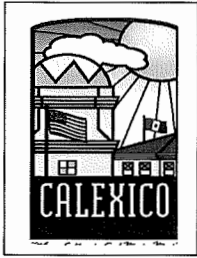


AGENDA
ITEM

16



AGENDA STAFF REPORT

DATE: September 6, 2017

TO: Mayor and City Council

APPROVED BY: Armando G. Villa, City Manager *Armando G. Villa*

PREPARED BY: David Dale, Public Works Director/City Engineer *David Dale*

SUBJECT: Authorize City Manager to Sign Agreement for Professional Services between the City of Calexico and Dynamic Consulting Engineers for 5th Street Water Pipeline Design.

=====

Recommendation:

Authorize City Manager to Sign Agreement for Professional Services between the City of Calexico and Dynamic Consulting Engineers for 5th Street Water Pipeline Design.

Background:

The City of Calexico currently has an 18" water transmission main line that runs from the Water Treatment Plant (545 Pierce Avenue) to Cesar Chavez Blvd. under both the American Legion and Alex Rivera Baseball Fields. This water transmission line then goes underneath the railroad tracks and feeds water to the southeast section of the City. Due to the widening of Cesar Chavez Blvd., the Public Works Department is proposing to replace and relocate the existing 18" water transmission main line with a 24" water transmission main line. The proposed route of the 24" water transmission main line will be south on Pierce Avenue to 5th Street and east on 5th Street to Cesar Chavez Blvd. This total project is budgeted in the Capital Improvement Program for fiscal year 2017-2018 in the amount of \$1,200,000.00.

Discussion & Analysis:

In order for the above-mentioned work to be completed, Public Works staff is requesting that an engineering firm be hired to design said project and prepare all the necessary documentation (plans, specifications, traffic control plan, secure permits, etc.). On August 21, 2017, Public Works staff requested two (2) proposals from the City's on-call engineering listed that was previously approved by City Council on February 16, 2016. The following firms submitted their proposal for the Design phase of 5th Street Water Pipeline Project:

**AGENDA
ITEM**

16

- | | |
|---------------------------------|-------------|
| 1. Dynamic Consulting Engineers | \$39,600.00 |
| 2. The Holt Group, Inc. | \$59,300.00 |

After carefully reviewing both proposals, Public Works staff recommends that the City Council of the City of Calexico authorize City Manager to sign Agreement for Professional Services between the City of Calexico and Dynamic Consulting Engineers for the design phase of 5th Street Water Pipeline Project.

Fiscal Impact:

Budgeted Item for FY 2017-2018
\$39,600.00 – Water Capital Fund

Coordinated With:

Public Works Department.

Attachment(s):

1. Dynamic Consulting Engineers Agreement for Professional Services.
2. Dynamic Consulting Engineers Proposal.
3. The Holt Group, Inc. Proposal.

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the 6th day of September, 2017, by and between the City of Calxico ("City") and Dynamic Consulting Engineers ("Consultant").

RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement; and

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

AGREEMENT

1. Scope of Services. The Consultant shall furnish the following services in a professional manner. Consultant shall perform the services described on Exhibit A which is attached hereto and incorporated herein by reference. Consultant shall provide said services at the time, place, and in the manner specified in Exhibit A, subject to the direction of the City through its staff that it may provide from time to time.

2. Time of Performance. The services of Consultant are to commence upon execution of this Agreement and shall continue until all authorized work is approved by the City. All such work shall be completed no later than December 31, 2018. Time is of the essence for every provision of this agreement that states a time for performance and for every deadline imposed by the City.

3. Compensation. Compensation to be paid to Consultant shall be as set forth in Exhibit B, which is attached hereto and incorporated herein by reference. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to the City at the time of payment.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Ownership of Documents. All plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole

right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request.

6. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

7. Interest of Consultant. Consultant (including principals, associates and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by and during this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- a. will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of the City or of any City official, other than normal agreement monitoring; and
- b. possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation or counsel. (FPPC Reg. 18700(a)(2).)

8. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

9. Indemnity. Consultant agrees to indemnify, including the cost to defend, the City, and its officers, agents and employees from any and all claims, demands, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant and its agents in the performance of services under this contract. This indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence, willful misconduct or defects in design by the City or its agents, servants, or independent contractors who are directly responsible to the City, or the active negligence of the City.

To the fullest extent permitted by law, the Consultant shall (1) immediately defend and (2) indemnify the City, and its councilmembers, officers, agents, and employees from and against all liabilities regardless of nature or type that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, or its employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The Consultant's obligation to indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, then Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability.

(b) The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City, the City and its councilmembers, officers, agents, and employees, immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination that persons other than Consultant are responsible for the claim does not relieve Consultant from its separate and distinct obligation to defend under this section. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the comparative active negligence or willful misconduct of an indemnified party, Consultant may submit a claim to the City for reimbursement of reasonable attorneys' fees and defense costs in proportion to the established comparative liability of the indemnified party.

(c) The review, acceptance or approval of the City's work or work product by any indemnified party shall not affect, relieve or reduce the City's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

10. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers'

Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the City at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City. This provision shall not apply if Consultant has no employees performing work under this Agreement. If the Consultant has no employees for the purposes of this Agreement, Consultant shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto as Exhibit C.

ii. General Liability Coverage. Consultant shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.

iv. Errors and Omissions Liability. Consultant shall maintain errors and omissions liability insurance for all work performed under this Agreement in an amount of not less than one million dollars (\$1,000,000).

b. Policy Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. The City of Calexico, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City

may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

iv. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.

v. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days written notice has been received by the City.

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the City's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

d. Certificates of Insurance and Endorsements. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.

11. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.

12. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall obtain a City of Calexico Business License.

13. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Imperial, California.

14. Written Notification. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent prepaid, first class mail. Any such notice, demand, etc. shall be

including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

17. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

18. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.

19. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

20. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of the City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise is required by law.

21. Termination. This Agreement may be terminated by the City immediately for cause or by either party without cause upon fifteen days' written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination.

*****SIGNATURES ON FOLLOWING PAGE*****

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF CALEXICO:

CONSULTANT:

Armando G. Villa
City Manager

APPROVED AS TO FORM:

ATTEST:

Carlos Campos
Interim City Attorney

Gabriela Garcia
Deputy City Clerk

EXHIBIT A

SCOPE OF SERVICES

(Proposal dated August 23, 2017)

EXHIBIT B
SCHEDULE OF CHARGES

EXHIBIT C

CERTIFICATE OF EXEMPTION FROM WORKERS' COMPENSATION INSURANCE

I hereby certify that in the performance of the work for which this Agreement is entered into, I shall not employ any person in any manner so as to become subject to the Workers' Compensation Laws of the State of California.

Executed on this ____ day of _____, 2017, at _____,
California.

Consultant

August 23, 2017

City of Calexico
608 Heber Avenue
Calexico, CA 92231

Attn: David Dale. P.E., P.L.S, Public Works Director/City Engineer

Subject: Proposal for 5th Street Water Pipeline Design (On Call Task Order Request)

Dynamic Consulting Engineers, Inc (DCE) is pleased to present this cost proposal for design services for the above referenced project. The City of Calexico is planning on replacing an 18 inch water line with a new 24 inch diameter water pipeline. The project includes the design of the new water pipeline, specifications and bid documents. The scope of work is as follows:

SCOPE OF WORK:

- DCE will prepare topographic field survey. DCE will set vertical and horizontal control per City required benchmark system to match projects currently in design or construction phase.
- DCE will research and identify existing utilities and proposed utilities within the project limits. DCE will coordinate work with Cesar Chavez project plans to avoid potential conflicts.
- DCE will prepare base map at 1" = 30' scale. DCE will identify existing right of ways and easements. DCE will prepare a draft alignment of proposed water main line and meet with the City to discuss and determine the best water main pipeline alignment.
- Once water main alignment has been determined, DCE will proceed with design of water pipeline. DCE will submit 70% plans, specifications and cost estimate to the City for review and comment.
- DCE will meet with City staff as necessary to assure the development of the plans and specifications meet the City requirements and expectations.
- DCE will assist the City with obtaining the UPRR encroachment permit for the Jack and Bore.
- After the 70% review and comments, DCE will proceed to complete the final plans, specifications, bid documents and cost estimate for a final review before signing all documents.
- DCE will provide final signed plans, specifications and bid documents to City for bid advertisement.
- DCE will assist the City with the bidding process. DCE will attend the pre bid meeting and bid opening. DCE will respond to RFI's.

COST PROPOSAL

DCE will provide the services mentioned in the scope of work for a lump sum fee of **\$39,600.00**.

ANTICIPATED SCHEDULE:

Schedule is dependent on the issuance of the Notice to Proceed by the City.

Phase 1 – Improvement Plans

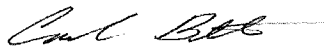
- September 7, 2017 - Receive Notice to Proceed (Tentative)
- September 11, 2017 – Begin Field Topographic Survey and Utility Research
- September 20, 2017 - Complete Base Map and Topographic Map at 1" = 30 ft scale. Meet with City staff to discuss best alignment possible.
- September 27, 2017 - Submit 70% Plans, Specifications and Bid Documents to City for review and Comments.
- October 2, 2017 – Receive comments from City.
- October 9, 2017 – Submit 95% Plans, Specifications and Bid Documents to City for final review.
- October 13, 2017 – Submit 100 % Signed Plans, Specifications and Bid Documents

If the City requires this project to be expedited, DCE and City staff would have to work together and closely to reduce the delivery time by one to two weeks.

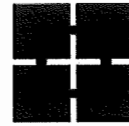
Phase 2 – UPRR Encroachment Permit

- September 20, 2017 – Contact UPRR representatives to Schedule meeting and discuss project.
- September 27, 2017 – Meet with UPRR representatives and City staff to discuss project and UPRR requirements.
- October 9, 2017 – Submit Plans and Encroachment Permit Application to UPRR
- December 11, 2017 – Receive encroachment permit from UPRR (Tentative).

Again, thank you for giving Dynamic Consulting Engineers, Inc (DCE) the opportunity to serve you.



Carlos Beltran, P.E.
Principal Engineer.



August 23, 2017

Mr. David Dale, P.E.
Public Works Director/City Engineer
City of Calexico
608 Heber Avenue
Calexico, California
92231-2840

Re: Proposal to design new 24 inch water pipeline to replace existing 18 inch pipeline in the vicinity of Cesar Chavez and the Calexico Water Treatment Plant - Fifth Street Water Pipeline Design - THG Proposal Number 2017-072

Dear Mr. Dale,

The City of Calexico is requesting a proposal to design a new 24 inch AWWA C-905 PVC water pipeline in the vicinity of Cesar Chavez Drive and the Calexico Water Treatment Plant. The new water pipeline will be approximately 1,400 feet in length. The new 24 inch water pipeline will replace an existing 18 inch water pipeline. The new 24 inch water pipeline will be placed along a different alignment than the existing 18 inch water pipeline. The new water pipeline alignment will extend along the paved section of the Calexico Water Treatment Plant entrance road and be placed across Cesar Chavez Drive. The new water pipeline will be jack and bored beneath the existing Union Pacific Railroad. The new water pipeline will connect to the existing water pipeline at its beginning and end points.

I. Scope of Work

The Scope of Work associated with this project is as follows:

A. Design Phase

1. Locate or establish benchmarks in the vicinity of the project site according to City of Calexico benchmark system.
2. Complete utility research. Obtain existing as-built water, sanitary sewer and storm water plans from the City of Calexico. Obtain existing gas, telephone, electrical, television and other utility plans along the length of the new pipeline from utility companies, as available.

3. Complete Map research to identify existing easements and right of ways.
4. Complete a field survey. Locate existing survey monuments and obtain horizontal coordinates for the accurate establishment of right of way lines on the plan and profile drawings. Establish a control line along the length of the water pipeline with p.k. nails 100 feet on center. Station the control line. Obtain all horizontal objects along the length of the control line for a 150 foot width. Obtain elevations along the length of the pipeline 100 feet on center, at the pipeline beginning and ending points, at the Cesar Chavez pavement edges and centerline, at the centerline of the railroad tracks and toe of slope of the railroad track embankments and at other critical points.
5. Prepare the following Improvement Plans
 1. Title Sheet. Include a project description, general notes, vicinity map, sheet index, project title, listing of City Council and City Staff and abbreviation chart.
 2. Index sheet. Include the illustration of the horizontal control points and illustrate the benchmarks. The Index sheet shall serve as a site plan and provide background by illustrating the surrounding area the pipeline improvement is to be constructed.
 3. Plan and Profile Sheet prepared at a horizontal scale of 1 inch = 30 feet and vertical scale of 1 inch = 3 feet. Illustrate all existing objects on the plan and profile sheets and "call out" all existing objects with keynotes. Illustrate the new pipeline facilities and proposed horizontal pipeline alignment. New pipeline facilities include new water valves, fire hydrants and water services. Illustrate all know utilities on the plan and profile sheets. Illustrate right of way and easement lines on the plan and profile sheets. Illustrate APN numbers and residence, business, public agency, and similar properties on the plan and profile sheets. Illustrate any temporary water pipeline facilities which will be required to be installed to maintain an existing water pipeline in service during the construction of the new water pipeline.
 4. Plan and Profile Sheet prepared at a horizontal scale of 1 inch = 30 feet and vertical scale of 1 inch = 30 feet. Complete same work scope as listed in item 3.
 5. Detail Sheet including trench section details, water service pipeline details, valve riser details, fire hydrant details and similar details per City of Calexico Details. Illustrate pipe connection details illustrating the pipe fittings, valves, transition couplings, restrained joint fittings and other similar components at each pipe connection point. Include special details

required by the Union Pacific Railroad.

6. Detail Sheet. Complete the same work scope as listed in item 5.

7. Prepare Traffic Control Plans for the pipeline section to be placed across Cesar Chavez Drive if required by the City of Calexico (optional).

The Holt Group Engineering Staff will coordinate with the City of Calexico regarding the project design and Calexico City Standards to be used for the project design. The Holt Group Staff will meet with the Calexico Public Works/Engineering Staff during the initial kickoff meeting and during the project design as required. The drawings and specifications will be prepared to a 90 percent status and 100 percent status for review by the City of Calexico.

6. Prepare the Specifications and Bid Documents for the project. The Specifications and Bid Documents shall include the Legal Advertisement, Instruction for Bidders, Proposal Forms, Contract Documents, General Conditions, Special Conditions and Technical Conditions.

7. Coordinate with the Union Pacific Railroad (UPRR) to obtain a permit for the jack and boring of the new 24 inch diameter pipeline beneath the existing UPRR railroad tracks. Obtain the necessary permit application forms and prepare the permit application forms. Prepare the applicable plan and profile sheet to illustrate the jack and bore in accordance with UPRR requirements.

8. Prepare an Engineers Opinion of Probable Quantity and Engineers Opinion of Probable Cost after the plan checking process is complete.

B. Bidding Phase Services:

1. Attend the Pre-Bid Conference.

2. Answering Bidders Questions/Request for Information forms during the bidding phase.

3. Assist with Addendum preparation as requested by the City of Calexico.

C. Construction Support Services:

1. Attend Pre-Construction Conference.

2. Answer Contractors Request for Information Forms.

3. Respond to City of Calexico questions regarding submittals or plan and specification interpretations/questions.

4. Prepare As-Built Drawings from as-built notes maintained by the Construction Manager/Contractor during the project construction period.

II. Schedule

Following is the Schedule for the completion of the project design.

| Item | Item | Schedule |
|------|--|---|
| 1 | Complete initial survey work per design items 1 and 4. Complete Utility and Map Research per Design Items 2 and 3. | Two (2) weeks after issuance of Notice to Proceed. |
| 2 | Complete Utility Research. | Two (2) weeks after issuance of Notice to Proceed. |
| 3 | Complete 90 percent design drawings for initial plan check. | Four (4) weeks after completion of initial survey. |
| 4 | Complete UPPR encroachment permit application and plan and profile plan sheet at railroad tracks. | Two (2) weeks after completion of initial survey. |
| 5. | City of Calexico to complete 90 percent plan check. | One (1) week after completion and submission of 90 percent plans to City of Calexico. |
| 6 | Complete 100 percent improvement plans. | Three (3) weeks after completion of 90 percent plan check. |
| 7 | Complete preparation of Specifications. | Three (3) weeks after completion of 90 percent plan check |
| 8 | Complete Engineers Opinion of Probable Quantity and Cost | Three (3) weeks after completion of 90 percent plan check |
| 9 | Secure UPPR encroachment permit | Six (6) weeks after submission of Encroachment Permit Application and Plans to UPPR |

III. Compensation

Phase I improvements consist of the preparation of the Section I Scope of Work except for the plan and profile sheet at the UPRR tracks and the pipeline section east of the tracks. Phase I improvements would include the preparation of specifications. Phase I improvements would not include the preparation of the UPRR encroachment Permit. A traffic control plan is optional and is included with Phase I improvements.

Phase II improvements include the preparation of the plan and profile plan sheet at the railroad tracks and east of the tracks. Phase II improvements would also include the preparation of the Specifications and UPRR Encroachment Permit.

As requested by the City of Calexico Task Order, Phase I and Phase II projects have been separated. There is a considerable savings to complete Phase I and Phase II at the same time and therefore a compensation section for completing Phase I and Phase II tasks is offered.

Phase I Compensation

| Item No. | Item | Cost |
|----------|---|----------|
| 1. | Complete Field Survey, Utility Research, Map Research and information gathering for preparation of topographic map. | \$7,800 |
| 2 | Complete preparation of 90 percent Improvement Plans except for Traffic Control Plans. | \$18,000 |
| 3 | Complete Traffic Control Plans (Optional) | \$3,400 |
| 4 | Complete 100 percent Improvement Plans. | \$6,800 |
| 5 | Complete Specifications, Engineers Opinion of Probable Quantity, Engineers Opinion of Probable Cost | \$7,800 |
| 6 | Meetings and reproduction costs during project design. | \$1,500 |
| 7 | Bidding Phase Services per Item IB | \$2,000 |
| 8 | Construction Support Services per Item IC | \$3,200 |
| | Total Phase I Costs with Traffic Control Plan | \$50,500 |
| | Total Phase II Costs without Traffic Control Plan | \$47,100 |

Phase II Compensation

| Item No. | Item | Cost |
|----------|---|----------|
| 1. | Complete Field Survey, Utility Research, Map Research and information gathering for preparation of topographic map. | \$4,200 |
| 2. | Complete preparation of 90 percent improvement plans. | \$7,800 |
| 3 | Complete 100 percent improvement plans. | \$3,500 |
| 4 | Complete Specifications, Engineers Opinion of Probable Quantity, Engineers Opinion of Probable Cost. | \$5,800 |
| 5 | Process SPRR Encroachment Permit | \$1,500 |
| 6. | Meetings and Reproduction Costs | \$700 |
| 7 | Bidding Phase Services per Item IB | \$1,400 |
| 8 | Construction Support Services per Item IC | \$2,200 |
| | Total Phase II Costs | \$27,100 |

Phase I and II Compensation

| | | |
|----|---|----------|
| 1. | Complete Field Survey, Utility Research, Map Research and information gathering for preparation of topographic map. | \$8,800 |
| 2 | Complete preparation of 90 percent Improvement Plans except for Traffic Control Plans. | \$21,900 |
| 3 | Complete Traffic Control Plans (Optional) | \$3,400 |
| 4 | Complete 100 percent Improvement Plans. | \$7,800 |
| 5 | Complete Specifications, Engineers Opinion of Probable Quantity, Engineers Opinion of Probable Cost | \$8,800 |
| 6 | Process SPRR Encroachment Permit | \$1,500 |
| 7 | Meetings and reproduction costs | \$1,500 |
| 8 | Bidding Phase Services per Item IB | \$2,200 |
| 9 | Construction Support Services per Item IC | \$3,400 |
| | Total Phase I & II Costs with Traffic Control Plan | \$59,300 |
| | Total Phase I & II Costs without Traffic Control Plan | \$55,900 |

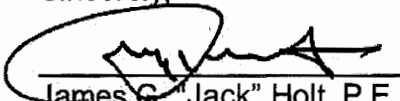
IV. Assumptions, Exclusions and Exceptions:

The following assumptions, exclusions and exceptions apply to this proposal:

1. The preparation of a Stormwater Pollution Prevention Plan (SWPPP) is excluded from the scope of work.
2. The preparation of Erosion Control Plans are excluded from the scope of work.
3. The preparation of a Geotechnical Report is excluded from the scope of work.
4. The preparation of Environmental or CEQA documents is excluded from the scope of work.
5. The UPRR Encroachment Permit Fee is to be paid by the City of Calexico.
6. It is assumed the City of Calexico Public Works Department will excavate/pothole the existing water pipeline at the new water pipeline/existing water pipeline connection points and at other known major water pipeline connection points. The potholing will allow for the preparation of accurate pipeline connection details during the preparation of the plans.
7. It is assumed that the ground water table is below water pipeline trench bottom and below the bottom of the bore pits.

Thank you for allowing The Holt Group to respond to the Fifth Street Water Pipeline Design Proposal. If successful in obtaining this proposal, the Holt Group looks forward to working with the City of Calexico Public Works/Engineering Department on the completion of this project.

Sincerely,


James C. "Jack" Holt, P.E.
Secretary/CFO
The Holt Group, Inc.