT shall provide enough resources to attend up to ten individual meetings with U of M throughout the life of the project.

- Meet with residents to review the concept. The CONSULTANT shall provide enough resources to attend up to ten individual meetings with the homeowners throughout the life of the project.
- Following the stakeholder meetings, CONSULTANT will have one meeting with the CITY personnel to review input from the stakeholders and discuss location and construction issues and jointly determine the optimal route and construction sequencing.
- CONSULTANT shall perform a visual site survey with a certified wetland delineator to properly identify and flag existing wetland boundaries within the vicinity of the proposed alignment.
- A topographic survey will be obtained along the selected alignment of the project. The topographic survey will extend approximately 150 feet to each side of the proposed alignment and will include all existing land features and sufficient spot elevations to create 1-foot contour intervals along the preferred water main alignment. The topographic survey will include all site and cultural features and shall include tree size, location, and genus and species of all trees six inches in diameter DBH and greater within the survey limits. The survey will be obtained using the CITY's official datum of NAVD88 (vertical) and NAD83 (horizontal) in international feet.
- Preliminary alignment drawings will be prepared. These drawings will provide existing topography, existing utilities, all utility crossings in profile view, alignment and profile of the sanitary sewer and potential utility conflicts. These drawings will be at a horizontal scale of 1"=40' and a vertical scale of 1"=4'. The purpose of these drawings will be to depict the proposed concept. These plans will not include all design information, construction notes, or construction details. These drawings will serve as our 30% submittal. The drawings will be prepared with sufficient detail such that all known construction or coordination issues will be addressed.
- Three copies of the 30% plans will be submitted to the CITY for review.
- Plans will be submitted to the utility companies to coordinate the relocation of any existing utilities.
- Geotechnical data will be obtained through soil borings for use in the design and construction of the improvements. (See attached proposal for a detailed description of these services.) The CONSULTANT and the SUB-CONSULTANT shall be available to meet with the CITY to discuss the report and revise it as required by the CITY.
- Plans for the construction of the sanitary sewer will be prepared incorporating the CITY's comments. The plans will consist of a plan view and associated profile on each sheet. The plan view will be at a scale of 1" = 40' and the profile scale will be 1" = 4'. The plan view will show the existing topographic features, existing utilities, and all utility crossings, proposed sanitary sewer, associated structures, details, notes, and construction sequencing. The profile view will show the existing utilities and proposed sanitary sewer.
- Prepare maintenance of traffic plans in accordance with MMUTCD and the CITY. Plan set sheet(s) will be reproduced and distributed to residents and businesses in a format suitable for their use.
- Prepare a detailed construction sequencing plan and associated detailed specification for inclusion in the contract documents.

- Prepare a Soil Erosion and Sedimentation Control Plan in accordance with the MDEQ and the CITY of Ann Arbor Standards.
- Contract documents and technical specifications meeting the CITY's requirements will be prepared on the CITY's standard contract forms.
- An estimate of probable construction costs will be prepared in MERL format and submitted in both written and electronic form.
- Three plan sets, draft specifications and contract documents, and the estimate of probable construction cost will be submitted to the CITY for review when the plans are 90% complete.
- The CONSULTANT shall perform an internal QA/QC review of 90% design plans, draft specifications and contract documents, including one submittal to another office for peer review and an in-house review with project team members.
- The design plans, draft specifications, and contract documents will be revised based on comments received from the CITY and from the internal QA/QC review.
- Prepare construction easement documents as necessary.
- CONSULTANT will prepare all needed permit applications for the Part 41 Michigan Department of Environmental Quality (MDEQ) and the CITY of Ann Arbor.
- The plans and applications will be submitted to the necessary regulatory agencies including the CITY and the MDEQ in order to obtain construction permit approvals. The CONSULTANT will address comments relative to the planned improvements the MDEQ may have in order to obtain the permit approvals. MDEQ comments and directives outside the planned improvements will be brought to the CITY's attention. Any required changes shall be incorporated into the plans and specifications by the CONSULTANT.
- Up to 40 sets of bid documents (specifications and contract documents) will be provided at the time of construction bidding, as well as a CD of the digital files.
- The CONSULTANT shall attend a prebid meeting with prospective contractors to address any questions that may arise regarding the project or bid documents.
- The CONSULTANT shall provide written responses to any contract inquiries for which the CITY requires assistance. The CONSULTANT shall also prepare any required addenda during the bidding process on standard CITY forms.
- The CONSULTANT will assist the CITY in receiving and evaluating the bids.



Engineering-Landscape Architecture-
Planning-GIS-Sciences-Surveying

Exhibit B

Prepared by: EMH
Date: 4/24/2008
Approved: AJM

Project: Valhalla Sanitary Sewer Service Extension

Client: Ann Arbor

TASKS	Survey	Design	Traffic Engineering	CADD	Specs & Bid	Kick-off Meeting w/City	WT Project Kick-off Meeting	Stakeholders Meeting	In-House Review	Final Plan Review Meeting w/City	Pre-Bid Meeting	Misc Meetings	Project Admin.	TOTALS	OTHER DIRECT COSTS
CLASSIFICATION	RATES	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	
Eric Harris	\$145.00	\$0.00	\$0.00	\$0.00	\$0.00	\$435.00	\$290.00	\$9,570.00	\$435.00	\$435.00	\$435.00	\$870.00	\$3,625.00	\$16,095.00	Sub consultants
Project Manager	\$90.00	168	168	0	0	3	1	12	3	3	3	3	0	196	SOMAT Testing Services
Brian Frisk	\$90.00	\$0.00	\$15,120.00	\$0.00	\$0.00	\$270.00	\$90.00	\$1,080.00	\$270.00	\$270.00	\$270.00	\$270.00	\$0.00	\$17,640.00	SOMAT Soils Boring
Project Engineer	\$125.00	29	29	0	0	3	2	3	3	0	0	0	0	40	Total
Donald Richards	\$170.00	\$0.00	\$0.00	\$0.00	\$0.00	\$375.00	\$250.00	\$375.00	\$375.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	
Survey Manager	\$170.00	\$0.00	\$0.00	\$0.00	\$0.00	0	0	0	3	0	0	0	0	11	
Daniel Brooks	\$175.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$510.00	\$0.00	\$0.00	\$0.00	\$1,360.00	\$1,870.00	
QA/QC	\$175.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$875.00	\$2,100.00	
Andrew McCune	\$90.00	\$0.00	\$0.00	\$0.00	\$0.00	\$270.00	\$90.00	\$270.00	\$270.00	\$270.00	\$0.00	\$0.00	\$0.00	\$1,260.00	Direct Cost
Principle-in-Charge	\$90.00	3	3	0	0	3	1	3	3	3	0	0	0	14	Computer Aided Design & Drafting (CADD)
Loi Pawlik	\$170.00	\$0.00	\$0.00	\$0.00	\$0.00	\$310.00	\$170.00	\$405.00	\$405.00	\$0.00	\$0.00	\$0.00	\$0.00	\$680.00	Computers
Traffic Engineer	\$170.00	48	48	0	0	3	1	3	3	0	0	0	0	58	Survey Equipment
Martin Parker	\$135.00	\$6,480.00	\$0.00	\$0.00	\$0.00	\$405.00	\$135.00	\$405.00	\$405.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,830.00	Survey Van
Senior Traffic Engineer	\$115.00	\$0.00	\$0.00	\$0.00	\$6,842.50	\$0.00	\$115.00	\$0.00	\$345.00	\$345.00	\$345.00	\$0.00	\$0.00	\$7,992.50	SSES - Includes Van and Standard Equipment
Landscape Architect	\$160.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,280.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,280.00	Flow Meter
Robert Marker	\$95.00	96	96	0	0	0	0	8	0	0	0	0	0	\$237.65	Travel
Specifications / Contract Documents	\$95.00	\$9,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,680.00	OCE Printer
Public Involvement	\$55.00	76	76	0	0	0	0	0	3	3	0	0	0	\$3,509.95	Sub Total
Survey Crew Chief	\$95.00	\$4,180.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,180.00	OTHER DIRECT COSTS TOTAL
Survey Technician	\$95.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95.00	\$0.00	\$285.00	\$285.00	\$0.00	\$0.00	\$0.00	\$8,740.00	
CADD Technician	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,560.00	
Technician (Graphics)	\$60.00	\$0.00	\$0.00	\$0.00	\$1,560.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,555.00	
Technician (Administrative)	\$90.00	\$0.00	\$0.00	\$0.00	\$1,305.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,250.00	
Technician (Secretary)	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,200.00	
TOTALS	\$23,405.00	249	168	1	85	21	11	95	24	15	9	12	83	873	TOTAL DIRECT LABOR
		\$15,120.00	\$90.00	\$8,075.00	\$9,707.50	\$2,790.00	\$1,410.00	\$12,980.00	\$2,895.00	\$1,605.00	\$1,050.00	\$1,665.00	\$9,310.00	\$90,102.50	TOTAL COST



Somat Engineering,
INCORPORATED

December 14, 2007
PP07265

Mr. Eric Harris, P.E.
Wade Trim Associates
25251 Northline Road
Taylor, Michigan 48180

Re: Proposal to Perform Geotechnical Investigations
Various Ann Arbor Municipal Projects
Ann Arbor, Michigan

Dear Mr. Harris,

We are pleased to provide this proposal to perform the geotechnical investigations for the proposed municipal projects in Ann Arbor, Michigan. This proposal is based on the project RFP from the city and subsequent addendums.

Project Information:

We understand that the city of Ann Arbor has selected nine (9) projects for design of municipal utility upgrades.

Project ID	Project Name	Scope	Est. Const. Cost
UT-SN-01-19	Liberty-Washington Relief	Work on Miller Ave at the Allen's Creek Drain crossing near the intersection only. Work may include replacing and/or upsizing, relief of the siphon to improve its function.	Original Scope Altered in Add.No2
UT-SN-06-01	Valhalla Sanitary Sewer Service Extension	Install approximately 2,500 feet of 8" sanitary sewer connecting to the city sewer at easterly end of Golfview to the south.	\$1,300,000
UT-SN-02-23	Northside Sanitary Submain	Line approximately 3050 feet of 12" sanitary sewer from Barton to Argo Cance Livery to eliminate root intrusion.	\$550,000
UT-ST-08-10	Harvard Drain in Nichols Ave	Reduce erosion downstream on the University of Michigan Arboretum property, including repair and remediation of existing Harvard Drain.	\$150,000
UT-WS-08-39	Catherine St. Water Main	Construct a 16 inch transmission main from Glen Ave. to Zina Pitcher	\$500,000
UT-WS-06-15	Plymouth Rd. Water Main	Replace 1,200 feet of 20 inch pipe near Plymouth Rd and Pointe Lane and replace 300 ft of 12 inch main near 1500 Plymouth Rd	\$560,000
UT-WS-08-25	S. Fifth Ave. Water Main	Replace 950 feet of main between Washington St. and William St.	\$220,000
UT-WS-06-18	Stadium Blvd. & Iroquois Water Main	Replace 2,300 feet of main along Iroquois west of Packard	Original Scope Altered in Add.No2
UT-WS-06-14	Washtenaw Ave. Water Main	Replace 2,225 feet of main between Yost Rd. and Huron Parkway	Original Scope Altered in Add.No2

Based on our discussions, the Harvard Drain and Northside Sanitary projects will likely not include geotechnical or construction materials testing aspects for design or construction. Generally, it is preliminarily anticipated that the new piping will be installed within existing pavement areas of the roadways. Additionally, a portion of the Valhalla sewer project will cross the University of Michigan Golf Course. With the exception of the Washtenaw Ave. project, which is within Michigan Department of Transportation right-of-way, all roads are Ann Arbor city right-of-way. We anticipate that standard water main piping will have invert levels situated at 5 to 6 feet below existing roadway grades. Larger water main pipes and the sewer pipes will be situated deeper, up to 10 to 12 feet below grades. Pavement reconstruction for the projects will consist of the replacement of the existing pavement sections within the new piping areas.

Our proposal is based on the following observations and assumptions:

- We understand that WTA may be selected for any portion of the city's projects. SOMAT has provided this proposal with the understanding that the scope of each project is independent of the others.
- SOMAT will not be involved at this time with the Harvard Drain and Northside Sanitary projects.
- Because this project is for the city of Ann Arbor, no permit will be required. Only coordination of the fieldwork schedule through WTA and the city will be required. For the Washtenaw Ave. project, work will be performed under SOMAT's MDOT annual right-of-way permit. In addition, coordination with the university golf course facility will be required for the Valhalla project.
- The soil borings will be staked in the field by SOMAT based on the anticipated piping alignments and existing utility information.
- Most of the soil borings will be performed in the travel lanes of these streets and will be performed with a truck-mounted drill rig.
- For the portion of the sewer alignment through the golf course for the Valhalla project, an ATV mounted drill rig may be required. In addition, special precautions will be taken when crossing manicured landscaping areas in an effort to maintain the golf course.
- We anticipate that most of the existing roadways are asphalt pavement; therefore we do not anticipate coring the pavement at each boring location prior to drilling.
- Most of the projects are within moderate to heavy traffic volume streets. Therefore we anticipate providing proper signage and traffic control to perform the fieldwork within the city streets. However, the Washtenaw Ave. projects will be located in the service drive/parking area located along the south side of the roadway.

Proposed Scope of Work:

Preparatory Work:

- Coordinate with WTA on the scope of each project and preliminarily select the locations of the proposed soil borings.
- Notify WTA and the city of the proposed fieldwork schedule.
- Notify MDOT of the fieldwork schedule, if required.
- Stake soil boring locations in the field.



- Contact MISSDIG to locate existing underground utilities.

Fieldwork:

- Mobilize the appropriate drill rig crew and traffic control to perform the following number of borings to the specified depths.

Project ID	Project Name	Number of Borings	Depth
UT-SN-01-13	Liberty-Washington Keller	2	15 ft
UT-SN-06-01	Valhalla Sanitary Sewer Service Extension	5	15 ft
UT-WG-06-08	Guthrie St. Water Main	2	15 ft
UT-WG-06-15	Plymouth Rd. Water Main	4	15 ft
UT-WG-06-25	S. Fifth Ave. Water Main	2	10 ft
UT-WG-06-18	Iroquois Water Main	3	10 ft
UT-WG-06-14	Washtenaw Ave. Water Main	5	10 ft

- Obtain groundwater level readings during and upon completion of drilling.
- Backfill the soil borings with cuttings, and patch the surface with asphalt cold patch.

Laboratory Testing:

- Moisture content determinations will be performed on samples of cohesive soils.
- Loss-On-Ignition (LOI) tests will be performed on samples suspected to contain greater than 4% organic material.

Logs, Engineering and Report:

- For each project, analyze field and lab data, and prepare a geotechnical report, including the following:
 - A description of the field and laboratory investigation procedures,
 - Logs of soil borings and soil boring location diagram,
 - A description of the prevailing subsurface characteristics of the site, including the soils stratigraphy and consistency, groundwater conditions, any unusual conditions, and summary of the existing pavement conditions,
 - Geotechnical recommendations for the construction of the new piping,
 - Engineered fill recommendations,
 - Construction considerations related to the soil and groundwater conditions.

Limitations:

Our scope of work is strictly geotechnical. It will not include any environmental exploration for the presence or absence of wetlands, contamination, hazardous or toxic materials in the air, surface water, groundwater or soil, in or around the site area. Should the observations of our field crew indicate the presence or likelihood of contamination, we will notify your office as soon as practically possible. We will also take necessary measures to protect human health and safety and the environment.



Professional Fee:

- We anticipate performing the above scope of works for the following lump sum fees:

Project ID	Project Name	Fee
UT-SN-01-19	Liberty-Washington Keller	\$2,900
UT-SN-06-01	Valhalla Sanitary Sewer Service Extension	\$3,000
UT-WS-06-06	Catharine St. Water Main	\$2,500
UT-WS-06-15	Plymouth Rd. Water Main	\$9,250
UT-WS-06-25	S. Fifth Ave. Water Main	\$2,000
UT-WS-06-16	Iroquois Water Main	\$2,750
UT-WS-06-14	Washtenaw Ave. Water Main	\$2,750

- This total fee is valid for 60 days from the date of this proposal.
- We will not perform any additional work without obtaining prior authorization.

Schedule:

Generally, we estimate the following schedule for each of the projects:

Prep Work: 1 week
Fieldwork: 1 day
Laboratory Testing: 1 week
Report: 1 week

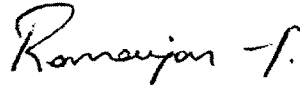
General:

We hope this information is sufficient to fulfill your present requirements. Should you have any questions or require further information, please do not hesitate to call.

We look forward to working with you on this project.

Sincerely yours,
SOMAT Engineering, Inc.


Jonathan D. Zaremski, P.E.
Project Manager


G. Ramanujam, P.E.
Senior Project Manager

Enclosures:

ASFE Message



Important Information About This Geotechnical Engineering Proposal

Subsurface problems are a principal cause of construction delays, cost overruns, claims, and disputes.

While you cannot eliminate all such risks, you can manage them. The following information is provided to help.

Participate in Development of the Subsurface Exploration Plan

Geotechnical engineering begins with the creation of an effective subsurface exploration plan. This proposal starts the process by presenting an initial plan. While that plan may consider the unique physical attributes of the site and the improvements you have in mind, it probably does not consider your unique goals, objectives, and risk management preferences. Subsurface exploration plans that are finalized without considering such factors presuppose that clients' needs are unimportant, or that all clients have the same needs. *Avoid the problems that can stem from such assumptions* by finalizing the plan and other scope elements directly with the geotechnical engineer you feel is best-qualified for the project, along with the other project professionals whose plans are affected by the geotechnical engineer's findings and recommendations. If you have been told that this step is unnecessary; that client preferences do not influence the scope of geotechnical engineering service or that someone else can articulate your needs as well as you, you have been told *wrong*. No one else can discuss your geotechnical options better than an experienced geotechnical engineer, and no one else can provide the input you can. Thus, while you certainly are at liberty to accept a proposed scope "as is," recognize that it could be a unilateral scope developed without direct client/engineer discussion; that authorizing a unilateral scope will force the geotechnical engineer to accept all assumptions it contains; that assumptions create risk. *Manage your risk. Get involved.*

Expect the Unexpected

The nature of geotechnical engineering is such that planning needs to *anticipate the unexpected*. During the design phase of a project, more or deeper borings may be required, additional tests may become necessary, or someone associated with your organization may request a service that was not included in the final scope. During the construc-

tion phase, additional services may be needed to respond quickly to unanticipated conditions. In the past, geotechnical engineers commonly did whatever was required to oblige their clients' representatives and safeguard their clients' interests, taking it on faith that their clients wanted them to do so. But some did not, refusing to pay for legitimate extras on the ground that the engineer proceeded without proper authorization, or failed to submit notice in a timely manner, or failed to provide proper documentation. *What are your preferences? Who is permitted to authorize additional geotechnical services on your project? What type of documentation do you require? To whom should it be sent? When? How?* By addressing these and similar issues sooner rather than later, you and your geotechnical engineer will be prepared for the unexpected, to help prevent molehills from growing into mountains.

Have Realistic Expectations; Apply Appropriate Preventives

The recommendations included in a geotechnical engineering report are *not final*, because they are based on opinions that can be verified *only* during construction. For that reason, most geotechnical engineering proposals offer the construction observation services that permit the geotechnical engineer of record to confirm that subsurface conditions are what they were expected to be, or to modify recommendations when actual conditions were not anticipated. *An offer to provide construction observation is an offer to better manage your risk.* Clients who do not take advantage of such an offer; clients who retain a second firm to observe construction, can create a high-risk "Catch-22" situation for themselves. *The geotechnical engineer of record cannot assume responsibility or liability for a report's recommendations when another firm performs the services needed to evaluate the recommendations' adequacy.* The second firm is also likely to disavow liability for the recommendations, because of the substantial and possibly uninsurable risk of assuming responsibility for ser-

vices it did not perform. Recognize, too, that no firm other than the geotechnical engineer of record can possibly have as intimate an understanding of your project's geotechnical issues. As such, reliance on a second firm to perform construction observation can elevate risk still more, because it may not have the wherewithal to recognize subtle, but sometimes critically important unanticipated conditions, or to respond to them in a manner consistent with your goals, objectives, and risk management preferences.

Realize That Geoenvironmental Issues Have Not Been Covered

The equipment, techniques, and personnel used to perform a *geoenvironmental* study differ significantly from those used to perform a *geotechnical* study. *Geoenvironmental services are not being offered in this proposal. The report that results will not relate any geoenvironmental findings, conclusions, or recommendations.* Unanticipated environmental problems have led to numerous project failures. If you have not yet obtained your own geoenvironmental information, ask your geotechnical consultant for risk management guidance. *Do not rely on an environmental report prepared for someone else.*

Have the Geotechnical Engineer Work with Other Design Professionals and Constructors

Other design team members' misinterpretation of a geotechnical engineering report has resulted in costly problems. Manage that risk by having your geotechnical engineer confer with appropriate members of the design team before finalizing the scope of geotechnical service (as suggested above), and, again, after submitting the report. *Also retain your geotechnical engineer to review pertinent elements of the design team members' plans and specifications.*

Reduce the risk of unanticipated conditions claims that can occur when constructors misinterpret or misunderstand the purposes of a geotechnical engineering report. Use appropriate language in your contract documents. Retain your geotechnical engineer to participate in prebid and preconstruction conferences, and to perform construction observation.

Read Responsibility Provisions Closely

Clients, design professionals, and constructors who do not recognize that geotechnical engineering is far less exact than other engineering disciplines can develop unrealistic expectations. Unrealistic expectations can lead to disappointments, claims, and disputes. To help reduce such risks, geotechnical engineers commonly include a variety of explanatory provisions in their proposals. Sometimes labeled "limitations," many of these provisions indicate where geotechnical engineers' responsibilities begin and end, to help others recognize their own responsibilities and risks, thus to encourage more effective scopes of service. *Read this proposal's provisions closely. Ask questions.* Your geotechnical engineer should respond fully and frankly.

Rely on Your Geotechnical Engineer for Additional Assistance

Membership in ASFE exposes geotechnical engineers to a wide array of risk management techniques that can be of genuine benefit to everyone involved with a construction project. Confer with an ASFE-member geotechnical engineer for more information. Confirm a firm's membership in ASFE by contacting ASFE directly or at its website.

ASFE

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EXHIBIT C
FAIR EMPLOYMENT PRACTICE

The consultant, its agents or sub-contractors, shall comply with all requirements of Chapter 112 of Title IX of the Code of the City of Ann Arbor and in particular the following excerpts therefrom:

9:161 NONDISCRIMINATION BY CITY CONTRACTORS

- (1) All contractors proposing to do business with the City of Ann Arbor shall satisfy the nondiscrimination administrative policy adopted by the City Administrator in accordance with the guidelines of this section. All contractors shall receive approval from the Director prior to entering into a contract with the City, unless specifically exempted by administrative policy. All City contractors shall take affirmative action to insure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity and tends to eliminate inequality based upon race, national origin or sex.
- (2) Each prospective contractor shall submit to the City data showing current total employment by occupational category, sex and minority group. If, after verifying this data, the Director concludes that it indicates total minority and female employment commensurate with their availability within the contractor's labor recruitment area, i.e., the area from which the contractor can reasonably be expected to recruit, said contractor shall be accepted by the Director as having fulfilled affirmative action requirements for a period of one year at which time the Director shall conduct another review. Other contractors shall develop an affirmative action program in conjunction with the Director. Said program shall include specific goals and timetables for the hiring and promotion of minorities and females. Said goals shall reflect the availability of minorities and females within the contractor's labor recruitment area. In the case of construction contractors, the Director shall use for employment verification the labor recruitment area of the Ann Arbor-Ypsilanti standard metropolitan statistical area. Construction contractors determined to be in compliance shall be accepted by the Director as having fulfilled affirmative action requirements for a period of six (6) months at which time the Director shall conduct another review.
- (3) In hiring for construction projects, contractors shall make good faith efforts to employ local persons, so as to enhance the local economy.
- (4) All contracts shall include provisions through which the contractor agrees, in addition to any other applicable Federal or State labor laws:
 - (a) To set goals, in conference with the Human Resources Director, for each job category or division of the work force used in the completion of the City work;
 - (b) To provide periodic reports concerning the progress the contractor has made in meeting the affirmative action goals it has agreed to;

- (c) To permit the Director access to all books, records and accounts pertaining to its employment practices for the purpose of determining compliance with the affirmative action requirements.
- (5) The Director shall monitor the compliance of each contractor with the nondiscrimination provisions of each contract. The Director shall develop procedures and regulations consistent with the administrative policy adopted by the City Administrator for notice and enforcement of non-compliance. Such procedures and regulations shall include a provision for the posting of contractors not in compliance.
- (6) All City contracts shall provide further that breach of the obligation not to discriminate shall be a material breach of the contract for which the City shall be entitled, at its option, to do any or all of the following:
 - (a) To cancel, terminate, or suspend the contract in whole or part and/or refuse to make any required periodic payments under the contract;
 - (b) Declare the contractor ineligible for the award of any future contracts with the City for a specified length of time;
 - (c) To recover liquidated damages of a specified sum, said sum to be that percentage of the labor expenditure for the time period involved which would have accrued to minority group members had the affirmative action not been breached;
 - (d) Impose for each day of non-compliance, liquidated damages of a specified sum, based upon the following schedule:

<u>Contract Amount</u>	<u>Assessed Damages Per Day of Non-Compliance</u>
\$ 10,000 - 24,999	\$ 25.00
25,000 - 99,999	50.00
100,000 - 199,999	100.00
200,000 - 499,999	150.00
500,000 - 1,499,999	200.00
1,500,000 - 2,999,999	250.00
3,000,000 - 4,999,999	300.00
5,000,000 - and above	500.00

- (e) In addition the contractor shall be liable for any costs or expenses incurred by the City of Ann Arbor in obtaining from other sources the work and services to be rendered or performed or the goods or properties to be furnished or delivered to the City under this contract.

EXHIBIT D
LIVING WAGE REQUIREMENTS

If a "covered employer," Contractor will comply with all the requirements of Chapter 23 of the Ann Arbor City Code (Sections 1:811 B 1:821), in particular but not limited to the following sections thereof:

1:813. Definitions.

For purposes of this Chapter, the following definitions shall apply:

- (1) "Contractor/vendor" is a person or entity that has a contract with the City primarily for the furnishing of services where the total amount of the contract or contracts with the City exceeds \$10,000 for any 12month period. "Contractor/vendor" does not include a person or entity that has a contract with the City primarily for the purchase of goods or property, or for the lease of goods or property to or from the City.
- (2) "Covered Employee" means a person employed by a covered employer to perform services which are covered or funded by the contract with or grant from the City; provided, however, that persons who are employed pursuant to federal, state or local laws relating to prevailing wages shall be exempt from this Chapter.
- (3) "Covered Employer" means a contractor/vendor or grantee that has not been granted an exemption from this Chapter pursuant to Section 1:817.
- (4) "Employee" means an individual who provides personal services performed for wages under any contract calling for the performance of personal services, whether written or oral, express or implied. The term "employee" does not include any individual who volunteers to perform services for an employer if
 - (a) The individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and
 - (b) Such services are not the same type of services which the individual is employed to perform for such employer.
- (5) "Employee Health Benefits" or "Health Benefits" means providing health care benefits for employees (or employees and their dependents) at employer cost or making an employer contribution toward the purchase of such health care benefits for employees (or employees and their dependents), provided that the employer cost or contribution equals no less than \$1 an hour for the average work week of such employee, and provided further that any employee payment or contribution toward health care shall not exceed 50 cents an hour for the average work week for such employee.

- (6) "Grant" means any form of financial assistance to a "Grantee" as set forth and defined in Section 1:813(7). "Grant" does not include financial assistance used for the purchase or lease of property or other non-personnel costs.
- (7) "Grantee" is a person or entity that is a recipient of any financial assistance from the City in the form of any federal, state or local grant program administered by the City, revenue bond financing, tax increment financing, tax abatement, tax credit, direct grant, or any other form of financial assistance that exceeds \$10,000 for any 12month period, including any contractors, subcontractors, or leaseholders of the grantee whose contract, subcontract or lease with the grantee exceeds \$10,000 for any 12month period.
- (8) "Living Wage" means a wage equal to the levels established in Section 1:815.
- (9) "Person" means any individual, co-partnership, corporation, association, club, joint adventure, estate, trust, and any other group or combination acting as a unit, and the individuals constituting such group or unit.
- (10) "\$10,000 for any 12 month period" is computed by taking the total amount of the contract, grant or loan and dividing it by the number of months the contract, grant or loan covers.

1:814. Applicability.

- (1) This Chapter shall apply to any person that is a contractor/vendor or grantee as defined in Section 1:813 that employs or contracts with five (5) or more individuals; provided, however, that this Chapter shall not apply to a nonprofit contractor/vendor or nonprofit grantee unless it employs or contracts with ten (10) or more individuals.
- (2) This Chapter shall apply to any grant, contract, or subcontract or other form of financial assistance awarded to or entered into with a contractor/vendor or grantee after the effective date of this Chapter and to the extension or renewal after the effective date of this Chapter of any grant, contract, or subcontract or other form of financial assistance with a contractor/vendor or grantee.

1:815. Living Wages Required.

- (1) Every contractor/vendor or grantee, as defined in Section 1:813, shall pay its covered employees a living wage as established in this Section.
 - (a) For a covered employer that provides employee health care to its employees, the living wage shall be \$8.70 an hour, or the adjusted amount hereafter established under Section 1:815(3).

- (b) For a covered employer that does not provide health care to its employees, the living wage shall be \$10.20 a hour, or the adjusted amount hereafter established under Section 1:815(3).
- (2) In order to qualify to pay the living wage rate for covered employers providing employee health care under subsection 1:815(1)(a), a covered employer shall furnish proof of said health care coverage and payment therefor to the City Administrator or his/her designee.
- (3) The amount of the living wage established in this Section shall be adjusted upward no later than April 30, 2002, and every year thereafter by a percentage equal to the percentage increase, if any, in the federal poverty guidelines as published by the United States Department of Health and Human Services for the years 2001 and 2002. Subsequent annual adjustments shall be based upon the percentage increase, if any, in the United States Department of Health and Human Services poverty guidelines when comparing the prior calendar year's poverty guidelines to the present calendar year's guidelines. The applicable percentage amount will be converted to an amount in cents by multiplying the existing wage under Section 1.815(1)(b) by said percentage, rounding upward to the next cent, and adding this amount of cents to the existing living wage levels established under Sections 1:815(1)(a) and 1:815(1)(b). Prior to April 1 of each calendar year, the City will notify any covered employer of this adjustment by posting a written notice in a prominent place in City Hall, and, in the case of a covered employer that has provided an address of record to the City, by a written letter to each such covered employer.

1:816. Employees Covered.

A covered employer shall pay each of its employees performing work on any covered contract or grant with the City no less than a living wage as defined in Section 1:815.

1:817. Exemptions.

Notwithstanding any other provisions in this Chapter, the following exemptions shall apply:

- (1) Sweat equity contracts for home construction or rehabilitation grant will not subject the grantee to coverage under this Chapter. Housing construction or rehabilitation grants or contracts that are passed through to a contractor in their entirety are exempt from the provisions of this Chapter, even when the City participates in the selection of the contractor.
- (2) For any contract or grant, the City Council may grant a partial or complete exemption from the requirements of this Chapter if it determines one of the following:

- (a) To avoid any application of this Chapter that would violate federal, state or local law(s); or
 - (b) The application of this Chapter would cause demonstrated economic harm to an otherwise covered employer that is a nonprofit organization, and the City Council finds that said harm outweighs the benefits of this Chapter; provided further that the otherwise covered nonprofit employer shall provide a written plan to fully comply with this Chapter within a reasonable period of time, not to exceed three years, and the City Council then agrees that granting a partial or complete exemption is necessary to ameliorate the harm and permit the nonprofit organization sufficient time to reach full compliance with this Chapter.
- (3) A loan shall be considered a grant under this ordinance only to the extent that a loan is provided at below market interest rates and then only the difference between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan, shall be treated as financial assistance under this ordinance.
- (4) A payment of funds for the purpose of purchasing services, property, or goods on behalf of individuals being assisted by a covered employer or potentially covered employer (sometimes known as a "pass through" grant) that is used for said purchases shall not be considered a grant; such funds shall be considered a grant only to the extent that any such funds are retained by the covered employer or potentially covered employer to provide financial assistance and support to its own operations.

1:818. Monitoring and Enforcement.

- (1) Every covered employer shall agree to the payment of a living wage as a condition of entering into or renewing a covered contract or grant with the City, shall agree to post a notice regarding the applicability of this Chapter in every work place or other location in which employees or other persons contracted for employment are working, and shall agree to provide payroll records or other documentation as deemed necessary within ten (10) business days from the receipt of the City's request. All City contracts and grants covered by this Chapter shall provide that a violation of the living wage requirements of this Chapter shall be a material breach of the contract or grant. The Human Rights Office of the City shall monitor the compliance of each contractor/vendor or grantee under procedures developed by the Human Rights Office and approved by the City Administrator.
- (2) Each covered employer shall submit to the Human Rights Office of the City information regarding number of employees and applicable wage rates of its employees covered by this Chapter in such manner as requested by that office. At the request of the Human Rights Office, any contractor/vendor or grantee shall provide satisfactory proof of compliance with the living wage provisions of this Chapter.

- (3) Any person may submit a complaint or report of a violation of this Chapter to the Human Rights Office. Upon receipt of such a complaint or report, the Human Rights Office shall investigate to determine if there has been a violation.

1:819. Penalties and Enforcement.

- (1) A violation of any provision of this Chapter is a civil infraction punishable by a fine of not more than \$500.00 plus all costs of the action. The Court may issue and enforce any judgment, writ, or order necessary to enforce this Chapter, including payment to the affected employee or employees of the difference between wages actually paid and the living wage that should have been paid, interest, and other relief deemed appropriate.
- (2) Each day upon which a violation occurs shall constitute a separate violation.
- (3) In addition to enforcement under Subsections (1) and (2), the City shall have the right to modify, terminate, and/or seek specific performance of any contract or grant with an affected covered employer or to cancel, terminate or suspend the contract in whole or in part and/or to refuse any further payments under the contract or grant;
- (4) Nothing contained in this Chapter shall be construed to limit in any way the remedies, legal or equitable, which are available to the City or any other person for the correction of violations of this Chapter

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1:821. Other Provisions.

- (1) No affected covered employer shall reduce the compensation, wages, fringe benefits, or leave available to any covered employee or person contracted for employment in order to pay the living wage required by this Chapter.

* * * * *

- (3) No employee covered by a federal, state or local law requiring the payment of prevailing wages shall be covered by this Chapter.
- (4) This Chapter shall not be construed to apply to any person or entity that is a tax exempt religious, educational or charitable organization under state or federal law, but is not a contractor/vendor or grantee as defined in Section 1:813.
- (5) This Chapter shall not be applicable to the establishment and/or continuation of the following if developed specifically for high school and/or college students:
 - (a) A bona fide training program;
 - (b) A summer or youth employment program;
 - (c) A work study, volunteer/public service, or internship program.

* * * * *