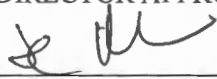


**CITY OF MARYSVILLE AGENDA BILL
EXECUTIVE SUMMARY FOR ACTION**

CITY COUNCIL MEETING DATE: September 9, 2013

AGENDA ITEM: Professional Services Agreement with KPG Inc. for professional engineering consulting services on Highway Safety Improvement Program (HSIP) projects	
PREPARED BY: Patrick Gruenhagen, Project Manager	DIRECTOR APPROVAL: 
DEPARTMENT: Engineering	
ATTACHMENTS: • Professional Services Agreement	
BUDGET CODE: 30500030.563000 (R1302) / 10111864.549200 (M1301, M1302)	AMOUNT: \$209,855.41

SUMMARY:

This Professional Services Agreement will provide the City with professional engineering design services for a series of three transportation improvement projects which received grant funding through the Federal Highway Administration's Highway Safety Improvement Program. (HSIP)

The stated goal of FHWA's Highway Safety Improvement Program is to "... *achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal lands.*" Accordingly, Marysville's three HSIP projects focus on operational and safety-related improvements at key intersections throughout the City, including:

- Replacement of an antiquated signal system at 80th Street NE/State Ave.
- Addition of a dedicated through/right-turn lane on the east leg of 88th Street NE / State Ave.
- Upgrade of intersection lighting at Cedar / 4th Street NE and 128th Street NE / State Ave.
- Refinement of signal operations and phasing at various locations, incorporating new signal heads where warranted, improving signal head visibility through installation of retroreflective tape, upgrading pedestrian displays to "countdown type," and improving railroad "preemption timing" at select intersections which lie adjacent to grade crossings

Three firms received invitations to submit proposals for professional engineering services on the City's HSIP projects. These included H.W. Lochner, Transpo Group, and KPG, Inc. The staff Selection Committee conducted interviews with each firm, reviewed proposals, and ultimately determined that KPG presented the strongest team qualifications for the work at hand. KPG therefore prevailed in the overall ranking and selection process.

The proposed Scope of Services, as attached, includes surveying; storm-drainage design; environmental documentation (SEPA, NEPA, permitting); roadway design; Right of Way plan preparation; geotechnical design for retaining walls and signal pole foundations; and assistance with City-led public involvement / outreach.

RECOMMENDED ACTION: Staff recommends that Council authorize the Mayor to sign the Professional Services Agreement with KPG, Inc. in the amount of \$209,855.41, to provide professional engineering design services on three Federally-funded HSIP Projects.

Local Agency Standard Consultant Agreement	Consultant/Address/Telephone KPG 2502 Jefferson Avenue Tacoma, WA 98402 (253) 627-0720	
<input checked="" type="checkbox"/> Architectural/Engineering Agreement <input type="checkbox"/> Personal Services Agreement		
Agreement Number		
Federal Aid Number HSIP-2691(005), HSIP-2691 (006) & HSIP-000S (345)	Project Title And Work Description * State Avenue 1st Street NE to 88th Street NE, HSIP-2691(005) * Citywide Intersection Safety Improvements, HSIP-000S(345) * State Avenue 116th Street NE to 128th Street NE, HSIP-2691(006) Generally, KPG will be responsible for preparation and advancement of preliminary and final design; assessment of environmental impacts in accordance with SEPA and NEPA; confirmation of permitting needs and, as necessary, securing of permits; preparation of PS&E contract bid documents for as many as two distinct projects (presuming that certain improvements will be delivered on separate schedules); support for City-led Right-of-Way acquisition efforts; and design support during project advertisement and, subsequently, construction.	
Agreement Type (Choose one) <input type="checkbox"/> Lump Sum Lump Sum Amount \$ _____ <input checked="" type="checkbox"/> Cost Plus Fixed Fee Overhead Progress Payment Rate _____ % Overhead Cost Method <input type="checkbox"/> Actual Cost <input type="checkbox"/> Actual Cost Not To Exceed _____ % <input checked="" type="checkbox"/> Fixed Overhead Rate 145.78 % Fixed Fee \$ 15,724.00	DBE Participation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No _____ %	
<input type="checkbox"/> Specific Rates Of Pay <input type="checkbox"/> Negotiated Hourly Rate <input type="checkbox"/> Provisional Hourly Rate <input type="checkbox"/> Cost Per Unit of Work	Federal ID Number or Social Security Number 91-1477622	
	Do you require a 1099 for IRS? <input type="checkbox"/> Yes <input type="checkbox"/> No	Completion Date April 1, 2016
	Total Amount Authorized \$	209,855.41
	Management Reserve Fund \$	_____
	Maximum Amount Payable \$	209,855.41

Index of Exhibits (Check all that apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Exhibit A-1 Scope of Work | <input type="checkbox"/> Exhibit G-2 Fee-Sub Specific Rates |
| <input type="checkbox"/> Exhibit A-2 Task Order Agreement | <input checked="" type="checkbox"/> Exhibit G-3 Sub Overhead Cost |
| <input type="checkbox"/> Exhibit B-1 DBE Utilization Certification | <input type="checkbox"/> Exhibit H Title VI Assurances |
| <input type="checkbox"/> Exhibit C Electronic Exchange of Data | <input checked="" type="checkbox"/> Exhibit I Payment Upon Termination of Agreement |
| <input type="checkbox"/> Exhibit D-1 Payment - Lump Sum | <input checked="" type="checkbox"/> Exhibit J Alleged Consultant Design Error Procedures |
| <input checked="" type="checkbox"/> Exhibit D-2 Payment - Cost Plus | <input checked="" type="checkbox"/> Exhibit K Consultant Claim Procedures |
| <input type="checkbox"/> Exhibit D-3 Payment - Hourly Rate | <input checked="" type="checkbox"/> Exhibit L Liability Insurance Increase |
| <input type="checkbox"/> Exhibit D-4 Payment - Provisional | <input checked="" type="checkbox"/> Exhibit M-1a Consultant Certification |
| <input checked="" type="checkbox"/> Exhibit E-1 Fee - Lump/Fixed/Unit | <input checked="" type="checkbox"/> Exhibit M-1b Agency Official Certification |
| <input type="checkbox"/> Exhibit E-2 Fee - Specific Rates | <input checked="" type="checkbox"/> Exhibit M-2 Certification - Primary |
| <input checked="" type="checkbox"/> Exhibit F Overhead Cost | <input checked="" type="checkbox"/> Exhibit M-3 Lobbying Certification |
| <input checked="" type="checkbox"/> Exhibit G Subcontracted Work | <input checked="" type="checkbox"/> Exhibit M-4 Pricing Data Certification |
| <input checked="" type="checkbox"/> Exhibit G-1 Subconsultant Fee | <input type="checkbox"/> App. 31.910 Supplemental Signature Page |

THIS AGREEMENT, made and entered into this _____ day of September, 2013,
between the Local Agency of City of Marysville, Washington, hereinafter called the "AGENCY",
and the above organization hereinafter called the "CONSULTANT".

WITNESSETH THAT:

WHEREAS, the AGENCY desires to accomplish the above referenced project, and

WHEREAS, the AGENCY does not have sufficient staff to meet the required commitment and therefore deems it advisable and desirable to engage the assistance of a CONSULTANT to provide the necessary services for the PROJECT; and

WHEREAS, the CONSULTANT represents that he/she is in compliance with the Washington State Statutes relating to professional registration, if applicable, and has signified a willingness to furnish Consulting services to the AGENCY,

NOW THEREFORE, in consideration of the terms, conditions, covenants and performance contained herein, or attached and incorporated and made a part hereof, the parties hereto agree as follows:

I General Description of Work

The work under this AGREEMENT shall consist of the above described work and services as herein defined and necessary to accomplish the completed work for this PROJECT. The CONSULTANT shall furnish all services, labor, and related equipment necessary to conduct and complete the work as designated elsewhere in this AGREEMENT.

II Scope of Work

The Scope of Work and projected level of effort required for this PROJECT is detailed in Exhibit "A" attached hereto and by this reference made a part of this AGREEMENT.

III General Requirements

All aspects of coordination of the work of this AGREEMENT with outside agencies, groups, or individuals shall receive advance approval by the AGENCY. Necessary contacts and meetings with agencies, groups, and/or individuals shall be coordinated through the AGENCY. The CONSULTANT shall attend coordination, progress and presentation meetings with the AGENCY and/or such Federal, State, Community, City or County officials, groups or individuals as may be requested by the AGENCY. The AGENCY will provide the CONSULTANT sufficient notice prior to meetings requiring CONSULTANT participation. The minimum required hours or days notice shall be agreed to between the AGENCY and the CONSULTANT and shown in Exhibit "A."

The CONSULTANT shall prepare a monthly progress report, in a form approved by the AGENCY, which will outline in written and graphical form the various phases and the order of performance of the work in sufficient detail so that the progress of the work can easily be evaluated.

The CONSULTANT, and each SUBCONSULTANT, shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The CONSULTANT, and each SUBCONSULTANT, shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of USDOT-assisted contracts. Failure by the CONSULTANT to carry out these requirements is a material breach of this AGREEMENT that may result in the termination of this AGREEMENT.

Participation for Disadvantaged Business Enterprises (DBE), if required, per 49 CFR Part 26, or participation of Minority Business Enterprises (MBE), and Women Business Enterprises (WBE), shall be shown on the heading of this AGREEMENT. If D/M/WBE firms are utilized, the amounts authorized to each firm and their certification number will be shown on Exhibit "B" attached hereto and by this reference made a part of this AGREEMENT. If the Prime CONSULTANT is a DBE firm they must comply with the Commercial Useful Function (CUF) regulation outlined in the AGENCY'S "DBE Program Participation Plan". The mandatory DBE participation goals of the AGREEMENT are those established by the WSDOT'S Highway and Local Programs Project Development Engineer in consultation with the AGENCY.

All Reports, PS&E materials, and other data furnished to the CONSULTANT by the AGENCY shall be returned. All electronic files, prepared by the CONSULTANT, must meet the requirements as outlined in Exhibit "C."

All designs, drawings, specifications, documents, and other work products, including all electronic files, prepared by the CONSULTANT prior to completion or termination of this AGREEMENT are instruments of service for this PROJECT, and are the property of the AGENCY. Reuse by the AGENCY or by others, acting through or on behalf of the AGENCY of any such instruments of service, not occurring as a part of this PROJECT, shall be without liability or legal exposure to the CONSULTANT.

IV Time for Beginning and Completion

The CONSULTANT shall not begin any work under the terms of this AGREEMENT until authorized in writing by the AGENCY.

All work under this AGREEMENT shall be completed by the date shown in the heading of this AGREEMENT under completion date.

The established completion time shall not be extended because of any delays attributable to the CONSULTANT, but may be extended by the AGENCY in the event of a delay attributable to the AGENCY, or because of unavoidable delays caused by an act of GOD or governmental actions or other conditions beyond the control of the CONSULTANT. A prior supplemental agreement issued by the AGENCY is required to extend the established completion time.

V Payment Provisions

The CONSULTANT shall be paid by the AGENCY for completed work and services rendered under this AGREEMENT as provided in Exhibit "D" attached hereto, and by reference made part of this AGREEMENT. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work. The CONSULTANT shall conform to all applicable portions of 48 CFR Part 31.

A post audit may be performed on this AGREEMENT. The need for a post audit will be determined by the State Auditor, WSDOT External Audit Office and/or at the request of the AGENCY'S PROJECT Manager.

VI Sub-Contracting

The AGENCY permits sub-contracts for those items of work as shown in Exhibit "G" attached hereto and by this reference made part of this AGREEMENT.

Compensation for this sub-consultant work shall be based on the cost factors shown on Exhibit "G."

The work of the sub-consultant shall not exceed its maximum amount payable unless a prior written approval has been issued by the AGENCY.

All reimbursable direct labor, overhead, direct non-salary costs and fixed fee costs for the sub-consultant shall be substantiated in the same manner as outlined in Section V. All sub-contracts shall contain all applicable provisions of this AGREEMENT.

With respect to sub-consultant payment, the CONSULTANT shall comply with all applicable sections of the Prompt Payment laws as set forth in RCW 39.04.250 and RCW 39.76.011.

The CONSULTANT shall not sub-contract for the performance of any work under this AGREEMENT without prior written permission of the AGENCY. No permission for sub-contracting shall create, between the AGENCY and sub-contractor, any contract or any other relationship. A DBE certified sub-consultant is required to perform a minimum amount of their sub-contracted agreement that is established by the WSDOT Highways and Local Programs Project Development Engineer in consultation with the AGENCY.

VII Employment

The CONSULTANT warrants that they have not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warrant, the AGENCY shall have the right to annul this AGREEMENT without liability or, in its discretion, to deduct from the AGREEMENT price or consideration or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

Any and all employees of the CONSULTANT or other persons while engaged in the performance of any work or services required of the CONSULTANT under this AGREEMENT, shall be considered employees of the CONSULTANT only and not of the AGENCY, and any and all claims that may arise under any Workmen's Compensation Act on behalf of said employees or other persons while so engaged, and any and all claims made by a

third party as a consequence of any act or omission on the part of the CONSULTANT'S employees or other persons while so engaged on any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of the CONSULTANT.

The CONSULTANT shall not engage, on a full- or part-time basis, or other basis, during the period of the contract, any professional or technical personnel who are, or have been, at any time during the period of the contract, in the employ of the United States Department of Transportation, or the STATE, or the AGENCY, except regularly retired employees, without written consent of the public employer of such person.

VIII Nondiscrimination

During the performance of this contract, the CONSULTANT, for itself, its assignees, and successors in interest agrees to comply with the following laws and regulations:

Title VI of the Civil Rights Act of 1964
(42 USC Chapter 21 Subchapter V Section 2000d through 2000d-4a)

Federal-aid Highway Act of 1973
(23 USC Chapter 3 Section 324)

Rehabilitation Act of 1973
(29 USC Chapter 16 Subchapter V Section 794)

Age Discrimination Act of 1975
(42 USC Chapter 76 Section 6101 et seq.)

Civil Rights Restoration Act of 1987
(Public Law 100-259)

American with Disabilities Act of 1990
(42 USC Chapter 126 Section 12101 et. seq.)

49 CFR Part 21

23 CFR Part 200

RCW 49.60.180

In relation to Title VI of the Civil Rights Act of 1964, the CONSULTANT is bound by the provisions of Exhibit "H" attached hereto and by this reference made part of this AGREEMENT, and shall include the attached Exhibit "H" in every sub-contract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto.

IX Termination of Agreement

The right is reserved by the AGENCY to terminate this AGREEMENT at any time upon ten (10) days written notice to the CONSULTANT.

In the event this AGREEMENT is terminated by the AGENCY other than for default on the part of the CONSULTANT, a final payment shall be made to the CONSULTANT as shown in Exhibit "I" for the type of AGREEMENT used.

No payment shall be made for any work completed after ten (10) days following receipt by the CONSULTANT of the Notice to Terminate. If the accumulated payment made to the CONSULTANT prior to Notice of Termination exceeds the total amount that would be due when computed as set forth herein above, then no final payment shall be due and the CONSULTANT shall immediately reimburse the AGENCY for any excess paid.

If the services of the CONSULTANT are terminated by the AGENCY for default on the part of the CONSULTANT, the above formula for payment shall not apply.

In such an event, the amount to be paid shall be determined by the AGENCY with consideration given to the actual costs incurred by the CONSULTANT in performing the work to the date of termination, the amount of work originally required which was satisfactorily completed to date of termination, whether that work is in a form or a type which is usable to the AGENCY at the time of termination, the cost to the AGENCY of employing another firm to complete the work required and the time which may be required to do so, and other factors which affect the value to the AGENCY of the work performed at the time of termination.

Under no circumstances shall payment made under this subsection exceed the amount, which would have been made using the formula set forth above.

If it is determined for any reason that the CONSULTANT was not in default or that the CONSULTANT'S failure to perform is without the CONSULTANT'S or it's employee's default or negligence, the termination shall be deemed to be a termination for the convenience of the AGENCY. In such an event, the CONSULTANT would be reimbursed for actual costs in accordance with the termination for other than default clauses listed previously.

In the event of the death of any member, partner or officer of the CONSULTANT or any of its supervisory personnel assigned to the PROJECT, or dissolution of the partnership, termination of the corporation, or disaffiliation of the principally involved employee, the surviving members of the CONSULTANT hereby agree to complete the work under the terms of this AGREEMENT, if requested to do so by the AGENCY. This subsection shall not be a bar to renegotiation of the AGREEMENT between the surviving members of the CONSULTANT and the AGENCY, if the AGENCY so chooses.

In the event of the death of any of the parties listed in the previous paragraph, should the surviving members of the CONSULTANT, with the AGENCY'S concurrence, desire to terminate this AGREEMENT, payment shall be made as set forth in the second paragraph of this section.

Payment for any part of the work by the AGENCY shall not constitute a waiver by the AGENCY of any remedies of any type it may have against the CONSULTANT for any breach of this AGREEMENT by the CONSULTANT, or for failure of the CONSULTANT to perform work required of it by the AGENCY. Forbearance of any rights under the AGREEMENT will not constitute waiver of entitlement to exercise those rights with respect to any future act or omission by the CONSULTANT.

X Changes of Work

The CONSULTANT shall make such changes and revisions in the complete work of this AGREEMENT as necessary to correct errors appearing therein, when required to do so by the AGENCY, without additional compensation thereof. Should the AGENCY find it desirable for its own purposes to have previously satisfactorily completed work or parts thereof changed or revised, the CONSULTANT shall make such revisions as directed by the AGENCY. This work shall be considered as Extra Work and will be paid for as herein provided under Section XIV.

XI Disputes

Any dispute concerning questions of fact in connection with the work not disposed of by AGREEMENT between the CONSULTANT and the AGENCY shall be referred for determination to the Director of Public Works or AGENCY Engineer, whose decision in the matter shall be final and binding on the parties of this AGREEMENT; provided, however, that if an action is brought challenging the Director of Public Works or AGENCY Engineer's decision, that decision shall be subject to de novo judicial review. If the parties to this AGREEMENT mutually agree, disputes concerning alleged design errors will be conducted under the procedures found in Exhibit "J", and disputes concerning claims will be conducted under the procedures found in Exhibit "K".

XII Venue, Applicable Law, and Personal Jurisdiction

In the event that either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the parties hereto agree that any such action shall be initiated in the Superior court of the State of Washington, situated in the county in which the AGENCY is located. The parties hereto agree that all questions shall be resolved by application of Washington law and that the parties to such action shall have the right of appeal from such decisions of the Superior court in accordance with the laws of the State of Washington. The CONSULTANT hereby consents to the personal jurisdiction of the Superior court of the State of Washington, situated in the county in which the AGENCY is located.

XIII Legal Relations

The CONSULTANT shall comply with all Federal, State, and local laws and ordinances applicable to the work to be done under this AGREEMENT. This contract shall be interpreted and construed in accordance with the laws of the State of Washington.

The CONSULTANT shall indemnify and hold the AGENCY and the STATE and its officers and employees harmless from and shall process and defend at its own expense all claims, demands, or suits at law or equity arising in whole or in part from the CONSULTANT'S negligence or breach of any of its obligations under this AGREEMENT; provided that nothing herein shall require a CONSULTANT to indemnify the AGENCY or the STATE against and hold harmless the AGENCY or the STATE from claims, demands or suits based solely upon the conduct of the AGENCY or the STATE, their agents, officers and employees; and provided further that if the claims or suits are caused by or result from the concurrent negligence of (a) the CONSULTANT'S agents or employees, and (b) the AGENCY or the STATE, their agents, officers and employees, this indemnity provision with respect to (1) claims or suits based upon such negligence (2) the costs to the AGENCY or the STATE of defending such claims and suits shall be valid and enforceable only to the extent of the CONSULTANT'S negligence or the negligence of the CONSULTANT'S agents or employees.

The CONSULTANT'S relation to the AGENCY shall be at all times as an independent contractor.

The CONSULTANT shall comply with all applicable sections of the applicable Ethics laws, including RCW 42.23, which is the Code of Ethics for regulating contract interest by municipal officers. The CONSULTANT specifically assumes potential liability for actions brought by the CONSULTANT'S own employees against the AGENCY and, solely for the purpose of this indemnification and defense, the CONSULTANT specifically waives any immunity under the state industrial insurance law, Title 51 RCW.

Unless otherwise specified in the AGREEMENT, the AGENCY shall be responsible for administration of construction contracts, if any, on the PROJECT. Subject to the processing of a new sole source, or an acceptable supplemental agreement, the CONSULTANT shall provide On-Call assistance to the AGENCY during contract administration. By providing such assistance, the CONSULTANT shall assume no responsibility for: proper construction techniques, job site safety, or any construction contractor's failure to perform its work in accordance with the contract documents.

The CONSULTANT shall obtain and keep in force during the terms of the AGREEMENT, or as otherwise required, the following insurance with companies or through sources approved by the State Insurance Commissioner pursuant to Title 48 RCW.

Insurance Coverage

- A. Worker's compensation and employer's liability insurance as required by the STATE.
- B. Commercial general liability and property damage insurance in an aggregate amount not less than two million dollars (\$2,000,000) for bodily injury, including death and property damage. The per occurrence amount shall not exceed one million dollars (\$1,000,000).
- C. Vehicle liability insurance for any automobile used in an amount not less than a one million dollar (\$1,000,000) combined single limit.

Excepting the Worker's Compensation Insurance and any Professional Liability Insurance secured by the CONSULTANT, the AGENCY will be named on all policies as an additional insured. The CONSULTANT shall furnish the AGENCY with verification of insurance and endorsements required by the AGREEMENT. The AGENCY reserves the right to require complete, certified copies of all required insurance policies at any time.

All insurance shall be obtained from an insurance company authorized to do business in the State of Washington. The CONSULTANT shall submit a verification of insurance as outlined above within fourteen (14) days of the execution of this AGREEMENT to the AGENCY.

No cancellation of the foregoing policies shall be effective without thirty (30) days prior notice to the AGENCY.

The CONSULTANT'S professional liability to the AGENCY shall be limited to the amount payable under this AGREEMENT or one million (\$1,000,000) dollars, whichever is the greater, unless modified by Exhibit "L". In no case shall the CONSULTANT'S professional liability to third parties be limited in any way.

The AGENCY will pay no progress payments under Section V until the CONSULTANT has fully complied with this section. This remedy is not exclusive; and the AGENCY and the STATE may take such other action as is available to it under other provisions of this AGREEMENT, or otherwise in law.

XIV Extra Work

- A. The AGENCY may at any time, by written order, make changes within the general scope of the AGREEMENT in the services to be performed.
- B. If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this AGREEMENT, whether or not changed by the order, or otherwise affects any other terms and conditions of the AGREEMENT, the AGENCY shall make an equitable adjustment in the (1) maximum amount payable; (2) delivery or completion schedule, or both; and (3) other affected terms and shall modify the AGREEMENT accordingly.
- C. The CONSULTANT must submit any "request for equitable adjustment", hereafter referred to as "CLAIM", under this clause within thirty (30) days from the date of receipt of the written order. However, if the AGENCY decides that the facts justify it, the AGENCY may receive and act upon a CLAIM submitted before final payment of the AGREEMENT.
- D. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the CONSULTANT from proceeding with the AGREEMENT as changed.
- E. Notwithstanding the terms and conditions of paragraphs (A) and (B) above, the maximum amount payable for this AGREEMENT, shall not be increased or considered to be increased except by specific written supplement to this AGREEMENT.

XV Endorsement of Plans

If applicable, the CONSULTANT shall place their endorsement on all plans, estimates, or any other engineering data furnished by them.

XVI Federal and State Review

The Federal Highway Administration and the Washington State Department of Transportation shall have the right to participate in the review or examination of the work in progress.

XVII Certification of the Consultant and the Agency

Attached hereto as Exhibit "M-1(a and b)" are the Certifications of the CONSULTANT and the AGENCY, Exhibit "M-2" Certification Regarding Debarment, Suspension and Other Responsibility Matters - Primary Covered Transactions, Exhibit "M-3" Certification Regarding the Restrictions of the Use of Federal Funds for Lobbying and Exhibit "M-4" Certificate of Current Cost or Pricing Data. Exhibit "M-3" is required only in AGREEMENTS over \$100,000 and Exhibit "M-4" is required only in AGREEMENTS over \$500,000.

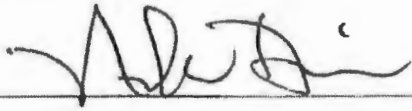
XVIII Complete Agreement

This document and referenced attachments contain all covenants, stipulations, and provisions agreed upon by the parties. No agent, or representative of either party has authority to make, and the parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein. No changes, amendments, or modifications of the terms hereof shall be valid unless reduced to writing and signed by the parties as an amendment to this AGREEMENT.

XIX Execution and Acceptance

This AGREEMENT may be simultaneously executed in several counterparts, each of which shall be deemed to be an original having identical legal effect. The CONSULTANT does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in the proposal, and the supporting material submitted by the CONSULTANT, and does hereby accept the AGREEMENT and agrees to all of the terms and conditions thereof.

In witness whereof, the parties hereto have executed this AGREEMENT as of the day and year shown in the "Execution Date" box on page one (1) of this AGREEMENT.

By  By _____

Consultant Nelson Davis Agency Jon Nehring, Mayor

EXHIBIT A-1

City of Marysville HSIP Projects

KPG
Scope of Work
August 19, 2013

Purpose

The purpose of HSIP Projects improvements is to improve safety at targeted intersections within the City.

Proposed Improvements

Proposed Improvements as part of the HSIP Projects include:

- Replacement of the antiquated signal system at 80th Street NE / State Avenue, including advanced railroad preemption interface & circuitry; upgrading from green ball protected / permissive to flashing yellow arrow protected/permitted in the east-west direction; and upgrade of illumination, ADA ramps, and pedestrian push buttons
- Intersection illumination upgrade at 128th Street NE / State Avenue intersection
- Incorporation of dedicated thru/right turn lane for the westbound to northbound movement at one of the City's busiest intersections: State Avenue / 88th Street NE, including retaining wall modification and potentially-sensitive ROW acquisition
- Replacement of signal poles and upgrade of lighting at Cedar Avenue / SR 528
- Refinement of signal operations and phasing at various locations, incorporating new signal heads where warranted; improving signal head visibility through installation of retroreflective tape; implementing lead pedestrian walk timing; upgrading pedestrian displays to "countdown" type; and adding dilemma zone detection

Assumptions

- Right-of-way negotiations and public outreach will be performed by the City.
- Plans for all locations that will not be receiving new signal poles, roadway widening or wall modifications will not be surveyed and will be laid out on aerial backgrounds.
- The City will assist the Consultant with the inventory of signal head backplates and available space along mastarms for new street name signage.

Work Element 1 Project Management.

The estimated project duration is 12 months. No design work will proceed after the submittal of the 30% plans and estimate without written authorization from the City. No design work will proceed after the submittal of the 90% plans, specifications and estimate without written authorization from the City.

- 1.1 Provide project management administrative services including:
 - Project set-up and execute agreement
 - Execution of subcontractor agreements
 - Preparation of monthly progress reports and invoices
 - Record keeping and project closeout
- 1.2 Provide overall project management including:
 - Project staff management and coordination
 - Subcontractor management and coordination
 - Prepare and update project schedule
 - Schedule and budget monitoring
- 1.3 Coordinate with City staff, including preparation and attendance of up to 8 monthly coordination meetings throughout the duration of the project. Level of effort for this task is based on an average of 2 Consultant staff at each of the following meetings:
 - One formal kickoff meeting at project start
 - One formal kickoff meeting upon re-authorization to proceed following 30% and 90% approval.
 - Meetings every two months at the City throughout the project duration (estimate 6).

Work Element 2 Quality Control/Quality Assurance

The Consultant shall provide internal QA/QC reviews of the following major work elements prior to submittal to the City.

- 2.1 Provide senior review of 30% Plans and estimate.
- 2.2 Provide senior review of 90% Plans, specifications and estimates.
- 2.3 Provide senior review of 100% Plans, specifications and estimates.

Work Element 3 Mapping-

Limits of survey shall be as follows:

- Approximately 500 linear feet along 88th Street NE from the east curb of State Avenue to the east of the intersection,; 80 feet wide, 25 feet on the south side and 55 feet on the north side of the 88th Street NE centerline;

- The intersection of State Avenue at 88th Street NE, including 300 feet on all approaches;
 - The intersection of State Avenue at 80th Street NE, including 300 feet on all approaches,
 - The intersection of State Avenue at 128th Street NE, including 100 feet on all approaches;
 - The intersection of Cedar Avenue at SR 528, including 300 feet on all approaches Pick up building corners and overhangs that lie within the limits described above.
- 3.1 Establish horizontal and vertical control points within the project limits described above. Basis of control will be City of Marysville Datum. Approximately 10 control points will be established and will be made available for the construction Consultant's use during construction. The Consultant will locate, field survey, and calculate positions for all monuments and control points throughout the project limits, using the Washington State plane coordinate system. Conventional or GPS surveying methods will be used on this project. Monuments or corners to be located and field surveyed include the following:
- Section Corners
 - Side street monuments
 - Monuments on State Avenue and Cedar Avenue, centerline, construction and any monument shown or found as indicated on survey records.
- 3.2 Field Survey and Note Reduction. Perform note reduction of the field survey data.
- 3.3 Mapping work to prepare 1"=20' topographic base map and digital terrain model (DTM) in AutoCAD format of the project within the limits described above. The base map will include building faces, building corners, building awnings, signs, trees, curbs, sidewalks, utility poles, signal poles, cemetery plots and other surface features with in the mapping area as describe above. One-foot contours will be generated from the DTM. Field survey to establish existing pavement surface elevation on State Avenue and all side streets within the limits of the project described above. Profiles of the existing roadway surface along 88th Street NE will be surveyed along the edge lines and along left-turn lane lines and at the roadway crown line. Points will be surveyed at approximately 50-ft intervals on 88th Street NE with in the project limits.
- 3.4 Consultant shall subcontract with a locate company to paint all utility locations within the project limits. Service line locations and gravity storm and sewer will not be field located or mapped. Field survey to locate paint marks at 50-ft intervals and surface feature (valves, manholes, catch basins, junction boxes, vaults). Irrigation systems will not be included. The Consultant will prepare a utility base map from this information.

- 3.5 Perform observation and measure-downs of existing storm drain catch basins and manholes only where necessary for locating project improvements. The approximate size, type (brick, concrete), and general condition of the structures to confirm suitability for continued use, and approximate size and location of storm drainage pipes will be documented. These observations will be made from the surface.
- 3.6 Coordinate with the utility companies and identify locations for potholing based on the design layout. Consultant will prepare a potholing plan for review and approval by the City. All potholing will be performed under the direction of the utility owners and is not included in this scope of work. Pothole locations will be marked with pins to identify depth from existing grade to top of their facilities. This information will be incorporated into the mapping accordingly. Depths of utility lines located by potholing will be designated by a symbol in the plans. Survey utility potholes.

Work Element 4 Geotechnical Investigation-

- 4.1 Geotechnical Coordination and Logistics: Coordinate geotechnical activities with design team and obtain and review readily available electronic existing information, such as preliminary plans, and relevant geological maps, summary well logs, and geotechnical/environmental reports. Plan and schedule the geotechnical field investigation activities, obtain access permission, prepare traffic control plans right-of-way permit applications. Prepare a proposed exploration plan that identifies the location of each boring to be performed. The exploration plan will be a scaled plan identifying the approximate location of each boring. Actual exploration locations will be dependent on subsurface utility conflicts and coordination with the cemetery for the State Avenue and 88th Street NE project.

Deliverables

Geotechnical Exploration Plan (electronic copy pdf format only)

ROW Permit Application and Traffic Control Plan.

- 4.2 Geotechnical Field Investigation: The field exploration program will consist of subsurface borings to characterize soil and groundwater conditions. The subsurface information will form the basis of geotechnical recommendations that will address design of retaining walls, stormwater vaults, stormwater conveyance pipelines, and signal pole foundations. The CONSULTANT will mark the boring locations in the field and arrange for underground utility location (“call before you dig”) prior to drilling.

The borings will be drilled using hollow stem auger drilling techniques and sampled using the SPT standard penetration test at intervals of 2.5 feet to a depth of 15 feet and then at 5-foot intervals thereafter. Proposed exploration borings are:

- **80th Street NE and State Avenue:** One boring to 20 feet BGS at corner of intersection adjacent to signal pole location
- **Cedar Ave and SR 528:** One boring to 20 feet BGS at corner of intersection adjacent to signal pole location
- **State Avenue and 88th St NE:** Three borings to 20 feet BGS to be located along the proposed wall alignment.

4.3 Geotechnical Laboratory Testing: Complete a limited geotechnical laboratory testing program consisting of natural moisture content determinations and grain size analyses (course-grain soil) and/or Atterberg limit determinations (fine-grain soil) on selected soil samples from the borings to aid in classifying site soils and determining pertinent engineering properties of the soil.

4.4 Geotechnical Report and Engineering: Complete geotechnical engineering analysis to support project elements and prepare a geotechnical investigation report presenting a summary of subsurface soil and groundwater conditions at the three project locations identified in the "Field Investigation" section above and recommendations related to the following project elements:

80th Street NE and State Avenue:

- Signal standard foundation design based on Washington Department of Transportation Geotechnical Design Manual M 46-03 Chapter 17-1 Foundation Design for Signals, Signs, Noise Barriers, Culverts, and Buildings.

Cedar Ave and SR 528:

- Signal standard foundation design based on Washington Department of Transportation Geotechnical Design Manual M 46-03 Chapter 17-1 Foundation Design for Signals, Signs, Noise Barriers, Culverts, and Buildings.

State Avenue and 88th St NE

- Signal standard foundation design based on Washington Department of Transportation Geotechnical Design Manual M 46-03 Chapter 17-1 Foundation Design for Signals, Signs, Noise Barriers, Culverts, and Buildings.
- Concrete gravity wall design parameters including shallow foundation support recommendations, allowable bearing capacity, lateral resistance, lateral earth pressures, and subsurface drainage.
- Subgrade preparation recommendations.
- Fill placement and compaction criteria and estimates of settlement associated with retaining wall construction.
- Utility installation, excavation, backfill material type, and compaction requirements.
- Fill material types, placement and compaction
- Geosynthetics.

Deliverables

Draft Geotechnical Investigation Report (electronic copy pdf format only)

Final Geotechnical Investigation Report (electronic and 3 hard copies)

Assumptions

All subcontractors, equipment subcontractors, laboratories, traffic control

personnel and other related subcontractor personnel will be selected, hired and paid by the Consultant.

Appropriate traffic control, consisting of flaggers and warning signs, will be provided by the Consultant during the drilling of the borings. We will submit a traffic control plan to the City for approval prior to commencing field explorations.

For this project, we have budgeted for a total of 100 ft of drilling.

Soil sampling will be in accordance with ASTM D1586 (Standard Penetration Test procedure), ASTM D3550 (Ring-lined Barrel Sampling of Soil), and ASTM 1587 (Thin-Walled Tube Sampling of Soil).

Piezometers will not be installed in the boring. The groundwater level at the time of drilling (if encountered) will be recorded.

Upon completion of drilling and sampling, the borehole will be abandoned in accordance with WAC 173-160. Soil cuttings from the boring will be placed in drums and disposed of by the drilling subcontractor. The area around the borehole will be restored to the condition prior to drilling.

Borings completed within paved areas will be patched with fast-setting concrete.

Field exploration will be performed during the daylight hours.

Soil samples will be disposed of 60 days after the date of acceptance of the final report.

Work Element 5 Preliminary Plans and Estimate

The preliminary plans and estimate will include the 30% plans and cost opinions for the project.

- 5.1 Review added impervious area and determine if project requires flow control and/or water quality treatment. Document alternatives analysis and recommended approach to detention and treatment in a technical memorandum for City review and approval if necessary.
- 5.2 Meet with WSDOT staff to review ADA compliance issues and provide Maximum Extent Feasible (MEF) documentation for areas that cannot be brought into full compliance with the proposed improvements.
- 5.3 Inventory all existing signal equipment at each intersection within the limits of this project and locate for plan layout.
- 5.4 Analyze illumination to provide levels consistent with the current City illumination standards. Prepare a preliminary layout of the illumination systems and include supporting calculations.
- 5.5 Develop retaining wall cross section. It is anticipated that the wall will be a standard WSDOT cast in place concrete wall with only structural design needed for tie-in to

existing standard WSDOT cast in place wall. Detailed design of the wall will be performed under Work Element 9.

- 5.6 Prepare 30% Plans and estimate preliminary quantities and prepare preliminary opinions of probable cost for construction.
- 5.7 Prepare an analysis of preliminary right-of-way requirements based on existing property lines, estimated required takes, and easements.

Work Element 6 Environmental.

The Consultant will perform the environmental permitting and coordination for this project. This work will include meeting with WSDOT and other agencies that will be involved in permitting the project.

- 6.1 Design Assistance and Early Agency Coordination
THE CONSULTANT will provide early input into the formation of project alternatives to ensure each alternative includes provisions to minimize impacts to the surrounding environment. This coordination within the various design elements of the project will identify and incorporate minimization measures early in the alternative development phase of the project and will ensure that an appropriate range of alternatives are developed prior to the agency coordination.
- 6.2 Section 106
THE CONSULTANT will initiate and coordinate consultation with the Washington State Office of Archaeology and Historic Preservation (OAHP) through WSDOT and the preparation of the revised APE and Section 106 Report.
Deliverables:
 - a. An Area of Potential Effect (APE)
 - b. Section 106 Report
- 6.3 Biological Assessment
THE CONSULTANT will coordinate with the City to address potential project impacts to sensitive species, particularly with respect to applicable requirements of the Endangered Species Act (ESA).
Federal permits will be needed and, therefore, this project will require ESA Section 7 concurrence from the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (USFWS). THE CONSULTANT will confirm which species NMFS and USFWS have federally listed along with the priority species and habitat information from (1) the Washington State Department of Fish and Wildlife (WDFW), Priority Habitats and Species Program, (2) the Washington State Department of Natural Resources (WDNR), Washington Natural Heritage Program, and (3) the City and/or City GIS. THE CONSULTANT will review this information, as well as other appropriate sources of information from existing literature and data resources, in conjunction with any necessary field reconnaissance. In conjunction with other sensitive areas site reconnaissance activities, THE CONSULTANT will verify the presence and availability of potential habitat for species of concern in the project action area. THE CONSULTANT will prepare required documentation for ESA compliance. Documentation for consistency with the ESA will consist of a no

effect (BA) pursuant to Section 7 of the ESA.

Deliverables:

- a. No Effect Letter

6.4 Environmental Justice

The purpose of this study is to document compliance with the Environmental Justice Executive Order. An analysis of the Title VI Population Groups within the project area will be provided. Popular breakdown will conform to U.S. Department of Transportation definitions for "minority" and "low-income." Methods for identification include examination of current census information and discussion with local agencies (for example, planners, social service providers, and school district officials), but will not include door-to-door visits in the project area. This review will also include a comparison of demographic information of the people within the study area to larger population groups to determine if any special populations reside within the project limits that exceed the characteristics of the City of Marysville as a whole. Based on this research, the absence or presence of special population groups will be documented. If such groups are present in the project area, potential impacts, including the possibility for disproportionate adverse impacts on these populations would be evaluated consistent with Title VI of the Civil Rights Act of 1964. Mitigation measures for such impacts would be identified.

The CONSULTANT will assemble this material into an environmental justice assessment and provide five copies of the draft document to the CITY for review. The CONSULTANT will finalize the report based on one round of CITY reviews and submit five copies of the final environmental justice assessment report.

Deliverables:

- a. Environmental Justice Report

6.5 NEPA/SEPA Documentation

The CONSULTANT will prepare the NEPA application for submittal and approval by the lead agency. It is assumed that the nature of this project will allow for a documented Categorical Exclusion supported by the environmental documentation include within this scope of work.

Deliverables:

- a. Completed ECS (As many as two separate documents, to be determined)

Assumptions:

- a. Air and Noise is exempt
- b. No impact to critical areas, no affect to listed species
- c. Cultural resources for 88th Street NE only.

Work Element 7 Community and Agency Coordination.

- 7.1 Provide meeting minutes and action items from City arranged project meetings with cooperating stakeholders including BNSF and permitting agencies. (Assume 4 meetings)
- 7.2 Arrange and coordinate a project meeting with the utility companies. Provide meeting minutes and action items.
- 7.3 Attend up to 2 meetings with groups of abutting property owners and/or tenants. One meeting is assumed to be "open house" style where the Consultant will provide boards and roll plots as necessary.

Work Element 8 Right of Way Calculations

Perform the following work items necessary to establish the right-of-way (ROW) along 88th Street NE and at identified intersections for this project.

- 8.1 Research Records. Determine which existing corners and monuments should be field located and surveyed.
- 8.2 Determine and order title reports. Cost for the title reports will be billed directly to the City.
- 8.3 Calculations for ROW centerline alignment and ROW lines. Using the research information and the survey work described above, calculate location and surveyed corners, roadway features and monuments. The Consultant will determine the centerline alignment for 88th Street NE within the project limits as defined in this scope. The ROW centerline will be defined geometrically using Washington state plane coordinates and stationing will be assigned to the alignment.
- 8.4 Prepare legal descriptions and exhibit maps for up to ten (10) parcels requiring fee simple take.
- 8.5 Prepare legal descriptions and exhibit maps for up to four (4) parcels requiring permanent easements.
- 8.6 Calculate the right-of-way required and prepare exhibit maps for up to four (4) rights-of-entry.
- 8.7 Field locate proposed and existing right of way lines on 4 parcels.

Work Element 9 Final Design

The Consultant shall prepare Final Plans, Specifications and Estimates for review and approval by the City. Plans shall be formatted to provide sufficient detail for convenient field layout of all proposed facilities. City standard details and WSDOT standard plans will be supplemented with project specific details as required. Final bid documents will be signed by a licensed professional engineer in the State of Washington.

- 9.1 Assemble a title and index sheet that would include a vicinity map.
- 9.2 Assemble a sheet for symbol and abbreviation legends, general notes
- 9.3 Prepare roadway typical section for 88th Street NE and pavement restoration details.
- 9.4 Prepare site preparation and erosion control plans. These plans will include all demolition and erosion control, and will provide grading limits.
- 9.5 Prepare alignment, paving, and grading plans. These plans will include horizontal alignment information and plan views of pavement planing, grading and paving limits, as well as limits of cut/fill required and retaining walls.
- 9.6 Prepare curb profile for the widened portion of 88th Street NE.
- 9.7 Prepare private driveway plan and profile drawings, including any required parking revisions.
- 9.8 Prepare channelization and signing plans. These plans will delineate the locations of all pavement markings including lane lines, crosswalks, turn arrows, stop bars and curb face painting. These plans will also show the locations and sizes of all signs.
- 9.9 Prepare drainage detail sheets, depicting special or non-standard drainage features. For budgeting purposes, it is assumed that detention and treatment facilities will not be required.
- 9.10 Prepare drainage plans and profiles. These plans will include information and plan views of storm drainage system including type, size and location of pipes and catch basins.
- 9.11 Prepare traffic signal plans per City Standard Plans and WSDOT Standard Plans for the following:
 - Signal System Replacement at the intersection of 80th Street NE and State Avenue including advanced railroad preemption interface, flashing yellow arrow phasing.
 - Signal Modifications at the intersection of 88th Street NE and State Avenue to accommodate widening on the east leg of the intersection, including additional signal heads, flashing yellow arrow phasing and upgraded pedestrian pushbuttons.
 - Signal Modifications at the intersection of Cedar Avenue and 4th Street (SR 528) including type II signal pole replacement with type III signal poles, flashing yellow arrow phasing, advanced railroad preemption and a blank out sign.
 - Signal Modifications at the intersection of 128th Street NE and State Avenue including new dilemma zone detection, flashing yellow arrow phasing, additional signal heads, implementation of leading pedestrian timing and additional intersection illumination.
 - Signal Modifications at the intersection of 116th Street NE and State Avenue

including new dilemma zone detection.

- Signal Modifications at the intersection of State Avenue and 4th Street (SR 528) including flashing yellow arrow phasing by time of day and queue detection accounting for railroad.
- Citywide signal modifications include the following:
 - Upgrade to countdown pedestrian displays at 9 intersections
 - Add yellow retroreflective backplate tape to 12 intersections
 - Implement lead pedestrian phasing at 4 additional intersections
 - Upgrade street name signs at 34 intersections.

For new traffic signal prepare a traffic signal plan, traffic signal wiring diagram, phasing and timing plan. Prepare traffic signal details including signal pole details and pole foundation details, OPTICOM location (to be approved by the Marysville Fire District), and detection camera and/or loop locations.

- 9.12 Prepare roadway illumination system plans. Plans will include layouts of lighting system equipment, and conduit and conductor schedules. Illumination design shall be per the current City of Marysville / PUD Street Lighting Standards.
- 9.13 Prepare retaining wall modification plans. Plans views of retaining walls will be shown on the paving and grading plans. The horizontal limits of the retaining wall modification will be shown by station and offsets.
- 9.14 Prepare retaining wall profiles. Wall profiles will be prepared showing the top of wall, top of wall barrier, top of footing, existing ground line and final ground line.
- 9.15 Prepare retaining wall details. Structural design details for wall tie-in will be prepared and shown on these plans. Standard WSDOT details will be utilized for a typical cross section of the wall, all barrier design details, foundation details, and fencing/handrail details, .
- 9.16 Update MEF document based on final design configuration and provide details to clearly identify performance requirements and slope criteria of ramps and landings.
- 9.17 Perform 90% and 100% Design quantity take-offs and opinion of costs.
- 9.18 Prepare contract specifications for the 90% and 100% submittals based on WSDOT/APWA standards (English), and applicable LAG standards.

Work Element 10 Plan Production

- 10.1 Assemble and submit plans and specifications for 90, and 100 percent levels of design.
 - One full size set of plans
 - 6 half-size sets of plans (11x17), including one unbound original
 - 6 copies of specs, including one unbound original
 - 6 copies of the opinion of cost

10.2 Coordination with Builder's Exchange

Work Element 11 Assistance During Bidding.

11.1 Prepare addenda and respond to bidders questions relayed through the City. It is assumed that the Consultant will prepare up to six (6) addenda.

Additional Services

The City may require additional services of the Consultant in order to advance all or portions of the project through bid document preparation and construction. The scope of these services will be determined based on the unanticipated project needs or other considerations at the sole discretion of the City. This work may include items identified in the current task authorizations as well other items, which may include, but are not necessarily limited to the following:

- ◆ Additional environmental documentation
- ◆ Property appraisals
- ◆ Right of Way acquisition or assistance with condemnation proceedings.
- ◆ Providing Construction Support Services

These services will be authorized under a future contract supplement if necessary. At the time these services are required, the Consultant shall provide a detailed scope of work and an estimate of costs. The Consultant shall not proceed with the work until the City has authorized the work and issued a notice to proceed.

Sheet List

Cover sheet	(1 sheet)
Sheet Index, Survey Control & Alignment Data	(1 sheet)
Legend and Abbreviations	(1 sheet)
Roadway Sections and Details	(1 sheet)
Paving Details	(1 sheet)
Drainage Details	(1 sheet)
Right of Way Plans	(5 sheets)
Site Preparation and Erosion Control Plans	(4 sheets)
Roadway Plan and Profiles	(2 sheets)
Drainage Plan and Profiles	(2 sheets)
Driveway / Parking Plans	(2 sheets)
Retaining Wall Plan and Elevations	(1 sheet)
Retaining Wall Details	(1 sheets)
Illumination Plans and Details	(4 sheets)
Traffic Signal Systems Plans and Details	(14 sheets)
Channelization and Signing Plans and Details	(2 sheets)
TOTAL = 43 sheets	

Exhibit D-2 Payment (Cost Plus a Fixed Fee)

The CONSULTANT shall be paid by the AGENCY for completed work and services rendered under this AGREEMENT as provided hereinafter. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work specified in Section II, "Scope of Work." The CONSULTANT shall conform to all applicable portions of 48 CFR Part 31.

- A. Actual Costs: Payment for all consulting services for this PROJECT shall be on the basis of the CONSULTANT'S actual cost plus a fixed fee. The actual cost shall include direct salary cost, overhead, direct non-salary costs, and fixed fee.
1. Direct Salary Costs: The Direct Salary Cost is the direct salary paid to principals, professional, technical, and clerical personnel for the time they are productively engaged in work necessary to fulfill the terms of this AGREEMENT. The CONSULTANT shall maintain support data to verify the direct salary costs billed to the AGENCY.
 2. Overhead Costs: Overhead Costs are those costs other than direct costs, which are included as such on the books of the CONSULTANT in the normal everyday keeping of its books. Progress payments shall be made at the rate shown in the heading of this AGREEMENT under "Overhead Progress Payment Rate." Total overhead payment shall be based on the method shown in the heading of the AGREEMENT. The two options are explained as follows:
 - a. Fixed Rate: If this method is indicated in the heading of the AGREEMENT the AGENCY agrees to reimburse the CONSULTANT for overhead at the percentage rate shown. This rate shall not change during the life of the AGREEMENT.
 - b. Actual Cost: If this method is indicated in the heading of the AGREEMENT the AGENCY agrees to reimburse the CONSULTANT the actual overhead costs verified by audit, up to the Maximum Total Amount Payable, authorized under this AGREEMENT, when accumulated with all other Actual Costs.

A summary of the CONSULTANTS cost estimate and the overhead computation is shown in Exhibit "B" attached hereto and by this reference made part of this AGREEMENT. When an Actual Cost method is used, the CONSULTANT (prime and all sub-consultants) will submit to the AGENCY within six (6) months after the end of each firm's fiscal year, an overhead schedule in the format required by the AGENCY (cost category, dollar expenditures, etc.) for the purpose of adjusting the overhead rate for billing purposes. It shall be used for the computation of progress payments during the following year and for retroactively adjusting the previous year's overhead cost to reflect the actual rate.

Failure to supply this information by either the prime CONSULTANT or any of their sub-consultants shall cause the AGENCY to withhold payment of the billed overhead costs until such time as the required information is received and an overhead rate for billing purposes is approved.

The AGENCY, STATE and/or the Federal Government may perform an audit of the CONSULTANT'S books and records at any time during regular business hours to determine the actual overhead rate, if they so desire.

3. Direct Non-Salary Costs: Direct Non-Salary Costs will be reimbursed at the Actual Cost to the CONSULTANT. These charges may include, but are not limited to, the following items: travel, printing, long distance telephone, supplies, computer charges and sub-consultant costs.
 - a. Air or train travel will be reimbursed only to economy class levels unless otherwise approved by the AGENCY. The CONSULTANT shall comply with the rules and regulations regarding travel costs (excluding air, train, and rental car costs) in accordance with the AGENCY'S Travel Rules and Procedures. However, air, train, and rental car costs shall be reimbursed in accordance with 48 CFR Part 31.205-46 "Travel Cost
 - b. The billing for Direct Non-Salary Costs shall include an itemized listing of the charges directly identifiable wh the PROJECT.
 - c. The CONSULTANT shall maintain the original supporting documents in their office. Copies of the original supporting documents shall be supplied to the AGENCY upon request.
 - d. All above charges must be necessary for the services provided under this AGREEMENT.
4. Fixed Fee: The Fixed Fee, which represents the CONSULTANT'S profit, is shown in the heading of this AGREEMENT under Fixed Fee. This amount does not include any additional Fixed Fee, which could be authorized from the Management Reserve Fund. This fee is based on the Scope of Work defined in this AGREEMENT and the estimated person-hours required to perform the stated Scope of Work. In the event the CONSULTANT enters into a supplemental AGREEMENT for additional work, the supplemental AGREEMENT may include provisions for the added costs and an appropriate additional fee. The Fixed Fee will be prorated and paid monthly in proportion to the percentage of work completed by the CONSULTANT and reported in the Monthly Progress Reports accompanying the billings. Any portion of the Fixed Fee earned but not previously paid in the progress payments will be covered in the final payment, subject to the provisions of Section IX entitled "Termination of Agreement."
5. Management Reserve Fund: The AGENCY may desire to establish a Management Reserve Fund to provide the Agreement Administrator with the flexibility to authorize additional funds to the AGREEMENT for allowable unforeseen costs, or reimbursing the CONSULTANT for additional work beyond that already defined in this AGREEMENT. Such authorization(s) shall be in writing and shall not exceed

the lesser of \$100,000 or 10% of the Total Amount Authorized as shown in the heading of this AGREEMENT. The amount included for the Management Reserve Fund is shown in the heading of this AGREEMENT. This fund may not be replenished. Any changes requiring additional costs in excess of the Management Reserve Fund shall be made in accordance with Section XIV, "Extra Work."6. Maximum Total Amount Payable: The Maximum Total Amount Payable by the AGENCY to the CONSULTANT under this AGREEMENT shall not exceed the amount shown in the heading of this AGREEMENT. The Maximum Total Amount Payable is comprised of the Total Amount Authorized, and the Management Reserve Fund. The Maximum Total Amount Payable does not include payment for Extra Work as stipulated in Section XIV, "Extra Work." No minimum amount payable is guaranteed under this AGREEMENT.

- B. Monthly Progress Payments: The CONSULTANT may submit billings to the AGENCY for reimbursement of Actual Costs plus the calculated overhead and fee on a monthly basis during the progress of the work. Such billings shall be in a format approved by the AGENCY and accompanied by the monthly progress reports required under Section III, "General Requirements" of this AGREEMENT. The billings will be supported by an itemized listing for each item including Direct Salary, Direct Non-Salary, and allowable Overhead Costs to which will be added the prorated Fixed Fee. To provide a means of verifying the billed salary costs for CONSULTANT employees, the AGENCY may conduct employee interviews. These interviews may consist of recording the names, titles, salary rates, and present duties of those employees performing work on the PROJECT at the time of the interview.
- C. Final Payment: Final Payment of any balance due the CONSULTANT of the gross amount earned will be made promptly upon its verification by the AGENCY after the completion of the work under this AGREEMENT, contingent upon receipt of all PS&E, plans, maps, notes, reports, electronic data and other related documents which are required to be furnished under this AGREEMENT. Acceptance of such Final Payment by the CONSULTANT shall constitute a release of all claims for payment, which the CONSULTANT may have against the AGENCY unless such claims are specifically reserved in writing and transmitted to the AGENCY by the CONSULTANT prior to its acceptance. Said Final Payment shall not, however, be a bar to any claims that the AGENCY may have against the CONSULTANT or to any remedies the AGENCY may pursue with respect to such claims.

The payment of any billing will not constitute agreement as to the appropriateness of any item and at the time of final audit, all required adjustments will be made and reflected in a final payment. In the event that such final audit reveals an overpayment to the CONSULTANT, the CONSULTANT will refund such overpayment to the AGENCY within thirty (30) days of notice of the overpayment. Such refund shall not constitute a waiver by the CONSULTANT for any claims relating to the validity of a finding by the AGENCY of overpayment. The CONSULTANT has twenty (20) days after receipt of the final POST AUDIT to begin the appeal process to the AGENCY for audit findings.

- D. Inspection of Cost Records: The CONSULTANT and their sub-consultants shall keep available for inspection by representatives of the AGENCY, STATE and the United States, for a period of three (3) years after receipt of final payment, the cost records and accounts pertaining to this AGREEMENT and all items related to or bearing upon these records with the following exception: if any litigation, claim or audit arising out of, in connection with, or related to this contract is initiated before the expiration of the three (3) year period, the cost records and accounts shall be retained until such litigation, claim, or audit involving the records is completed.

HOURLY AND FEE ESTIMATE

EXHIBIT E-1

Project: City of Marysville
HSIP Projects

	48.07692						
	134992	100006.4	85280	74048	105352	60008	46488
	\$ 178.98	\$ 132.60	\$ 113.07	\$ 98.18	\$ 139.68	\$ 79.56	\$ 61.64



Task	Description	Labor Hour Estimate							Total Fee				
		Senior Engineer	Project Manager	Proj Engr Senior LA	Dsn engr LA	Survey crew	Tech	Clerical	Hours	Direct Labor Cost	Overhead 145.78%	Profit 30%	Effective multiplier 2.7578
		\$ 64.90	\$ 48.08	\$ 41.00	\$ 35.60	\$ 50.65	\$ 28.85	\$ 22.35					
Work Element 1 - Project Management													
1.1	Project management administrative services	4	8	0	0	0	0	24	36	1,181	1,721	354	\$ 3,255.97
1.2	Overall Project management	4	8	0	0	0	0	0	12	644	939	193	\$ 1,776.69
1.3	City staff coordination meetings (8)	16	48	8	0	0	0	16	88	4,032	5,878	1,210	\$ 11,119.01
	Reimbursable expenses - see breakdown for details												\$ 400.00
	Task Totals	24	64	8	0	0	0	40	136	5,857	8,538	1,757	\$ 16,551.66
Work Element 2 - Quality Control/Quality Assurance													
2.1	Review preliminary design	8	0	0	0	0	0	0	8	519	757	156	\$ 1,431.85
2.2	Review 90% plans, specs, and estimate	8	0	0	0	0	0	0	8	519	757	156	\$ 1,431.85
2.3	Review 100% plans, specs, and estimate	4	0	0	0	0	0	0	4	260	378	78	\$ 715.92
	Reimbursable expenses - see breakdown for details												\$ 50.00
	Task Total	20	0	0	0	0	0	0	20	1,298	1,892	389	\$ 3,629.62
Work Element 3 - Mapping													
3.1	Establish horizontal and vertical control	0	2	5	0	8	0	0	16	747	1,090	224	\$ 2,061.07
3.2	Field survey and note reduction	0	0	16	8	16	0	0	40	1,751	2,553	525	\$ 4,829.46
3.3	Prepare topo and DTM	0	0	16	16	0	0	0	32	1,226	1,787	368	\$ 3,379.96
3.4	Locate utility paint marks	0	0	0	8	4	0	0	12	487	711	146	\$ 1,344.15
3.5	CB and MH measure downs	0	0	0	0	4	0	0	4	203	295	61	\$ 558.73
3.6	Survey utility potholes	0	0	0	4	8	0	0	12	548	798	164	\$ 1,510.17
	Reimbursable expenses - see breakdown for details												\$ 2,000.00
	Task Total	0	2	38	36	40	0	0	116	4,962	7,233	1,489	\$ 15,683.54
Work Element 4 - Geotechnical Report													
4.1	Geotechnical Coordination	0	0	1	0	0	4	2	7	201	293	60	\$ 554.59
4.2	Field Investigation	0	0	0	0	0	0	0	0	0	0	0	\$ -
4.3	Laboratory Testing	0	0	0	0	0	0	0	0	0	0	0	\$ -
4.4	Geotechnical Engineering and Report	0	1	1	0	0	4	2	8	249	363	75	\$ 687.19
	Reimbursable expenses - see breakdown for details												\$ 18,422.60
	Task Total	0	1	2	0	0	8	4	15	450	656	135	\$ 19,664.38

HOUR AND FEE ESTIMATE

EXHIBIT E-1

Project: City of Marysville
HSIP Projects

48.07692
134992 100006.4 85280 74048 105352 60008 46488
\$178.98 \$132.60 \$113.07 \$98.18 \$139.68 \$79.56 \$61.64



Task	Description	Labor Hour Estimate							Total Fee				
		Senior Engineer \$ 64.90	Project Manager \$ 48.08	Proj Engr Senior LA \$ 41.00	Dsn engr LA \$ 35.60	Survey crew \$ 50.65	Tech \$ 28.85	Clerical \$ 22.35	Hours	Direct Labor Cost	Overhead 145.78%	Profit 30%	Effective multiplier 2.7578
Work Element 5 - Preliminary Plans and Estimate													
5.1	Review stormwater facilities, stds, and approach	0	2	8	0	0	2	0	12	482	702	145	\$ 1,328.87
5.2	ADA Site Visit with WSDOT and MEF documentation	2	8	0	16	0	8	2	36	1,360	1,982	408	\$ 3,749.34
5.3	Inventory all existing signal equipment	0	2	0	12	0	12	0	26	870	1,268	261	\$ 2,398.07
5.4	Prepare preliminary lighting layout and calcs	0	1	0	0	0	12	0	13	394	575	118	\$ 1,087.35
5.5	Develop retaining wall modifications	0	1	2	0	0	4	0	7	245	358	74	\$ 676.98
5.6	Prepare 30% Plans and opinion of cost	1	4	24	12	0	30	8	79	2,713	3,955	814	\$ 7,481.14
5.7	Analyze preliminary right of way requirements	1	4	0	16	0	4	0	25	942	1,374	283	\$ 2,598.45
	Reimbursable expenses - see breakdown for details												\$ 1,300.00
	Task Total	4	22	34	56	0	72	10	198	7,006	10,213	2,102	\$ 20,620.21

HOURLY AND FEE ESTIMATE

EXHIBIT E-1

Project: City of Marysville
HSIP Projects

	48.07692						
	134992	100006.4	85280	74048	105352	60008	46488
	\$ 178.98	\$ 132.60	\$ 113.07	\$ 98.18	\$ 139.68	\$ 79.56	\$ 61.64



Task	Description	Labor Hour Estimate							Total Fee				
		Senior Engineer	Project Manager	Proj Engr Senior LA	Dsn engr LA	Survey crew	Tech	Clerical	Hours	Direct Labor Cost	Overhead	Profit	Effective multiplier
		\$ 64.90	\$ 48.08	\$ 41.00	\$ 35.60	\$ 50.65	\$ 28.85	\$ 22.35			145.78%	30%	2.7578
Work Element 6 - Environmental													
6.1	Design Assistance and Coordination	0	2	0	0	0	0	0	2	96	140	29	\$ 265.19
6.2	Section 106	0	0	0	0	0	0	0	0	0	0	0	\$ -
6.3	Biological Assessment	0	2	0	0	0	0	0	2	96	140	29	\$ 265.19
6.4	Environmental Justice	0	2	0	0	0	0	0	2	96	140	29	\$ 265.19
6.5	NEPA/SEPA Documentation	0	2	0	0	0	0	0	2	96	140	29	\$ 265.19
	Reimbursable expenses - see breakdown for details												\$ 34,739.20
	Task Total	0	8	0	0	0	0	0	8	385	561	115	\$ 35,799.96
Work Element 7 - Community and Agency Coordination													
7.1	BNSF and WSDOT Coordination meetings (4 mtgs)	3	12	0	0	0	4	4	23	976	1,423	293	\$ 2,692.88
7.2	Utility coordination meetings (1 mtg)	2	4	0	0	0	2	2	10	425	619	127	\$ 1,170.74
7.3	Community/Property Owner (2 mtgs)	6	12	0	0	0	0	0	18	966	1,409	290	\$ 2,665.03
	Reimbursable expenses - see breakdown for details												\$ 500.00
	Task Total	11	28	0	0	0	6	6	51	2,367	3,451	710	\$ 7,028.65

HOURLY AND FEE ESTIMATE

EXHIBIT E-1

Project: City of Marysville
HSIP Projects

48.07692
134992 100006.4 85280 74048 105352 60008 46488
\$ 178.98 \$ 132.60 \$ 113.07 \$ 98.18 \$ 139.68 \$ 79.56 \$ 61.64



Task	Description	Labor Hour Estimate							Total Fee				
		Senior Engineer	Project Manager	Proj Engr Senior LA	Dsn engr LA	Survey crew	Tech	Clerical	Hours	Direct Labor Cost	Overhead 145.78%	Profit 30%	Effective multiplier 2.7578
		\$ 64.90	\$ 48.08	\$ 41.00	\$ 35.60	\$ 50.65	\$ 28.85	\$ 22.35					
Work Element 8 - Right of Way Calculations													
8.1	Research Records	0	0	12	0	0	0	0	12	492	717	148	\$ 1,356.84
8.2	Determine and order title reports	0	0	8	0	0	0	8	16	507	739	152	\$ 1,397.65
8.3	Calculation for R/W	0	0	18	16	0	0	0	34	1,308	1,906	392	\$ 3,606.10
8.4	Prepare deed take legals and exhibits (10 parcels)	0	3	18	20	0	0	0	41	1,594	2,324	478	\$ 4,396.60
8.5	Prepare easement legals and exhibits (4 parcels)	0	2	8	20	0	0	0	30	1,136	1,656	341	\$ 3,133.30
8.6	Calculate R/W for rights of entry (4)	0	0	0	8	0	0	0	8	285	415	85	\$ 785.42
8.7	Field locate proposed and existing R/W (4 parcels)	0	0	0	10	15	0	0	25	1,116	1,627	335	\$ 3,077.02
	Reimbursable expenses - see breakdown for details												\$ 400.00
	Task Total	0	5	64	74	15	0	8	166	6,437	9,384	1,931	\$ 18,152.92

HOURLY AND FEE ESTIMATE

EXHIBIT E-1

Project: **City of Marysville
HSIP Projects**

48.07692
 134992 100006.4 85280 74048 105352 60008 46488
 \$ 178.98 \$ 132.60 \$ 113.07 \$ 98.18 \$ 139.68 \$ 79.56 \$ 61.64



Task	Description	Labor Hour Estimate						Total Fee					
		Senior Engineer	Project Manager	Proj Engr Senior LA	Dsn engr LA	Survey crew	Tech	Clerical	Hours	Direct Labor Cost	Overhead	Profit	Effective multiplier
		\$ 64.90	\$ 48.08	\$ 41.00	\$ 35.60	\$ 50.65	\$ 28.85	\$ 22.35			145.78%	30%	2.7578
Work Element 9 - Final Design													
9.1	Title/Index Sheet	0	0	0	0	0	1	0	1	29	42	9	\$ 79.56
9.2	Notes/Legends/Abbreviations sheet	0	0	0	2	0	1	0	3	100	146	30	\$ 275.92
9.3	Roadway typical sections	0	0	2	8	0	4	0	14	482	703	145	\$ 1,329.81
9.4	Site prep/TESC plans	0	1	4	8	0	8	0	21	728	1,061	218	\$ 2,006.80
9.5	Alignment, paving, and grading plans	0	1	4	8	0	8	0	21	728	1,061	218	\$ 2,006.80
9.6	Roadway profiles for 88th	0	0	2	4	0	8	0	14	455	664	137	\$ 1,255.35
9.7	Driveway/parking revision plans	0	0	0	4	0	4	0	8	258	376	77	\$ 710.96
9.8	Channelization and signing plans	0	0	2	4	0	4	0	10	340	495	102	\$ 937.10
9.9	Drainage details	0	0	2	4	0	4	0	10	340	495	102	\$ 937.10
9.10	Drainage Plan and Profiles	0	0	2	16	0	8	0	26	882	1,286	265	\$ 2,433.48
9.11	Traffic Signal plans	0	20	40	60	0	80	0	200	7,046	10,271	2,114	\$ 19,430.36
9.12	Roadway illumination plans	0	8	6	0	0	24	0	38	1,323	1,929	397	\$ 3,648.68
9.13	Retaining wall plans	0	4	8	8	0	16	0	36	1,267	1,847	380	\$ 3,493.36
9.14	Retaining wall profile	0	0	2	8	0	4	0	14	482	703	145	\$ 1,329.81
9.15	Retaining wall details	0	0	0	2	0	8	0	10	302	440	91	\$ 832.86
9.16	Finalize MEF document and ADA details	4	10	0	26	0	4	2	46	1,826	2,662	548	\$ 5,036.02
9.17	90%, 100% QTO and cost opinions	4	4	16	16	0	16	2	58	2,184	3,184	655	\$ 6,022.54
9.18	90%, 100% Specifications	16	8	12	8	0	6	12	62	2,641	3,850	792	\$ 7,283.74
	Reimbursable expenses - see breakdown for details												\$ 6,500.00
	Task Total	24	56	102	186	0	208	16	592	21,412	31,215	6,424	\$ 65,550.23

HOUR AND FEE ESTIMATE

EXHIBIT E-1

Project: City of Marysville
HSIP Projects

	48.07692						
	134992	100006.4	85280	74048	105352	60008	46488
	\$ 178.98	\$ 132.60	\$ 113.07	\$ 98.18	\$ 139.68	\$ 79.56	\$ 61.64



Task	Description	Labor Hour Estimate						Total Fee					
		Senior Engineer	Project Manager	Proj Engr Senior LA	Sen engr LA Surveyor	Survey crew	Tech	Clerical	Direct Hours	Overhead Labor Cost	Profit	Effective multiplier	
		\$ 64.90	\$ 48.08	\$ 41.00	\$ 35.80	\$ 50.85	\$ 28.85	\$ 22.35		145.78%	30%	2.7578	
Work Element 10 - Plan Production													
10.1	Assemble submittals for 90%, 100% PSE	0	0	0	4	0	20	8	32	898	1,309	269	\$ 2,477.06
10.2	Assemble Bid Documents and coordinate with BX	0	0	0	4	0	8	8	20	552	805	166	\$ 1,522.31
	Reimbursable expenses - see breakdown for details												\$ 1,000.00
	Task Total	0	0	0	8	0	28	16	52	1,450	2,114	435	\$ 4,999.36
Work Element 11 - Assistance During Bidding													
11.1	Prepare Addenda and respond to questions	2	4	4	4	0	4	2	20	789	1,150	237	\$ 2,174.86
	Reimbursable expenses - see breakdown for details												\$ -
	Task Total	2	4	4	4	0	4	2	20	789	1,150	237	\$ 2,174.86
TOTAL HOURS AND TOTAL ESTIMATED FEE		85	190	252	364	55	326	102	1374	52413	76407	15724	\$ 209,855

EXHIBIT F



**Washington State
Department of Transportation**
Paula J. Hammond, P.E.
Secretary of Transportation

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

August 10, 2012

Susan Rowe
KPG, Inc.
753 9th Ave N
Seattle WA, 98109

Re: KPG, Inc. Overhead Schedule
Fiscal Year End December 31, 2011

Dear Ms. Rowe:

We have completed a desk review of your overhead schedule for the above referenced fiscal year. Our review included the documentation provided by KPG, Inc.

The reviewed data included, but was not limited to; the schedule of the indirect cost rate, a description of the company, basis of accounting and description of KPG, Inc. accounting system and the basis of indirect costs.

Based on our work, we are issuing this letter of review establishing KPG, Inc. overhead rate for the fiscal year ending December 31, 2011 at 145.78% (rate includes Facilities Cost of Capital) of direct labor. Costs billed to actual agreements will still be subject to audit of actual costs.

Please check with the WSDOT Consultant Services Office (HQ) and/or the WSDOT Area Consultant Liaison to determine when this reviewed rate will be applicable to your WSDOT agreement(s).

Also, remember that when you provide next year's overhead schedule to our office, you will also need to submit **either** your internally prepared *Compensation Analysis* for our review, or use the *National Compensation Matrix* (NCM) format to prepare your alternate analysis and we will review that. The NCM is a tool that establishes compensation amounts presumed reasonable for **certain** executive positions. The *Compensation Analysis* and NCM are described further in the AASHTO Audit Guide, Chapter 7. We will need your *Compensation Analysis*, or alternative analysis based on use of the NCM, in order to complete our review of your overhead schedule.

Ms. Rowe
August 10, 2012
Page 2

If you, or any representatives of KPG, Inc. have any questions, please contact Martha Roach, Jeri Sivertson, or Steve McKerney at (360)705-7003.

Sincerely,

A handwritten signature in cursive script that reads "Martha Roach".

Martha S. Roach
Agreement Compliance Audit Manager

MR:ds
Enclosures

cc: Steve McKerney, Director of Internal Audit
Jeri Sivertson, Assistant Director of Internal Audit
Larry Schofield, MS 47323
File

KPG, Inc.
2011 Overhead Schedule
For FY Ending December 31st, 2011

Description	Financial Statement Amount	KPG Adj.	WSDOT Adj.	Ref.	Accepted Amount	%
Direct Labor	<u>\$2,817,914</u>		\$3,600	Q	<u>\$2,821,514</u>	100.00%
Fringe Benefits:						
Vacation, Sick, & Holiday	\$556,434				\$556,434	19.72%
Payroll Taxes	252,650		131,345	Q	383,995	13.61%
Health Insurance	466,347				466,347	16.53%
Workers' Comp. Insurance	19,953				19,953	0.71%
Holiday Bonus	6,100		(6,100)	M	0	0.00%
Profit Sharing (401-k)	73,279				73,279	2.60%
Total Fringe Benefits	<u>\$1,374,762</u>	<u>\$0</u>	<u>\$125,245</u>		<u>\$1,500,007</u>	<u>53.16%</u>
General Overhead:						
Indirect Labor	\$1,155,440	(\$5,139)	(\$140,386)	A,N	\$1,009,915	35.79%
Bid & Proposal Labor	318,208				318,208	11.28%
Accounting & Legal	31,829	(12,475)	8,400	F, T	27,754	0.98%
Automobile	90,792	(29,081)	(28,118)	B, O	33,593	1.19%
Bank Charge	6				6	0.00%
Donations	2,350	(2,350)		J	0	0.00%
Conferences	16,493	(2,680)		D,J,L	13,813	0.49%
Organizations	22,259	(78)		E	22,181	0.79%
Publications	5,027				5,027	0.18%
Employee Services	52,297		(52,297)	P	(0)	0.00%
Interest	6,365	(6,365)		G	0	0.00%
Licenses	7,804				7,804	0.28%
Meals	42,499	(42,499)		H	0	0.00%
IT - Computer	121,894				121,894	4.32%
IT - Telephone	101,895	(1,055)	15,738	D,Q	116,577	4.13%
IT - Training	15,986				15,986	0.57%
Office Supplies	52,745				52,745	1.87%
Payroll Services	6,653				6,653	0.24%
Postage & Delivery	3,274				3,274	0.12%
Printing	4,002				4,002	0.14%
Recruiting Costs	311				311	0.01%
Rent	547,488	(270,210)	(32,006)	K, R	245,272	8.69%
Repairs & Maintenance	60,173				60,173	2.13%
Shareholder Buyout	94,086	(18,650)	(75,436)	G,S	0	0.00%
Survey	46,150				46,150	1.64%
Taxes & Insurance	405,108	(20,968)		C	384,140	13.61%
Travel	8,396	(8,396)		H	(0)	0.00%
Utilities	36,211				36,211	1.28%
Depreciation	146,622	(88,959)		I	57,663	2.04%
Total General Overhead	<u>\$3,402,361</u>	<u>(\$508,904)</u>	<u>(\$304,105)</u>		<u>\$2,589,352</u>	<u>91.77%</u>
Total Overhead Costs	<u>\$4,777,123</u>	<u>(\$508,904)</u>	<u>(\$178,860)</u>		<u>\$4,089,359</u>	<u>144.93%</u>
Overhead Rate (Less FCC)	169.53%	151.47%			<u>144.93%</u>	

KPG, Inc.
2011 Overhead Schedule
For FY Ending December 31st, 2011

Description	Financial Statement Amount	KPG Adj.	WSDOT Adj.	Ref.	Accepted Amount	%
Facilities Cost of Capital					\$23,756	0.84%
					<u>\$4,113,115</u>	
Overhead Rate (Includes FCC)					<u>145.78%</u>	

KPG Corp - Reviewed & Accepted 8/10/2012, MJP
"Overhead Rate still subject to WSDOT Audit"

References

KPG Adjustments:

- A1 Overtime premium unallowable \$486 per 48 CFR 22.103-1, 22.103-4(g)
- A2 Severance pay unallowable \$4,653
- B Mixed use auto allowances ? 1/2 of \$58,161 per 48 CFR 31.205-6 (m) (2) and 31.205-46 (d)
- C Key person life insurance unallowable \$20,968 per 48 CFR 31.205-19(e)(2)(v).
- D1 Advertising unallowable (1/2 page ad) \$225 per CFR 31.205-1
- D2 Advertising unallowable (yellow pages) \$1,055 per CFR 31.205-1
- E Lobbying unallowable \$78 per CFR 31.205-22
- F Tax preparation fees unallowable \$12,475 per 48 CFR 31.205-41 (b) (1), 31.201-6 (a), S-Corp
- G1 Interest unallowable \$6,365 per 48 CFR 31.205-20.
- G2 Interest unallowable \$18,650 per 48 CFR 31.205-20.
- H1 Inadequate supporting documentation unallowable (meals) \$42,499
- H2 Inadequate supporting documentation unallowable (travel) \$8,396
- I Accelerated depreciation unallowable \$88,959
- J1 Donations Unallowable \$2,350
- J2 Donations Unallowable \$560
- K Common Control Rent adjustment \$270,210
- L Entertainment unallowable (golf) \$1,895

WSDOT Adjustments:

- M Bonus is not performance based all employees reviled \$100 Holiday gift, 48 CFR 31.205-6 (f), AASHTO Chp 7.12
- N Two Employee's received \$50,000 each of unallowable distributions, payment for Gym, \$2,609 is unallowable 48 CFR 31.205-13 (c), medical payment already in fringe benefits \$38,263, WSDOT overhead policy expired with OH's for 2009 (see ref A1) \$486 now allowable.
- O Personal use of Auto's unallowable removed 63% of all Auto accounts, per mileage log provided by firm, 48 CFR 31.205-46 (d)
- P Entertainment, Gifts, Dinners and Gym membership is unallowable 48 CFR 31.205-13 (b), 31.205-14,
- Q Improper calculation, firm missed \$15,738 indirect expense and \$3,600 of direct labor, taxes in addition to FICA not expensed in the amount of \$131,345
- R \$32,006 of sub-leased rent received, 48 CFR 31.201-5
- S Organization cost of shareholder buyout is unallowable 48 CFR 31.205-6 (i) & 31.205-27
- T WSDOT Overhead policy expired with 2009 Overhead, see Ref F, \$8,400 tax Prep fee's allowable, \$4,075 of S-Corp personal tax Prep still unallowable

EXHIBIT G-1
(Widener)

Widener & Associates

Transportation & Environmental Planning

10108 32nd Avenue W Ste D Everett, WA 98204-1302

Tel (425) 348-3059 Fax (425) 348-3124

August 12, 2013

KPG, Inc.
753 9th Avenue N
Seattle, WA 98109

Subject: Hourly Rate Statement

Dear Richard Hutchinson, Contract Administrator

Please consider this letter to be a statement of rates for DGK Inc. DBA Widener & Associates (Widener). It covers consulting work for;

City of Marysville Public Works on issues related to environmental permitting and coordination for this project.

"HSIP Projects"

Widener is a five-person firm with no calculated overhead rate. We charge a flat hourly fee for services that is all-inclusive of direct salary, overhead and fee. The hourly fees offered for this contract are the lowest fees we offer for preferred clients. I also confirm that all direct nonsalary costs will be invoiced without mark-up.

- *Project Manager - \$154.00*
- *Biologist - \$86.80*

We appreciate the opportunity to work with you on this project. If you have any questions or need additional information, please call at 425-503-3629.

Sincerely,



Ross L Widener
Vice President
WIDENER & ASSOCIATES

Exhibit G1
City of Marysville
Cost Estimate for
Environmental Documentation

	Project Manager	Project Biologist				
Task 7.1						
Draft ECS	4	8				
Final ECS	4	8				
Task 7.2 BA Review						
Data Collection and Review	4	8				
Field Investigation	4	4				
Task 7.3 Cultural Resource Investigation						
Section 106 APE	4	8				
WSDOT Coordination Section 106	8	4				
Total Hours	20	24				
Summary			Hours		Rate	Cost
Project Manager			20		\$154.00	\$3,080.00
Project Biologist			24		\$86.80	\$2,083.20
TOTAL ESTIMATED COST						\$5,163.20
Assumes client provides exhibits/plan and description of project activities.						
Assumes a no effect for ESA						
Assumes an exemption under Section 106						

Environmental Cost Estimate

	Project Manager Hours	Project Biologist Hours	
Task 4.1 Design Assistance and Early Agency Coordination	4	8	
Task 4.2 Historic and Cultural Resources			
APE Development	12	10	
SHPO Coordination	12	6	
Task 4.3 Biological Assessment			
Draft	4	18	
Final	2	2	
WSDOT Review	8	4	
Task 4.4 – Environmental Justice Survey			
Data Collection	4	8	
Analysis	6	18	
Report Preparation	8	24	
Revisions	7	12	
Task 4.5 NEPA ECS			
Draft	4	19.06	
Final	4	4	
WSDOT Review	8	8	
Total Hours	83	141.06	
	Hours	Hourly Rate	Total Labor
Project Manager	83	\$154.00	\$12,782
Project Biologist	141.06	\$86.80	\$12,244
Section 106 Field Work			\$4,500.00
TOTAL ESTIMATED COST			\$29,526
Assumptions			
No impact to critical areas			
No affect to listed speices			
Noise is exempt			
No Impacts to the Park			
New Stormwater Infiltrates			

EXHIBIT G-1
(Bright Engineering)

Bright Engineering, Inc.

Consulting Structural and Civil Engineering

August 12, 2013

BEI# 138.28

KPG, Inc.
Attn: Richard Hutchinson
2502 Jefferson Ave.
Tacoma, WA 98402

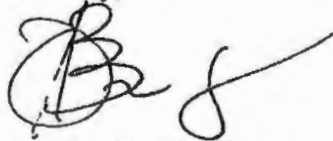
RE: Statement of Negotiated Rates
KC Contract #E00269E12
Marysville HSIP Program

This letter is to confirm that Bright Engineering, Inc. does not have an audited overhead rate and that we contract for services based on a negotiated hourly rate that includes direct salary, overhead and fee. The rates below are the lowest rates charged to our preferred customers, and are approved by King County for their projects. These rates are valid from the date of this letter until 12/31/2013.

<u>Classification</u>	<u>Hourly Rate</u>
Project Manager	\$ 194.69
Senior Project Engineer	\$ 165.47
CADD	\$ 86.62

All travel beyond thirty (30) miles of our office will be billed per the Washington State Department of Transportation Travel Regulation. Travel and expenses will not be billed on this project. All sub-consultant costs and direct reimbursements will be at cost with no mark-ups.

Sincerely,



Ade Bright, PE, SE

Client: KPG

Date: August 9, 2013

Attn: Richard Hutchinson

Address: 2502 Jefferson Ave

Tacoma, WA 98402

Project: Marysville HSIP Program

Location: Marysville, WA

Job No.: _____

BEI Ref. No.: 138.28

ESTIMATE OF LABOR AND EXPENSE

Labor					
Labor Descriptions	Project Engineer	Structural Engineer	CADD	Document Processing	Total
a. Prepare plans for Retaining Wall	16		16		32
b. Prepare specs and cost estimate	4				4
Total Labor Hours	20		16		36
Billing Rate	\$194.69	\$165.47	\$86.62		
Labor Subtotals	\$3,893.80		\$1,385.92		\$ 5,279.72
Total Labor Amount					\$ 5,279.72

In-House Expenses	Unit	Unit Cost	Qty	Direct Cost	Totals
Mileage	Miles	\$0.57			\$ -
Submittal Vellum Plots	Sheet	\$8.00			\$ -
Photocopies	Sheet	\$0.10			\$ -
Check Prints	Sheet	\$1.00			\$ -
Total In-House Expense					\$ -

Total Estimate of Labor & Expense	\$ 5,279.72
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EXHIBIT G-1
(Geo Design)



August 9, 2013

KPG, Inc.
2502 Jefferson Avenue
Tacoma, WA 98402

Attention: MR. Richard Hutchinson, P.E.

Proposal
Geotechnical Engineering Services
Citywide Intersection Safety Improvements
80th Street NE and State Avenue
Cedar Avenue and SR 528
State Avenue and 88th Street NE
Marysville, Washington
GeoDesign Project: KPG-28-01

INTRODUCTION

GeoDesign, Inc. is pleased to present this proposal to provide geotechnical engineering services for the City of Marysville (City) Citywide Intersection Safety Improvements Projects. The proposed improvements that require geotechnical services include the following three projects:

1. Replacement of the signal system at 80th Street NE and State Avenue, which will require signal pole foundation recommendations.
2. Replacement of signal poles and upgrade of lighting at Cedar Avenue and SR 528, which will require signal pole foundation recommendations.
3. Widening of westbound 88th Street NE to construct a dedicated right turn lane to northbound at State Avenue, which will require retaining wall and embankment construction recommendations.

We reviewed the summary well logs of borings completed in the project area. Subsurface conditions typically encountered fine to medium sand to depths exceeding 20 feet below ground surface (BGS) with groundwater varying from 15 to 25 feet deep.

Geotechnical recommendations are required for signal pole foundations and to support the design on a new gravity retaining wall.

SCOPE OF SERVICES

The purpose of our geotechnical services will be to provide geotechnical recommendations for design of the improvements as listed above. Our specific scope of our services is summarized as follows:

- Coordinate and manage the field investigation, including obtaining street-use right-of-way and lane closure permits from the City. We anticipate that the City will waive the right-of-way permit fees associated with the project. A street-use right-of-way application will still be required along with a proposed traffic control plan specific to each project location.
- Complete a subsurface field investigation that includes the following:
 - Traffic control during the exploration activities within the public right-of-way.
 - Exploration of the subsurface conditions at each of the three project locations as follows:
 - 80th Street NE and State Avenue: One boring to 20 feet BGS at the corner of the intersection adjacent to the signal pole location
 - Cedar Avenue and SR 528: One boring to 20 feet BGS at the corner of the intersection adjacent to the signal pole location
 - State Avenue and 88th Street NE: Three borings to 20 feet BGS to be located along the proposed wall alignment within the cemetery and up to two pavement cores to be completed in the center lane of 88th Street NE just east of the intersection with State Avenue

The borings will be drilled with a small track-mounted drill rig to minimize our footprint within the right-of-way and disturbance in the cemetery. Drilling will be completed using hollow-stem auger techniques. Our representative will collect samples from the borings and log the subsurface conditions encountered. Samples will be collected using the Standard Penetration Test at approximately 2.5-foot intervals for the initial 15 feet and then at 5-foot intervals thereafter.

We anticipate traffic control services, including one flagger, will be required when working within the right-of-way and to re-route traffic around the equipment. A separate site visit will be necessary in order to mark the boring locations for the utility locate requests and to meet with cemetery personnel to determine acceptable boring locations along the proposed retaining wall alignment. A second visit will be necessary to verify that there are no utility conflicts at the proposed boring locations prior to drilling. We anticipate each boring can be drilled in approximately two hours, after which the area will be cleared.

We assume the City will coordinate access to the cemetery property.

- Complete laboratory analyses on disturbed soil samples obtained from the explorations, including up to 15 moisture content determinations, 4 grain-size analyses, and 3 Atterberg limits tests.

- Prepare a report summarizing our findings, conclusions, and recommendations, including information related to the following:
 - Subsurface soil and groundwater conditions
 - Luminaire foundation design based on Washington Department of Transportation Geotechnical Design Manual M 46-03 Chapter 17-1 Foundation Design for Signals, Signs, Noise Barriers, Culverts, and Buildings.
 - Concrete gravity wall design parameters including shallow foundation support recommendations, allowable bearing capacity, lateral resistance, lateral earth pressures, and subsurface drainage.
 - Subgrade preparation recommendations.
 - Fill placement and compaction criteria and estimates of settlement associated with retaining wall construction.
 - Utility installation, excavation, backfill material type, and compaction requirements.
 - Fill material types, placement and compaction
 - Geosynthetics.

SCHEDULE

We will begin work on the project upon your notification to proceed. We have checked on the availability of drillers and anticipate that the drilling can be completed within approximately two weeks of notice to proceed, assuming that a right-of-way permit can be obtained within the two-week period. The work will be coordinated with you and the City to avoid/minimize impacts to traffic. Our report will be available within three weeks after completion of the field explorations. Preliminary results can be provided as necessary.

FEE

Our services will be completed on a time and materials basis in accordance with our Schedule of Charges and General Conditions, which are attached to and are part of this proposal. The estimated project cost is \$18,440 for the scope of work described above. The following is an approximate breakdown of our charges and a detailed breakdown is included as an attachment.

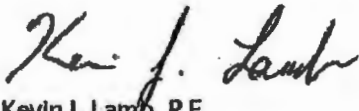
<u>Activity</u>	<u>Expenditures</u>
Subcontractors	
Drilling, Coring, and Traffic Control Subcontractors	\$6,700
GeoDesign, Inc.	
Logistics, Field Work, Locates, and Traffic Control Plans	\$4,870
Laboratory Testing	1,590
Geotechnical Analyses, Report, and Project Management	<u>5,280</u>
Subtotal	\$11,740
Total	\$18,440

◆ ◆ ◆

We appreciate the opportunity to submit this proposal. Please call if you have questions regarding this submittal. Formal authorization for our services can be provided by returning one signed copy of this proposal.

Sincerely,

GeoDesign, Inc.



Kevin J. Lamb, P.E.
Principal Engineer

cc: Mr. Nelson Davis, KPG, Inc. (via email only)

KJL:kt

Attachments

One copy submitted (via email only)

Document ID: KPG-28-01-080913-geop.docx

© 2013 GeoDesign, Inc. All rights reserved.

The scope of services and terms described herein are accepted, and GeoDesign, Inc. is authorized to proceed.

_____	by	_____
Organization		Signature*
_____		_____
Date		Name Printed

		Title

*Individual with contracting authority and responsible for payment of GeoDesign, Inc.'s fees.

GeoDesign, Inc. FEE SUMMARY

Project: City of Marysville
 Job No. KPG-28-1

Date 8/9/2013

Standard Schedule (SS) or Direct Salary Cost (DSC)	SS
Labor Rate	2012 Standard Schedule-8/10/2012
GeoDesign OH Rate, if DSC calculation is used	
If Labor is DSC is the Fixed Fee = FF x (DSC+OH) ?	NO
Allowable Handling Charge	12.00%

Fixed Fee

Include Laboratory Cost as Labor Hour
 If answered "YES" Enter Labor Division:

GEODESIGN LABOR - Summary from GeoDesign Hours Worksheet		PROJECT PHASES OR TASKS						
CLASSIFICATION		Logistics and Field Investigation	Engineering and Report	Laboratory	Subcontractors	Total Hours	Labor Rate	Cost
1.	Principal/Senior PM	2.5	8.0	1.0		11.5	\$184.00	\$2,116
2.	Senior Associate						\$168.00	
3.	Associate						\$158.00	
4.	PM	5.0				5.0	\$144.00	\$720
5.	Project Engineer/Geologist II		12.0			12.0	\$135.00	\$1,620
6.	Project Engineer/Geologist I						\$127.00	
7.	Engineering/Geological Staff III		8.0	2.0		10.0	\$110.00	\$1,100
8.	Engineering/Geological Staff II	30.0				30.0	\$94.00	\$2,820
9.	Engineering/Geological Staff I						\$83.00	
10.	Senior Technician (lab)						\$88.00	
11.	CAO		3.0			3.0	\$60.00	\$180
12.	Technician II						\$74.00	
13.	Technician (lab)						\$85.00	
14.	Senior Project Assistant	1.0	8.0			10.0	\$80.00	\$800
15.	Project Assistant	1.0	3.0			4.0	\$74.00	\$296
16.	Support Staff	1.0	2.0			3.0	\$63.00	\$189
SUBTOTAL - Labor		\$4,217	\$5,280	\$404		86.5	\$9,901	\$9,901
OVERHEAD (OH) COST (including Salary Additions)								
FIXED FEE (FF):								
SUBTOTAL LABOR		\$4,217	\$5,280	\$404			\$9,901	\$9,901
EQUIPMENT								
		Logistics and Field Investigation	Engineering and Report	Laboratory	Subcontractors	Unit	Rate	Extended
VEHICLE - GeoDesign	5					Day	\$20.00	\$100.00
VEHICLE - Mileage	300					Mile	\$0.60	\$180.00
INSTRUMENT - GEO - Digital Camera	1					Day	\$10.00	\$10.00
SAMPLING - GEO - MISC Sampling Equipment	2					Day	\$10.00	\$20.00
METER - Water Level Meter	2					Day	\$42.00	\$84.00
SUBTOTAL EQUIPMENT		\$194					\$194	\$304.00
REBURSABLES:								
		Logistics and Field Investigation	Engineering and Report	Laboratory	Subcontractors	Unit	Rate	Extended
Vehicle Mileage - Personal Car						day	\$0.52	
Permits	1					each	\$250.00	\$250.00
SUBTOTAL REBURSABLES		\$250					\$250	\$250.00
LABORATORY TESTING:								
		Logistics and Field Investigation	Engineering and Report	Laboratory	Subcontractors	Unit	Rate	Extended
Mohr - Oven				15		ea	\$26	\$375.00
Particle Size Analysis Percent passing #200				4		ea	\$79	\$316.00
Consolidation						ea	\$420	
Atterberg Limits (ASMT (D-4316)				3		ea	\$163	\$489.00
Ogden Control						ea	\$84	
CEC						ea	\$96	
SUBTOTAL LABORATORY				\$1,199			\$1,199	\$1,199.00
GeoDesign Charges subtotal		\$4,861	\$5,680	\$1,584			\$11,725	\$11,725
SUBCONTRACTORS (include tax when applicable)								
		Logistics and Field Investigation	Engineering and Report	Laboratory	Subcontractors	SUBTOTAL	HC	Extended
Drilling Contractor - Borehole or Geologic Drill					\$3,000	\$3,000	\$450	\$4,200
Locator					\$280	\$280	\$34	\$314
Traffic Control (1-day)					\$1,400	\$1,400	\$188	\$1,688
Consp at 88th Street					\$500	\$500	\$60	\$560
SUBTOTAL SUBCONSULTANTS incl HC					\$5,680	\$5,680	\$732	\$6,412
ACTUAL SUBTOTAL BY PHASE incl HC		\$4,861	\$5,280	\$1,884	\$6,698			\$18,422.60
ROUNDED UP SUBTOTAL BY PHASE incl HC		\$4,870	\$5,280	\$1,690	\$6,700			\$18,440
TOTAL - ESTIMATED FEE								\$18,422.60

\$11,740

Prepared By: _____
 Checked By: _____

Date: _____
 Date: _____

GEOTECHNICAL SCHEDULE OF CHARGES

COMPENSATION

Our compensation will be determined on the basis of time and expenses in accordance with the following schedule unless a fixed fee amount is so indicated in the proposal or services agreement. Contracted professional and technical services will be charged at the applicable hourly rates as listed below. Staff time spent in depositions, trial preparation, and court or hearing testimony will be billed at one and one-half times the below rates. Time spent in either local or inter-city travel, when travel is in the interest of this contract, will be charged in accordance with the foregoing schedule; when traveling by public carrier, a maximum charge of eight hours per day will be made. Current rates are as follows:

Personnel	Hourly Rate
Support Staff	\$ 63
Project Assistant	\$ 74
Senior Project Assistant	\$ 80
Technician I	\$ 68
Technician II	\$ 78
Senior Technician	\$ 84
CAD	\$ 84
Staff I	\$ 87
Staff II	\$ 100
Staff III	\$ 110
Project Manager I	\$ 127
Project Manager II	\$ 135
Senior Project Manager	\$ 144
Associate	\$ 158
Senior Associate	\$ 168
Principal	\$ 184

Equipment	Rate
Air compressor, generator (per day)	\$ 42
Cement scale and pan (per day)	\$ 25
Core drill (per day)	\$ 200
Cross-hole sonic logger (CSL) (half day, maximum \$450/day)	\$ 225
Digital camera (per day)	\$ 10
Drilled shaft inspection camera (DSIC) (half day, maximum \$900/day)	\$ 450
Field California bearing ratio (CBR) equipment (per day)	\$ 220
Falling weight deflectometer (FWD) (per day)	\$ 1,700
Falling weight deflectometer (FWD) with GPR (per day)	\$ 2,900
Global positioning system (GPS) - differential (per day)	\$ 75
Global positioning system (GPS) - hand-held (per day)	\$ 25
Ground penetrating radar (GPR) - hand-pushed (per day)	\$ 400
Ground penetrating radar (GPR) - truck-mounted (per day)	\$ 1,200
Hand auger (per day)	\$ 35
Hydroacoustic Monitoring Equipment (per day)	\$ 250
Miscellaneous field equipment (per item, per day)	\$ 10
Nuclear density gauge equipment (per hour)	\$ 10
Pile Driving Analyzer (PDA) (half day, maximum \$500/day)	\$ 250
Pile Integrity Tester (per day)	\$ 200
Satellite Phone (per day)	\$ 20
Slope Inclinator equipment (per casing)	\$ 75
Soil samples in brass or stainless sleeves (per sample)	\$ 10
Soil samples in rings (per sample)	\$ 10
Specialty software (MODFLOW, PLAXIS, etc., per hour)	\$ 15
Total Station - Survey Equipment (Precision Geomorphic Surveys) (per hour, maximum \$400/day)	\$ 50
Vehicle (company) usage (half day, plus \$0.60 per mile charge)	\$ 10
Vehicle (company) usage (full day, plus \$0.60 per mile charge)	\$ 20
Vehicle (personal) usage (per mile)	\$ 0.60
Vibration monitoring equipment (per day, maximum \$250/week)	\$ 50

Reproduction	Black/White	Color
8 1/2 x 11 (per finished page)	\$ 0.12	\$ 1.15
11 x 17 (per finished page)	\$ 0.30	\$ 1.50
C- or D-size plots (black/white and color - per finished plot)		\$ 25
D-size scan		\$ 12

OTHER SERVICES, SUPPLIES, AND SPECIAL TAXES

Outside services (equipment, supplies, and facilities not furnished in accordance with the above schedule, and any unusual items of expense not customarily incurred in our normal operations) are charged at cost plus 12 percent. This includes shipping charges, subsistence, transportation, printing and reproduction, miscellaneous supplies and rentals, surveying services, drilling equipment, construction equipment, watercraft, aircraft, and special insurance which may be required. Specialized equipment will be quoted on a per-job basis. In-house disposable field supplies (routinely used field supplies stocked in-house by GeoDesign) at current rates. List available upon request. Taxes required by local jurisdictions for projects in specific geographic areas will be charged to projects at direct cost.

All rates are subject to change upon notification.

LABORATORY SCHEDULE OF CHARGES

TYPE OF TEST	UNIT PRICE
Atterberg Limits (ASTM D 4318-05)	\$ 163
CBR with 3-Point Proctor (ASTM D 1883-07)	\$ 620
Compaction (ASTM D 1557-07/ASTM D 698-07; Methods A, B, and C)	
1 point	\$ 95
4 points	\$ 231
Consolidation (ASTM D 2435-04) (with 2 timed rebounds)	\$ 420
Direct Shear (ASTM D 3080-04)	
Per point	\$ 231
3 points	\$ 441
Moisture Content-Oven Method (ASTM D 2216-05)	\$ 25
Moisture/Density	
Rings	\$ 37
Shelby tubes	\$ 37
Organic Content (ASTM D 2974)	\$ 84
Particle Size Analysis	
Sieve (ASTM C 117-04/ASTM C 136-06) (includes -200 Wash, Dry Sieve)	\$ 126
Percent passing No. 200 (ASTM C 117-04/ASTM D 1140-00)	\$ 79
Combined sieve and hydrometer (ASTM D 422-63)	\$ 210
Permeability	
Falling head in rigid wall permeameter (Army Corps Eng. EM 1110-2-1906, VII-13)	\$ 368
In triaxial cell with back pressure saturation (ASTM D 5084-03)	\$ 420
pH of Soil (ASTM G 51)	\$ 84
Resilient Modulus (AASHTO T 307-99)	
In situ sample	\$ 600
Remolded sample (Includes compaction and sample preparation)	\$ 900
Rice Density (ASTM D 2041)	\$ 126
Soil Resistivity	\$ 194
Specific Gravity	
Parafilm coated core	\$ 47
Rice	\$ 95
Gravity-core specific gravity	\$ 16
Gravel specific gravity	\$ 75
Sand specific gravity	\$ 100
Soil	\$ 105
Triaxial Compression	
Unconsolidated, undrained (back pressure saturation) (ASTM D 2850-03)	\$ 320
Consolidated, undrained, 1 point (ASTM D 4767-06)	\$ 420
Consolidated, undrained, strength envelope (ASTM D 4767-06)	\$ 1260
Unconfined Compression	
Unconfined compression of undisturbed soil samples (ASTM D 2166-06)	\$ 121
Unconfined compression of cement-treated soils (ASTM D 1633-00)	\$ 82

Sample preparation and other tests charged at hourly rates.

GeoDesign, Inc. reserves the right to subcontract any laboratory testing listed in our scope of work and to apply charges for subcontracted testing at the rates listed above.

GENERAL CONDITIONS

GeoDesign, Inc. strives to meet the needs of each client and to develop and maintain long-term relationships based on open communication, mutual trust, and respect. We believe that the achievement of an appropriate level of partnering and risk sharing on each assignment is necessary toward that end. Ultimately, this provides a significant level of protection for each client. The following General Conditions have been developed with this in mind.

INTEGRATION

The Agreement letter together with the General Conditions comprise the entire Agreement between the parties. This Agreement may not be changed without the prior written consent of all parties to the Agreement. There are no terms or conditions that are not expressed in this Agreement.

STANDARD OF CARE

GeoDesign, Inc. will perform its professional services in accordance with that degree of care and skill ordinarily exercised by similarly qualified geoscience professionals currently practicing in this area under similar conditions. No warranties or representations are expressed or implied.

THIRD PARTY INDEMNIFICATION

To the fullest extent permitted by law, Client agrees to defend, indemnify, and hold harmless GeoDesign, Inc. from any third party claims for injury or losses allegedly arising out of or related to GeoDesign, Inc.'s services under this Agreement, to the extent such claims arise out of the gross negligence or willful misconduct of Client or its employees.

CLIENT FURNISHED INFORMATION AND OBLIGATIONS

The Client is responsible to provide to GeoDesign, Inc. a description of the property, its location, the locations of any underground utilities, facilities, or structures on or adjacent to the property that could impact our work, as well as the nature and location of any known or suspected hazardous materials that may exist on the property. The Client agrees to defend and hold GeoDesign, Inc., its owners, employees, subcontractors, and agents harmless from any damage to subterranean structures known by Client to exist that are not specifically identified to GeoDesign, Inc. Client agrees that any hazardous materials, including asbestos, present at the work site prior to and during the performance of this Agreement were not generated, transported, stored, or disposed by GeoDesign, Inc.

SITE ACCESS/RIGHT-OF-ENTRY

The Client must advise GeoDesign, Inc., prior to commencement of our services, of any special requirements for site entry, work permits, security clearances, licenses, or any other required permissions. If the property is not owned by the Client, the Client shall obtain written permission for right-of-entry for the purpose of accomplishing our services.

SURFACE AND SUBSURFACE DISTURBANCE

GeoDesign, Inc. will take reasonable precautions to minimize surface and subsurface disturbance. In the normal course of exploratory work some surface disturbance may occur, the restoration of which is not part of this Agreement, unless specifically provided in the scope of services and budget.

UNANTICIPATED CONDITIONS OR HAZARDOUS MATERIALS

Subsurface conditions may vary from those encountered at the locations where surveys or explorations are made by GeoDesign, Inc. Because the data, interpretations, and recommendations of GeoDesign, Inc. are based solely on the information available to GeoDesign, Inc., limitations on available data will result in some level of uncertainty and, therefore, risk, with respect to the interpretation of environmental, geological, and geotechnical conditions, despite the use of due professional care. The discovery of unanticipated conditions or hazardous materials constitutes a changed condition mandating an appropriate re-negotiation of the scope of services and budget or termination of services. The discovery of unanticipated hazardous materials also may make it necessary for GeoDesign, Inc. to take immediate measures to address health and safety. GeoDesign, Inc. shall notify Client as soon as practically possible should hazardous materials be encountered. Client agrees to compensate GeoDesign, Inc. for the additional cost of services necessary to protect the health and safety of the public and GeoDesign, Inc.'s employees.

INDEMNIFICATION

Client and GeoDesign, Inc. each agree to indemnify and hold the other harmless, and their respective officers, employees, agents, and representatives from and against liability for all claims, losses, damages, and expenses, including reasonable attorneys' fees, to the extent such claims, losses, damages, or expenses are caused by the indemnifying party's negligent acts, errors, or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Client and GeoDesign, Inc., they shall be borne by each party in proportion to its negligence.

The Client agrees that GeoDesign, Inc. will have no liability for any claim regarding bodily injury or property damage alleged to arise from or be caused by the presence of or exposure to any Biological Pollutants in or around any structure. Client further agrees to indemnify and hold GeoDesign, Inc. harmless from third party claims for damages arising from the presence of or exposure to any Biological Pollutants, except for damages arising from or caused by GeoDesign, Inc.'s sole negligence. The term "Biological Pollutants" includes, but is not limited to, molds, fungi, spores, bacteria, and viruses, and the byproducts of any such biological organisms.

REPORTING OF HAZARDOUS SUBSTANCE RELEASES

The Client is responsible for reporting releases of hazardous substances when such reports are required by government agencies. The Client agrees to defend and hold GeoDesign, Inc. harmless for government or other third party action taken from Client's failure to comply with hazardous substance release reporting requirements.

JOB SITE CONDUCT AND SAFETY

GeoDesign, Inc. will be responsible for its professional activities on the job site. This will not relieve the Client, Owner, or construction contractors of their obligation to maintain a safe job site. Neither GeoDesign, Inc.'s professional activities nor the presence of its employees or subcontractors shall be construed to imply responsibility for job site safety.

CONSTRUCTION AND REMEDIATION MONITORING

The Client understands that the recommendations for construction or remediation presented in GeoDesign, Inc.'s reports are based on interpretations of variable subsurface conditions. In order to validate its assumptions, GeoDesign, Inc. needs to be present during construction or remediation. Therefore, this Agreement should include pre-construction plan review and construction observation/remediation monitoring services by GeoDesign, Inc. if construction will be part of the project. If not allowed to provide pre-construction plan review and construction observation/remediation monitoring services, GeoDesign, Inc. will assume no liability for the accuracy of its preliminary assumptions and recommendations. GeoDesign, Inc.'s actions shall not be construed as altering any Agreement between the Client and others. Only the Client has the right to reject or stop work of any of the Client's agents. GeoDesign, Inc.'s presence on site does not in any way guarantee the completion,

quality, or performance of the work of any party retained by the Client to provide field or construction/remediation-related services. GeoDesign, Inc. will not be responsible for, and will not have control or charge of, specific means, methods, techniques, sequences, or procedures of construction or remediation selected by any agent or agreement of the Client, or safety precautions and programs incident thereto.

SAMPLE RETENTION AND DISPOSAL

Non-hazardous samples will be discarded sixty (60) days after they are obtained unless prior arrangements are made to store or deliver the samples. Samples containing hazardous materials that are regulated under federal, state, or local environmental laws will be returned to the Client, at the Client's expense, unless other written arrangements have been made.

INSTRUMENTS OF SERVICE

Reports, field data, laboratory data, analyses, calculations, estimates, designs, and other documents prepared by GeoDesign, Inc. as Instruments of service shall remain the property of GeoDesign, Inc. GeoDesign, Inc. will retain pertinent records relating to the services performed for a period of ten (10) years following submission of the report. Copies of the Instruments of service will be made available to the Client on request for a reasonable fee. Reuse of any Instruments of service by the Client on extensions of this project, or on other projects, or otherwise outside the scope of this Agreement, without GeoDesign, Inc.'s written permission will be at the Client's risk. Client agrees to defend, indemnify, and hold harmless GeoDesign, Inc. from any claims, damages, and expenses arising out of such reuse.

BILLING AND PAYMENT

Billing for services will be submitted monthly. Payment is due on receipt of the invoice unless otherwise agreed in writing. A service charge of one and one-half percent (1.5%) per month will be added to unpaid accounts due over thirty (30) days. Expenses incurred for filing or collecting delinquent amounts, including, but not limited to, attorneys' fees, legal costs, and charges for GeoDesign, Inc.'s staff time shall be paid in addition to the delinquent amount.

TERMINATION OF SERVICES

This Agreement may be terminated by either party upon at least seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms and conditions through no fault of the terminating party. Such termination shall not be effective if the failure has been remedied before expiration of the period specified in the written notice. In the event that the Client requests early termination of our services, GeoDesign, Inc. reserves the right to complete such analyses and records as are necessary to place its files in order and to complete a report on the services performed to date. Charges for these termination activities shall be in addition to all charges incurred up to the date of termination.

INSURANCE

GeoDesign, Inc. maintains Worker's Compensation and Employer's Liability Insurance as required by state laws. GeoDesign, Inc. also maintains comprehensive general, auto, professional, and environmental impairment liability insurance, certificates of which are available on request.

LIMITATION OF REMEDIES

General: The parties agree that GeoDesign's limit of liability applies to all of its work on this project that is the subject of this Agreement. All prior and subsequent phases of work completed by GeoDesign for this project will be executed under the terms of these General Conditions, and the aggregate liability for all phases of this project, including any indemnity obligation, will be the limits identified below.

Non-Professional Liability Claims: In the performance of this Agreement and subject to the limits, terms, and conditions of property damage and public liability coverage, GeoDesign, Inc. agrees to indemnify and hold Client harmless from GeoDesign, Inc.'s proportional share of liability resulting from its negligence or breach of contract compared to that of other persons or entities which results in damage to Client. GeoDesign, Inc. shall not be responsible for any loss, damage, or liability beyond the amounts, limits, coverage, or conditions of its insurance coverage on the date the claim is made. GeoDesign shall not be responsible for Client's negligence nor the negligence of third parties.

Professional Liability Claims: In consideration of relative opportunities for financial reward from this project for the parties to this Agreement, Client agrees that the maximum aggregate amount of its recovery from GeoDesign, Inc. or its employees due to any and all claims of professional negligence and breach of contract arising out of any incident on non-residential projects shall be limited to the amount of GeoDesign, Inc.'s fee for the services provided under this Agreement or \$50,000, whichever is the greater, unless a higher limit with commensurate compensation is specifically negotiated. Professional liability on residential projects is limited to the amount of GeoDesign, Inc.'s fee for the services provided under this Agreement. GeoDesign shall not be responsible for Client's negligence, breach of contract, willful misconduct or other fault, or that of its contractors, agents, other consultants or third parties.

CONSEQUENTIAL DAMAGES

Neither Client nor GeoDesign, Inc. shall be liable for consequential damages, including loss of use or loss of profits, or indirect damages, regardless of whether such claim is based upon alleged breach of contract, willful misconduct, strict liability, breach of warranty or negligent act, error or omission, whether professional or nonprofessional.

DISPUTES

Any dispute, controversy, or claim arising out of or relating to this Agreement, or breach thereof, shall be referred to mediation before litigation may be pursued, unless the parties mutually agree otherwise. The law of the State of Oregon will govern the validity and execution of this Agreement and the disposition of any claims related to this Agreement.

TIME BAR TO LEGAL ACTION

Legal actions by either party against the other for breach of this Agreement, failure to perform in accordance with the applicable standard of care, claims of misrepresentation, or any other tort claim shall be barred two (2) years after the date Claimant knew or should have known of any damage or injury as a result of the services provided under this Agreement or six (6) years after termination of GeoDesign's services, whichever is earlier.

ASSIGNS

Neither the Client nor GeoDesign, Inc. may delegate, assign, sublet, or transfer the duties, interests, or responsibilities set forth in this Agreement to other entities without the written consent of the other party.

SURVIVAL

These terms and conditions shall survive the completion of the services under the Agreement and the termination of the Agreement for any cause.

SEVERABILITY

Any element of this Agreement later held to violate a law or regulation shall be deemed void, and remaining provisions shall continue in force. Client and GeoDesign, Inc. shall in good faith attempt to replace any invalid or unenforceable provision with one that is valid and enforceable, and which comes as close as possible to expressing the intent of the original provision.

EXHIBIT G-3
(Geo Design)



**Washington State
Department of Transportation**

Lynn Peterson
Secretary of Transportation

May 13, 2013

Jeff Tucker, Principal
Geo Design, Inc.
15575 SW Sequoia Pkwy, STE 100
Portland, OR 97224-7195

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300

360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

RECEIVED

MAY 13 2013

GEO DESIGN, INC.

Re: Geo Design, Inc. Indirect Cost Rate Schedule
Fiscal Year End December 31, 2011

Dear Mr. Tucker:

We have completed a desk review of Geo Design, Inc. indirect cost rate schedule for the above referenced fiscal year. Our review included the documentation provided by Geo Design, Inc.

The reviewed data included, but was not limited to; the schedule of the indirect cost rate, a description of the company, basis of accounting and description of Geo Design, Inc. accounting system and the basis of indirect costs.

Based on our work, we are issuing this letter of review establishing the Geo Design, Inc. indirect cost rate for the fiscal year ending December 31, 2011, at 172.23% of direct labor. Costs billed to actual agreements will still be subject to audit of actual costs.

Please check with the WSDOT Consultant Services Office (HQ) and/or the WSDOT Area Consultant Liaison to determine when this reviewed rate will be applicable to your WSDOT agreement(s).

Also, when you provide next year's indirect cost rate schedule to our office or to your CPA firm, please submit either your internally prepared *Compensation Analysis*, or the *National Compensation Matrix (NCM)* worksheet.

If you, or any representatives of Geo Design, Inc. have any questions, please contact Martha Roach, Jeri Sivertson, or Steve McKerney at (360)705-7003.

Sincerely,


Martha S. Roach
Agreement Compliance Audit Manager

MR:ds
Enclosures

cc: Steve McKerney, Director of Internal Audit
Jeri Sivertson, Assistant Director of Internal Audit
Larry Schofield, MS 47323
File

GeoDesign, Inc.
Indirect Cost Rate Schedule
For the Year Ended December 31, 2011

Description	Financial Statement Amount	GeoDesign Adj	WSDOT Adj	Ref	Accepted Amount	%
Direct Labor	<u>\$2,350,847</u>	\$15,862		a.	<u>\$2,366,709</u>	100.00%
Indirect Costs:						
Fringe Benefits						
Vacation	\$315,238				\$315,238	13.32%
Holiday	141,680	(\$11,322)		b.	130,359	5.51%
Sick & Other Leave	99,004	788		c.	99,792	4.22%
Payroll Taxes	456,917				456,917	19.31%
Group Insurance (Includes Key Man)	431,066	(8,889)		6	422,177	17.84%
Incentive Payments - Bonuses	502,231	(205,369)	(\$296,862)	14,E	0	0.00%
Profit Sharing	0				0	0.00%
Fitness Benefit	3,201				3,201	0.14%
Retirement Benefits/401K	120,385				120,385	5.09%
Fringe Benefit	0		(160,455)	P	(160,455)	-6.78%
Total Fringe Benefits	<u>\$2,069,722</u>	<u>(\$224,791)</u>	<u>(\$457,317)</u>		<u>\$1,387,614</u>	<u>58.63%</u>
General Overhead						
Indirect Labor	\$1,817,394	(\$405,515)	(\$240,476)	10,14,15,18,K	\$1,171,403	49.50%
Bid & Proposal Labor			240,476	K	240,476	10.16%
Labor Variance	(257,301)				(257,301)	-10.87%
COG - Lab & Field Supplies	153,716	(79,197)	(4,756)	1,12,F	69,763	2.95%
Building Rental and Expenses	386,064				386,064	16.31%
Equipment Rental and Expenses	68,510				68,510	2.89%
Utilities	831				831	0.04%
Travel and Expenses - general	22,843		(8,326)	O	14,517	0.61%
Employees' Expenses	121,509	(21,584)	(16,619)	2,3,4,J	83,306	3.52%
Taxes and Licenses - general	74,524	2,503	(44,627)	13,G	32,400	1.37%
Depreciation and Amortization	257,599	(51,335)		1	206,264	8.72%
Postage	19,481		(2,030)	H	17,451	0.74%
Subscriptions	8,837		(5,006)	I	3,831	0.16%
Donations	11,661	(11,661)		5	0	0.00%
Professional Insurance	310,655		(50,000)	M	260,655	11.01%
Bad Debts	(103,823)	103,823		7	0	0.00%
Office Expense	291,538	(21,508)	(3,490)	8,11,N	266,540	11.26%
Interest - net	33,359	(33,359)		9	0	0.00%
Professional Services	47,946	(2,505)	(265)	16,17,Q	45,176	1.91%
Temporary Help	90,923		(61,525)	D	29,398	1.24%
Advertising/Promotional materials	18,544	(18,544)		10	0	0.00%
Marketing Expense	65,974	(65,974)		2,3,4	0	0.00%
Computer Expense	92,947	(30,845)	(310)	19,L	61,792	2.61%
Lab Equipment Recovery Credit, Refun	(33,490)				(33,490)	-1.42%
Total General Overhead	<u>\$3,500,239</u>	<u>(\$635,700)</u>	<u>(\$196,954)</u>		<u>\$2,667,585</u>	<u>112.71%</u>
Total Indirect Costs & Overhead	<u>\$5,569,961</u>	<u>(\$860,492)</u>	<u>(\$654,271)</u>		<u>\$4,055,199</u>	<u>171.34%</u>
Indirect Cost Rate (Less FCC)	236.93%	198.99%			<u>171.34%</u>	
Facilities Cost of Capital (FCC)	\$21,011				\$21,011	0.89%
Indirect Cost Rate (Includes FCC)	237.83%				<u>172.23%</u>	

GeoDesign, Inc.
Indirect Cost Rate Schedule
For the Year Ended December 31, 2011

Description	Financial Statement Amount	GeoDesign Adj	WSDOT Adj	Ref	Accepted Amount	%
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GeoDesign, Inc - Reviewed & Accepted by SAH 05/13/13
"Overhead Rate still subject to WSDOT Audit"

References

GeoDesign Adjustments:

- 1 FAR 31.202 (a) - Direct Project costs unallowable
- 2 FAR 31.205-46 - Travel Costs in Excess of FTR Rates
- 3 FAR 31.205-51 - Alcohol unallowable
- 4 FAR 31.205-46 - Local meals unallowable
- 5 FAR 31.205-8- Contributions
- 6 FAR 31.205-19 (e)(2)(v)-Key Man Insurance
- 7 FAR 31.205-3-Bad Debts
- 8 FAR 31.205-15- Fines/Penalties
- 9 FAR 31.205-20- Interest Expense
- 10 FAR 31.205-1- Advertising and Promotional costs
- 11 FAR 31.205-16 Employee Morale, Health etc.
- 12 FAR 31.205-18 (Allowed B&P) and FAR 31.205-38 (Unallowed+B33)
- 13 FAR 31.205-41 Taxes
- 14 FAR.31.205-6 (a)(6)(i)(A) Bonus Awards, Severance
- 15 FAR 22.103-1, 22.301-4(g) Unallowable Overtime
- 16 FAR.31.205-6 Bonus Awards, Severance
- 17 FAR 31.205-27 - Accounting and legal fees considered as organization costs are not allowable
- 18 FAR 31.205-- & 38 - Unallowable marketing labor
- 19 FAR 31.201-2(d) - Unable to produce general ledger detail for review
- a Direct Labor understated on Financial, see LDR
- b. Holiday overstated on Financial, see LDR
- c. Discrepancy on Financial, see LDR

WSDOT Adjustments:

- D Temporary Help - Comprised of \$16,411 direct contract labor and \$74,511 indirect contract labor
Income statement reconciliation showed \$16,411 direct contract labor inadvertently included in indirect costs and \$45,114 direct costs imbedded in indirect contract labor account, unallowable per 48 CFR 31.202(a).
- E Bonus - \$296,862 adjustment for remainder of bonus - no written bonus policy established prior to reporting period.
Also, unable to verify bonus based on employee performance and that individual performance goals were communicated to employees prior to work being performed, per 48 CFR 31.205-6(f) and Chapter 7.12, AASHTO Audit Guide.
- F COG - Lab & Field Supplies - \$4,688 adjustment for non billable direct mileage unallowable per 48 CFR 31.202(a) and \$68 adjustment for unallowable advertising per 48 CFR 31.205-1.
- G Taxes and Licenses reported on income statement support allowable costs of \$32,400 per AASHTO Para 2.1.A:
(\$2,889 Misc. Tax/Lic + \$26,443 state income tax + \$2,551 WA sales tax + \$517 CA sales tax = \$32,400)
Adjustment of \$44,627 applied to reflect the following corrections:
\$33,994 adjustment to correct the financial statement amount to match income statement.
\$2,503 adjustment to counter Geo Design adjustment.
\$8,130 adjustment for unallowable taxes reported on income statement per 48 CFR 31.205-41(b), 48 CFR 31.205-15(a), and 48 CFR 31.201-6(d): (\$10,426 Pers Prop Tax + \$103 state tax penalty - \$2,400 fed tax credit).
- H Postage - \$2,030 adjustment for marketing postage account on income statement not adjusted on ICR per 48 CFR 31.205-1.
- I Subscriptions - \$5,006 adjustment for marketing subscriptions account on income statement not adjusted on ICR per 48 CFR 31.205-1.
- J Employees' Expenses - \$16,619 adj for lobbying, entertainment, gifts and direct costs unallowable per 48 CFR 31.205-22, 31.205-14, 31.205-13(b) and 31.202(a).
- K Reclassified Bid & Proposal labor from Indirect Labor to include it as its own line item per 48 CFR 31.205-18, CAS 420 and 2012 AASHTO Audit Guide 6.3.
- L Computer Expense - \$310 adjustment for prior year expenses, unallowable per 48 CFR 31.201-2(c).

Certification of Final Indirect Costs

Firm Name: Geo Design, Inc.

Indirect Cost Rate Proposal: 172.23%

Date of Proposal Preparation (mm/dd/yyyy): 05/15/2013

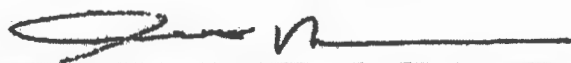
Fiscal Period Covered (mm/dd/yyyy to mm/dd/yyyy): 01/01/2011 to 12/31/2011

I, the undersigned, certify that I have reviewed the proposal to establish final indirect cost rates for the fiscal period as specified above and to the best of my knowledge and belief:

1.) All costs included in this proposal to establish final indirect cost rates are allowable in accordance with the cost principles of the Federal Acquisition Regulations (FAR) of title 48, Code of Federal Regulations (CFR), part 31.

2.) This proposal does not include any costs which are expressly unallowable under the cost principles of the FAR of 48 CFR 31.

All known material transactions or events that have occurred affecting the firm's ownership, organization and indirect cost rates have been disclosed.

Signature: 

Name of Certifying Official* (Print): Scott V. Mills

Title: President

Date of Certification (mm/dd/yyyy): 5/10/13

*The "Certifying Official" must be an individual executive or financial officer of the firm at a level no lower than a Vice President or Chief Financial Officer, or equivalent, who has the authority to represent the financial information utilized to establish the indirect cost rate for use under Agency contracts.

Ref. FHWA Directive 4470.1A available on line at:
<http://www.fhwa.dot.gov/legacrs/directives/orders/44701a.htm>

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Exhibit I
Payment Upon Termination of Agreement
By the Agency Other Than for
Fault of the Consultant

(Refer to Agreement, Section IX)

Lump Sum Contracts

A final payment shall be made to the CONSULTANT which when added to any payments previously made shall total the same percentage of the Lump Sum Amount as the work completed at the time of termination is to the total work required for the PROJECT. In addition, the CONSULTANT shall be paid for any authorized extra work completed.

Cost Plus Fixed Fee Contracts

A final payment shall be made to the CONSULTANT which when added to any payments previously made, shall total the actual costs plus the same percentage of the fixed fee as the work completed at the time of termination is to the total work required for the Project. In addition, the CONSULTANT shall be paid for any authorized extra work completed.

Specific Rates of Pay Contracts

A final payment shall be made to the CONSULTANT for actual hours charged at the time of termination of this AGREEMENT plus any direct nonsalary costs incurred at the time of termination of this AGREEMENT.

Cost Per Unit of Work Contracts

A final payment shall be made to the CONSULTANT for actual units of work completed at the time of termination of this AGREEMENT.

Exhibit J

Alleged Consultant Design Error Procedures

The purpose of this exhibit is to establish a procedure to determine if a consultant's alleged design error is of a nature that exceeds the accepted standard of care. In addition, it will establish a uniform method for the resolution and/or cost recovery procedures in those instances where the agency believes it has suffered some material damage due to the alleged error by the consultant.

Step 1 – Potential Consultant Design Error(s) is Identified by Agency's Project Manager

At the first indication of potential consultant design error(s), the first step in the process is for the Agency's project manager to notify the Director of Public Works or Agency Engineer regarding the potential design error(s). For federally funded projects, the Region Highways and Local Programs Engineer should be informed and involved in these procedures. (Note: The Director of Public Works or Agency Engineer may appoint an agency staff person other than the project manager, who has not been as directly involved in the project, to be responsible for the remaining steps in these procedures.)

Step 2 - Project Manager Documents the Alleged Consultant Design Error(s)

After discussion of the alleged design error(s) and the magnitude of the alleged error(s), and with the Director of Public Works or Agency Engineer's concurrence, the project manager obtains more detailed documentation than is normally required on the project. Examples include: all decisions and descriptions of work; photographs, records of labor, materials and equipment.

Step 3 – Contact the Consultant Regarding the Alleged Design Error(s)

If it is determined that there is a need to proceed further, the next step in the process is for the project manager to contact the consultant regarding the alleged design error(s) and the magnitude of the alleged error(s). The project manager and other appropriate agency staff should represent the agency and the consultant should be represented by their project manager and any personnel (including sub-consultants) deemed appropriate for the alleged design error(s) issue.

Step 4 – Attempt to Resolve Alleged Design Error with Consultant

After the meeting(s) with the consultant have been completed regarding the consultant's alleged design error(s), there are three possible scenarios:

- It is determined via mutual agreement that there is not a consultant design error(s). If this is the case, then the process will not proceed beyond this point.
- It is determined via mutual agreement that a consultant design error(s) occurred. If this is the case, then the Director of Public Works or Agency Engineer, or their representatives, negotiate a settlement with the consultant. The settlement would be paid to the agency or the amount would be reduced from the consultant's agreement with the agency for the services on the project in which the design error took place. The agency is to provide H&LP, through the Region

Local Programs Engineer, a summary of the settlement for review and to make adjustments, if any, as to how the settlement affects federal reimbursements. No further action is required.

- There is not a mutual agreement regarding the alleged consultant design error(s). The consultant may request that the alleged design error(s) issue be forwarded to the Director of Public Works or Agency Engineer for review. If the Director of Public Works or Agency Engineer, after review with their legal counsel, is not able to reach mutual agreement with the consultant, proceed to Step 5.

Step 5 – Forward Documents to Highways and Local Programs

For federally funded projects all available information, including costs, should be forwarded through the Region Highways and Local Programs Engineer to H&LP for their review and consultation with the FHWA. H&LP will meet with representatives of the agency and the consultant to review the alleged design error(s), and attempt to find a resolution to the issue. If necessary, H&LP will request assistance from the Attorney General's Office for legal interpretation. H&LP will also identify how the alleged error(s) affects eligibility of project costs for federal reimbursement.

- If mutual agreement is reached, the agency and consultant adjust the scope of work and costs to reflect the agreed upon resolution. H&LP, in consultation with FHWA, will identify the amount of federal participation in the agreed upon resolution of the issue.
- If mutual agreement is not reached, the agency and consultant may seek settlement by arbitration or by litigation.

Exhibit K

Consultant Claim Procedures

The purpose of this exhibit is to describe a procedure regarding claim(s) on a consultant agreement. The following procedures should only be utilized on consultant claims greater than \$1,000. If the consultant's claim(s) are a total of \$1,000 or less, it would not be cost effective to proceed through the outlined steps. It is suggested that the Director of Public Works or Agency Engineer negotiate a fair and reasonable price for the consultant's claim(s) that total \$1,000 or less.

This exhibit will outline the procedures to be followed by the consultant and the agency to consider a potential claim by the consultant.

Step 1 – Consultant Files a Claim with the Agency Project Manager

If the consultant determines that they were requested to perform additional services that were outside of the agreement's scope of work, they may be entitled to a claim. The first step that must be completed is the request for consideration of the claim to the Agency's project manager.

The consultant's claim must outline the following:

- Summation of hours by classification for each firm that is included in the claim;
- Any correspondence that directed the consultant to perform the additional work;
- Timeframe of the additional work that was outside of the project scope;
- Summary of direct labor dollars, overhead costs, profit and reimbursable costs associated with the additional work; and
- Explanation as to why the consultant believes the additional work was outside of the agreement scope of work.

Step 2 – Review by Agency Personnel Regarding the Consultant's Claim for Additional Compensation

After the consultant has completed step 1, the next step in the process is to forward the request to the Agency's project manager. The project manager will review the consultant's claim and will meet with the Director of Public Works or Agency Engineer to determine if the Agency agrees with the claim. If the FHWA is participating in the project's funding, forward a copy of the consultant's claim and the Agency's recommendation for federal participation in the claim to the WSDOT Highways and Local Programs through the Region Local Programs Engineer. If the claim is not eligible for federal participation, payment will need to be from agency funds.

If the Agency project manager, Director of Public Works or Agency Engineer, WSDOT Highways and Local Programs (if applicable), and FHWA (if applicable) agree with the consultant's claim, send a request memo, including backup documentation to the consultant to either supplement the agreement, or create a new agreement for the claim. After the request has been approved, the Agency shall write the supplement and/or new agreement and pay the consultant the amount of the claim. Inform the consultant that the final payment for the agreement is subject to audit. No further action is needed regarding the claim procedures.

If the Agency does not agree with the consultant's claim, proceed to step 3 of the procedures.

Step 3 – Preparation of Support Documentation Regarding Consultant's Claim(s)

If the Agency does not agree with the consultant's claim, the project manager shall prepare a summary for the Director of Public Works or Agency Engineer that included the following:

- Copy of information supplied by the consultant regarding the claim;
- Agency's summation of hours by classification for each firm that should be included in the claim;
- Any correspondence that directed the consultant to perform the additional work;
- Agency's summary of direct labor dollars, overhead costs, profit and reimbursable costs associated with the additional work;
- Explanation regarding those areas in which the Agency does/does not agree with the consultant's claim(s);
- Explanation to describe what has been instituted to preclude future consultant claim(s); and
- Recommendations to resolve the claim.

Step 4 – Director of Public Works or Agency Engineer Reviews Consultant Claim and Agency Documentation

The Director of Public Works or Agency Engineer shall review and administratively approve or disapprove the claim, or portions thereof, which may include getting Agency Council or Commission approval (as appropriate to agency dispute resolution procedures). If the project involves federal participation, obtain concurrence from WSDOT Highways and Local Programs and FHWA regarding final settlement of the claim. If the claim is not eligible for federal participation, payment will need to be from agency funds.

Step 5 – Informing Consultant of Decision Regarding the Claim

The Director of Public Works or Agency Engineer shall notify (in writing) the consultant of their final decision regarding the consultant's claim(s). Include the final dollar amount of the accepted claim(s) and rationale utilized for the decision.

Step 6 – Preparation of Supplement or New Agreement for the Consultant's Claim(s)

The agency shall write the supplement and/or new agreement and pay the consultant the amount of the claim. Inform the consultant that the final payment for the agreement is subject to audit.

**Exhibit M-1(a)
Certification Of Consultant**

Project No. R-1302, M-1301, M-1302

Local Agency Marysville

I hereby certify that I am Nelson Davis and duly authorized representative of the firm of KPG whose address is 2502 Jefferson Avenue, Tacoma, Washington 98402 and that neither I nor the above firm I here represent has:

- (a) Employed or retained for a commission, percentage, brokerage, contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the above CONSULTANT) to solicit or secure the AGREEMENT;
- (b) Agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out this AGREEMENT; or
- (c) Paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above CONSULTANT) any fee, contribution, donation, or consideration of any kind for, or in connection with, procuring or carrying out this AGREEMENT; except as hereby expressly stated (if any);

I acknowledge that this certificate is to be available to the Washington State Department of Transportation and the Federal Highway Administration, U.S. Department of Transportation in connection with this AGREEMENT involving participation of Federal-aid highway funds, and is subject to applicable State and Federal laws, both criminal and civil.

8/20/2013
Date



Signature

Exhibit M-1(b)
Certification Of Agency Official

I hereby certify that I am the AGENCY Official of the Local Agency of City of Marysville, Washington, and that the consulting firm or its representative has not been required, directly or indirectly as an express or implied condition in connection with obtaining or carrying out this AGREEMENT to:

- (a) Employ or retain, or agree to employ to retain, any firm or person; or
- (b) Pay, or agree to pay, to any firm, person, or organization, any fee, contribution, donation, or consideration of any kind; except as hereby expressly stated (if any):

I acknowledge that this certificate is to be available to the Washington State Department of Transportation and the Federal Highway Administration, U.S. Department of Transportation, in connection with this AGREEMENT involving participation of Federal-aid highway funds, and is subject to applicable State and Federal laws, both criminal and civil.

Date

Signature

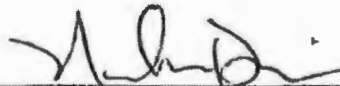
Exhibit M-2
Certification Regarding Debarment, Suspension, and Other Responsibility
Matters-Primary Covered Transactions

- I. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - B. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission or fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - C. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (I) (B). of this certification; and
 - D. Have not within a three (3) year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default.
- II. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Consultant (Firm): KPG

8/20/2013

(Date)



(Signature) President or Authorized Official of Consultant

Exhibit M-3
Certification Regarding The Restrictions
of The use of Federal Funds for Lobbying

The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

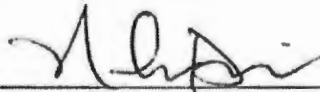
This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

Consultant (Firm): KPG

8/20/2013

(Date)



(Signature) President or Authorized Official of Consultant

Exhibit M-4
Certificate of Current Cost or Pricing Data

This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as defined in section 15.401 of the Federal Acquisition Regulation (FAR) and required under FAR subsection 15.403-4) submitted, either actually or by specific identification in writing, to the contracting officer or to the contracting officer's representative in support of June 13, 2013 Request for Proposals - Engineering Design Services * are accurate, complete, and current as of August 20, 2013 **. This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the offeror and the Government that are part of the proposal.

Firm KPG
Name NELSON DAVIS
Title PRESIDENT
Date of Execution*** 8/20/2013

- * Identify the proposal, quotation, request for price adjustment, or other submission involved, giving the appropriate identifying number (e.g., RFP No.).
- ** Insert the day, month, and year when price negotiations were concluded and price agreement was reached.
- *** Insert the day, month, and year of signing, which should be as close as practicable to the date when the price negotiations were concluded and the contract price was agreed to.