

City of Oak Harbor
City Council Agenda Bill

Bill No. 8. a.
Date: January 2, 2019
Subject: US Navy Contract
N4425519P8000: Wastewater
Treatment Plant Connect and
Treatment Rate Analysis

FROM: Cathy Rosen, Public Works Director

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Patricia Soule, Finance Director
- Nikki Esparza, City Attorney, as to form

RECOMMENDED ACTION

A motion to authorize the Mayor to sign the Navy Order for Supplies or Services in the amount of \$127,065 for the City to prepare an analysis of costs to connect to the City's new Clean Water Facility and determine a rate for operations and maintenance and treatment of the Navy's wastewater.

BACKGROUND / SUMMARY INFORMATION

On August 21, 2018, City Council authorized staff to submit a rate analysis proposal to the Navy for a connection fee and treatment and operation and maintenance rates. The City's proposal was for a not to exceed amount of \$139,275.40 and included the services of HDR, with Carollo Engineers as a subconsultant, and the services of PFM for analysis of funding options and a 10% City administration fee.

On October 24, 2018, City staff met with representatives of the Navy to discuss the City's proposal. It was agreed at that meeting that the City would submit a revised proposal that:

- Modified HDR Task 1 - changing it from a 4 hour in-person kickoff meeting to a 2-hour conference call.
- Included HDR Task 9 - Public Presentation as a City expense as the request for quotations from the Navy did not include a task for Public Presentation. It was explained to the Navy representatives that HDR's analysis must be approved by City Council prior to submitting it to the Navy.
- Removed the services of PFM from the proposal because HDR can perform these services, as we will not be seeking funding at this point in time.
- Changed the proposal from a time and materials, not to exceed basis, to a fixed fee basis.

With these changes, the total cost of the City's proposal was reduced to \$127,065. The revised proposal was submitted to the Navy on November 16, 2018. On December 10, 2018, the Navy notified the City that they have accepted the revised proposal.

After the agreement with the Navy has been approved, the City will need to enter into an agreement with HDR to prepare the required analysis.

If approved, the kickoff meeting will be scheduled in early January 2019.

LEGAL AUTHORITY

FISCAL IMPACT

The total cost of the agreement with the Navy for the City to prepare the analysis is \$127,065.

PREVIOUS COUNCIL / BOARD / CITIZEN INPUT

On August 21, 2018, City Council authorized staff to submit a rate analysis proposal to the Navy for a connection fee and treatment and operation and maintenance rates.

ATTACHMENTS

1. [US Navy Contract N4425519P8000: Wastewater Treatment Plant Connect and Treatment Rate Analysis](#)
2. [Letter to NAVFAC Northwest re Request for Quotation N4425518T7002](#)
3. [Agenda Bill - Authorization to Submit Rate Analysis Proposed to Navy for Wastewater Treatment Plant, Connection and Wastewater Treatment](#)

ORDER FOR SUPPLIES OR SERVICES

1. CONTRACT/PURCH ORDER/ AGREEMENT NO. N4425519P8000	2. DELIVERY ORDER/ CALL NO. N44255	3. DATE OF ORDER/CALL (YYYYMMDD) 2018 Dec 10	4. REQ / PURCH REQUEST NO.	5. PRIORITY
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6. ISSUED BY NAVFAC NORTHWEST PWD WHIDBEY ISLAND FACILITIES ENGINEERING AND ACQUISITION DIVISI 1115 W LEXINGTON DR BLDG 103 OAK HARBOR WA 98278-3500	CODE N44255	7. ADMINISTERED BY (if other than 6) SEE ITEM 6	CODE	8. DELIVERY FOB <input checked="" type="checkbox"/> DESTINATION <input type="checkbox"/> OTHER (See Schedule if other)
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9. CONTRACTOR OAK HARBOR, CITY OF NAME DOUGLAS WERDUMAN <i>Blaine Oborn</i> AND 865 SE BARRINGTON DR ADDRESS OAK HARBOR WA 98277-3280	CODE 1SR03	FACILITY	10. DELIVER TO FOB POINT BY (Date) (YYYYMMDD) SEE SCHEDULE	11. MARK IF BUSINESS IS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGED <input type="checkbox"/> WOMEN-OWNED
			12. DISCOUNT TERMS	
13. MAIL INVOICES TO THE ADDRESS IN BLOCK See Item 15				

14. SHIP TO NAVFAC NORTHWEST (SHIP TO) INSPECTOR OF RECORD PWD WHIDBEY ISLAND FACILITIES ENGINEERING AND ACQUISITION DIVISI 1115 W LEXINGTON DR. BLDG 103 OAK HARBOR WA 98278-3500	CODE N44254	15. PAYMENT WILL BE MADE BY DFAS CLEVELAND ACCOUNTS PAYABLE PO BOX 998022 CLEVELAND OH 44199-8022	CODE N68732	MARK ALL PACKAGES AND PAPERS WITH IDENTIFICATION NUMBERS IN BLOCKS 1 AND 2.
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16. TYPE OF ORDER	DELIVERY/ CALL		This delivery order/call is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract
	PURCHASE	X	Reference your quote dated Furnish the following on terms specified herein. REF:

ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.

NAME OF CONTRACTOR	SIGNATURE	TYPED NAME AND TITLE	DATE SIGNED (YYYYMMDD)
<input type="checkbox"/> If this box is marked, supplier must sign Acceptance and return the following number of copies:			

17. ACCOUNTING AND APPROPRIATION DATA/ LOCAL USE
See Schedule

18. ITEM NO.	19. SCHEDULE OF SUPPLIES/ SERVICES	20. QUANTITY ORDERED/ ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT
SEE SCHEDULE					

* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.	24. UNITED STATES OF AMERICA TEL: 360-257-6501 EMAIL: annie.goodchild@navy.mil BY: ANNIE GOODCHILD	<i>Annie C. B. Goodchild</i> CONTRACTING / ORDERING OFFICER	25. TOTAL	\$127,065.00
			26. DIFFERENCES	

27a. QUANTITY IN COLUMN 20 HAS BEEN
 INSPECTED RECEIVED ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED

b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	c. DATE (YYYYMMDD)	d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
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e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	28. SHIP NO.	29. DO VOUCHER NO.	30. INITIALS
f. TELEPHONE NUMBER	g. E-MAIL ADDRESS		
		<input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	32. PAID BY
36. I certify this account is correct and proper for payment.		31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	33. AMOUNT VERIFIED CORRECT FOR
a. DATE (YYYYMMDD)	b. SIGNATURE AND TITLE OF CERTIFYING OFFICER		34. CHECK NUMBER
			35. BILL OF LADING NO.

37. RECEIVED AT	38. RECEIVED BY	39. DATE RECEIVED (YYYYMMDD)	40. TOTAL CONTAINERS	41. S/R ACCOUNT NO.	42. S/R VOUCHER NO.
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Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	WWTP Connect & Treatment Rate Analysis FFP Rate analysis to provide costs for Navy to connect to the City of Oak Harbor's new wastewater treatment facility. Also include operation and maintenance costs. 4 scenarios requested. FOB: Destination	1	Job	\$127,065.00	\$127,065.00

NET AMT	\$127,065.00
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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000101	FUND ACRN AA FFP Funding Doc. No. N4425519RCWN039 Customer ACRN: MILSTRIP: N4425519RCWN039				\$0.00

NET AMT	\$0.00
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ACRN AA	\$127,065.00
CIN: 00000000000000000000000000000000	

Section C - Descriptions and Specifications

STATEMENT OF WORK

Provided as ATTACHMENT 1.

Section E - Inspection and Acceptance

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0001	N/A	N/A	N/A	Government
000101	N/A	N/A	N/A	N/A

Section F - Deliveries or Performance

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	DODAAC / CAGE
0001	05-APR-2019	1	NAVFAC NORTHWEST (SHIP TO) INSPECTOR OF RECORD PWD WHIDBEY ISLAND FACILITIES ENGINEERING AND ACQUISITION DIVISI 1115 W LEXINGTON DR. BLDG 103 OAK HARBOR WA 98278-3500 360-257-6500 FOB: Destination	N44254
000101	N/A	N/A	N/A	N/A

CLAUSES INCORPORATED BY REFERENCE

52.242-15	Stop-Work Order	AUG 1989
52.242-17	Government Delay Of Work	APR 1984

Section G - Contract Administration Data

ACCOUNTING AND APPROPRIATION DATA

AA: 97X4930 NE1R 000 77777 0 044255 2F 000000
COST CODE: 25519RCWN039
AMOUNT: \$127,065 00

ACRN	CLIN/SLIN	CIN	AMOUNT
AA	000101	00000000000000000000000000000000	\$127,065 00

CLAUSES INCORPORATED BY FULL TEXT

5252.201-9300 CONTRACTING OFFICER AUTHORITY (JUN 1994)

In no event shall any understanding or agreement between the Contractor and any Government employee other than the Contracting Officer on any contract, modification, change order, letter or verbal direction to the Contractor be effective or binding upon the Government. All such actions must be formalized by a proper contractual document executed by an appointed Contracting Officer. The Contractor is hereby put on notice that in the event a Government employee other than the Contracting Officer directs a change in the work to be performed or increases the scope of the work to be performed, it is the Contractor's responsibility to make inquiry of the Contracting Officer before making the deviation. Payments will not be made without being authorized by an appointed Contracting Officer with the legal authority to bind the Government. (End of clause)

Section I - Contract Clauses

CLAUSES INCORPORATED BY REFERENCE

52.204-7	System for Award Management	OCT 2016
52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
52.222-1	Notice To The Government Of Labor Disputes	FEB 1997
52.232-17	Interest	MAY 2014
52.232-23	Assignment Of Claims	MAY 2014
52.237-2	Protection Of Government Buildings, Equipment, And Vegetation	APR 1984
52.243-1 Alt I	Changes--Fixed Price (Aug 1987) - Alternate I	APR 1984
52.249-4	Termination For Convenience Of The Government (Services) (Short Form)	APR 1984
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004 Alt A	System for Award Management Alternate A	FEB 2014
252.232-7003	Electronic Submission of Payment Requests and Receiving Reports	JUN 2012
252.243-7001	Pricing Of Contract Modifications	DEC 1991

CLAUSES INCORPORATED BY FULL TEXT

52.213-4 TERMS AND CONDITIONS--SIMPLIFIED ACQUISITIONS (OTHER THAN COMMERCIAL ITEMS) (JAN 2018).

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses that are incorporated by reference:

(1) The clauses listed below implement provisions of law or Executive order:

(i) 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017) (section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions)).

(ii) 52.222-3, Convict Labor (JUN 2003) (E.O. 11755).

(iii) 52.222-21, Prohibition of Segregated Facilities (APR 2015).

(iv) 52.222-26, Equal Opportunity (SEPT 2016) (E.O. 11246).

(v) 52.225-13, Restrictions on Certain Foreign Purchases (JUN 2008) (E.O.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

(vi) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(vii) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78 (19 U.S.C. 3805 note).

(2) Listed below are additional clauses that apply:

(i) 52.232-1, Payments (APR 1984).

- (ii) 52.232-8, Discounts for Prompt Payment (FEB 2002).
 - (iii) 52.232-11, Extras (APR 1984).
 - (iv) 52.232-25, Prompt Payment (JAN 2017).
 - (v) 52.232-39, Unenforceability of Unauthorized Obligations (JUN 2013).
 - (vi) 52.232-40, Providing Accelerated Payments to Small Business Subcontractors (DEC 2013).
 - (vii) 52.233-1, Disputes (MAY 2014).
 - (viii) 52.244-6, Subcontracts for Commercial Items (NOV 2017).
 - (ix) 52.222-55, Minimum Wages Under Executive Order 13658 (MAR 2016) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia)).
- (b) The Contractor shall comply with the following FAR clauses, incorporated by reference, unless the circumstances do not apply:
- (1) The clauses listed below implement provisions of law or Executive order:
 - (i) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (Oct 2016) (Pub. L. 109-282) (31 U.S.C. 6101 note) (Applies to contracts valued at \$30,000 or more).
 - (ii) 52.222-19, Child Labor--Cooperation with Authorities and Remedies (Jan 2018) (E.O. 13126). (Applies to contracts for supplies exceeding the micro-purchase threshold).
 - (iii) 52.222-20, Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (MAY 2014) (41 U.S.C. chapter 65) (Applies to supply contracts over \$15,000 in the United States, Puerto Rico, or the U.S. Virgin Islands).
 - (iv) 52.222-35, Equal Opportunity for Veterans (Oct 2015) (38 U.S.C. 4212) (applies to contracts of \$150,000 or more).
 - (v) 52.222-36, Equal Employment for Workers with Disabilities (JUL 2014) (29 U.S.C. 793) (Applies to contracts over \$15,000, unless the work is to be performed outside the United States by employees recruited outside the United States). (For purposes of this clause, "United States" includes the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.)
 - (vi) 52.222-37, Employment Reports on Veterans (Feb 2016) (38 U.S.C. 4212) (Applies to contracts of \$150,000 or more).
 - (vii) 52.222-41, Service Contract Labor Standards (MAY 2014) (41 U.S.C. chapter 67) (Applies to service contracts over \$2,500 that are subject to the Service Contract Labor Standards statute and will be performed in the United States, District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, Johnston Island, Wake Island, or the outer Continental Shelf).
 - (viii)(A) 52.222-50, Combating Trafficking in Persons (MAR 2015) (22 U.S.C. chapter 78 and E.O 13627) (Applies to all solicitations and contracts).
 - (B) Alternate I (MAR 2015) (Applies if the Contracting Officer has filled in the following information with regard to applicable directives or notices: Document title(s), source for obtaining document(s), and contract performance location outside the United States to which the document applies).

(ix) 52.222-55, Minimum Wages Under Executive Order 13658 (DEC 2015) (Executive Order 13658) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia)).

(x) 52.222-62, Paid Sick Leave Under Executive Order 13706 (JAN 2017) (E.O. 13706) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia.))

(xi) 52.223-5, Pollution Prevention and Right-to-Know Information (MAY 2011) (E.O. 13423) (Applies to services performed on Federal facilities).

(xii) 52.223-11, Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (June, 2016) (E.O. 13693)(applies to contracts for products as prescribed at FAR 23.804(a)(1)).

(xiii) 52.223-12, Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (June, 2016) (E.O. 13693) (Applies to maintenance, service, repair, or disposal of refrigeration equipment and air conditioners).

(xiv) 52.223-15, Energy Efficiency in Energy-Consuming Products (DEC 2007) (42 U.S.C. 8259b) (Unless exempt pursuant to 23.204, applies to contracts when energy-consuming products listed in the ENERGY STAR[supreg] Program or Federal Energy Management Program (FEMP) will be--

(A) Delivered;

(B) Acquired by the Contractor for use in performing services at a Federally-controlled facility;

(C) Furnished by the Contractor for use by the Government; or

(D) Specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance).

(xv) 52.223-20, Aerosols (June, 2016) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons as a propellant or as a solvent; or contracts for maintenance or repair of electronic or mechanical devices).

(xvi) 52.223-21, Foams (June, 2016) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons or refrigerant blends containing hydrofluorocarbons as a foam blowing agent; or contracts for construction of buildings or facilities.

(xvii) 52.225-1, Buy American--Supplies (MAY 2014) (41 U.S.C. chapter 67) (Applies to contracts for supplies, and to contracts for services involving the furnishing of supplies, for use in the United States or its outlying areas, if the value of the supply contract or supply portion of a service contract exceeds the micro-purchase threshold and the acquisition--

(A) Is set aside for small business concerns; or

(B) Cannot be set aside for small business concerns (see 19.502-2), and does not exceed \$25,000).

(xviii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (MAY 2014) (42 U.S.C. 1792) (Applies to contracts greater than \$25,000 that provide for the provision, the service, or the sale of food in the United States).

(xix) 52.232-33, Payment by Electronic Funds Transfer--System for Award Management (JUL 2013) (Applies when the payment will be made by electronic funds transfer (EFT) and the payment office uses the System for Award Management (SAM) database as its source of EFT information.)

(xx) 52.232-34, Payment by Electronic Funds Transfer--Other than System for Award Management (JUL 2013) (Applies when the payment will be made by EFT and the payment office does not use the SAM database as its source of EFT information.)

(xxi) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. App. 1241) (Applies to supplies transported by ocean vessels (except for the types of subcontracts listed at 47.504(d).))

(2) Listed below are additional clauses that may apply:

(i) 52.204-21, Basic Safeguarding of Covered Contractor Information Systems (June, 2016) (Applies to contracts when the contractor or a subcontractor at any tier may have Federal contract information residing in or transiting through its information system.

(ii) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Oct 2015) (Applies to contracts over \$35,000).

(iii) 52.211-17, Delivery of Excess Quantities (SEP 1989) (Applies to fixed-price supplies).

(iv) 52.247-29, F.o.b. Origin (FEB 2006) (Applies to supplies if delivery is f.o.b. origin).

(v) 52.247-34, F.o.b. Destination (NOV 1991) (Applies to supplies if delivery is f.o.b. destination).

(c) FAR 52.252-2, Clauses Incorporated by Reference (FEB 1998). This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

(Insert one or more Internet addresses)

(d) Inspection/Acceptance. The Contractor shall tender for acceptance only those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Government must exercise its postacceptance rights--

(1) Within a reasonable period of time after the defect was discovered or should have been discovered; and

(2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(e) Excusable delays. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence, such as acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(f) Termination for the Government's convenience. The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all

work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that the Contractor can demonstrate to the satisfaction of the Government, using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred that reasonably could have been avoided.

(g) Termination for cause. The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(h) Warranty. The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(End of clause)

52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 2014)

In compliance with the Service Contract Labor Standards statute and the regulations of the Secretary of Labor (29 CFR part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

THIS STATEMENT IS FOR INFORMATION ONLY: IT IS NOT A WAGE DETERMINATION
Employee Class Monetary Wage-Fringe Benefits

(End of clause)

52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING (AUG 2011)

(a) Definitions. As used in this clause--

Driving—

(1) Means operating a motor vehicle on an active roadway with the motor running, including while temporarily stationary because of traffic, a traffic light, stop sign, or otherwise.

(2) Does not include operating a motor vehicle with or without the motor running when one has pulled over to the side of, or off, an active roadway and has halted in a location where one can safely remain stationary.

Text messaging means reading from or entering data into any handheld or other electronic device, including for the purpose of short message service texting, e-mailing, instant messaging, obtaining navigational information, or

engaging in any other form of electronic data retrieval or electronic data communication. The term does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to park.

(b) This clause implements Executive Order 13513, Federal Leadership on Reducing Text Messaging while Driving, dated October 1, 2009.

(c) The Contractor is encouraged to--

(1) Adopt and enforce policies that ban text messaging while driving--

(i) Company-owned or -rented vehicles or Government-owned vehicles; or

(ii) Privately-owned vehicles when on official Government business or when performing any work for or on behalf of the Government.

(2) Conduct initiatives in a manner commensurate with the size of the business, such as--

(i) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

(ii) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

(d) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts that exceed the micro-purchase threshold.

(End of clause)

52.225-25 PROHIBITION ON CONTRACTING WITH ENTITIES ENGAGING IN CERTAIN ACTIVITIES OR TRANSACTIONS RELATING TO IRAN--REPRESENTATION AND CERTIFICATIONS. (OCT 2015)

(a) Definitions. As used in this provision--

Person--

(1) Means--

(i) A natural person;

(ii) A corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(iii) Any successor to any entity described in paragraph (1)(ii) of this definition; and

(2) Does not include a government or governmental entity that is not operating as a business enterprise.

Sensitive technology--

- (1) Means hardware, software, telecommunications equipment, or any other technology that is to be used specifically--
- (i) To restrict the free flow of unbiased information in Iran; or
 - (ii) To disrupt, monitor, or otherwise restrict speech of the people of Iran; and
- (2) Does not include information or informational materials the export of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

(b) The offeror shall email questions concerning sensitive technology to the Department of State at CISADA106@state.gov.

(c) Except as provided in paragraph (d) of this provision or if a waiver has been granted in accordance with 25.703-4, by submission of its offer, the offeror—

(1) Represents, to the best of its knowledge and belief, that the offeror does not export any sensitive technology to the government of Iran or any entities or individuals owned or controlled by, or acting on behalf or at the direction of, the government of Iran;

(2) Certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act. These sanctioned activities are in the areas of development of the petroleum resources of Iran, production of refined petroleum products in Iran, sale and provision of refined petroleum products to Iran, and contributing to Iran's ability to acquire or develop certain weapons or technologies; and

(3) Certifies that the offeror, and any person owned or controlled by the offeror, does not knowingly engage in any transaction that exceeds \$3,500 with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (see OFAC's Specially Designated Nationals and Blocked Persons List at <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>).

(d) Exception for trade agreements. The representation requirement of paragraph (c)(1) and the certification requirements of paragraphs (c)(2) and (c)(3) of this provision do not apply if—

(1) This solicitation includes a trade agreements notice or certification (e.g., 52.225-4, 52.225-6, 52.225-12, 52.225-24, or comparable agency provision); and

(2) The offeror has certified that all the offered products to be supplied are designated country end products or designated country construction material.

(End of provision)

52.232-39 UNENFORCEABILITY OF UNAUTHORIZED OBLIGATIONS (JUN 2013)

(a) Except as stated in paragraph (b) of this clause, when any supply or service acquired under this contract is subject to any End User License Agreement (EULA), Terms of Service (TOS), or similar legal instrument or agreement, that includes any clause requiring the Government to indemnify the Contractor or any person or entity for damages, costs, fees, or any other loss or liability that would create an Anti-Deficiency Act violation (31 U.S.C. 1341), the following shall govern:

(1) Any such clause is unenforceable against the Government.

(2) Neither the Government nor any Government authorized end user shall be deemed to have agreed to such clause by virtue of it appearing in the EULA, TOS, or similar legal instrument or agreement. If the EULA, TOS, or similar legal instrument or agreement is invoked through an "I agree" click box or other comparable mechanism (e.g., "click-wrap" or "browse-wrap" agreements), execution does not bind the Government or any Government authorized end user to such clause.

(3) Any such clause is deemed to be stricken from the EULA, TOS, or similar legal instrument or agreement.

(b) Paragraph (a) of this clause does not apply to indemnification by the Government that is expressly authorized by statute and specifically authorized under applicable agency regulations and procedures.

(End of clause)

252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)

The Contractor's procedures for protecting against unauthorized disclosure of information shall not require Department of Defense employees or members of the Armed Forces to relinquish control of their work products, whether classified or not, to the contractor.

(End of clause)

Section J - List of Documents, Exhibits and Other Attachments

Exhibit/Attachment Table of Contents

DOCUMENT TYPE	DESCRIPTION	PAGES	DATE
Attachment 1	Statement of Work		

City of Oak Harbor Wastewater Connection and Treatment Rate Analysis

Attachment List:

- (1) – Seaplane Base Projected Flows and Loadings
- (2) – Estimated Bare Costs for Conveyance Systems on Navy Property

A. General Information:

A1. Contract Identification:

Contract No.: **N44255-19-P-8000**

Project Title: City of Oak Harbor Wastewater Connection and Treatment Rate Analysis

Project Location: Naval Air Station Whidbey Island

A2. Contract Scope:

Provide a Rate Analysis in accordance with the following:

Background:

In March 2013 the City of Oak Harbor provided estimated wastewater treatment plant, conveyance, outfall and operation and maintenance costs for the Navy to join their Clean Water Facility (CWF). Due to fiscal limitations and acquisition regulations, the Navy could not commit to the cost share proposal within the City's project development and construction timeframe. The Navy opted to resume operation and maintenance of the Navy owned lagoon treatment plant after the completion of the CWF in order to continue wastewater services for Navy customers on Seaplane Base.

In August 2016, the Navy initiated the Seaplane Base General Sewer Plan (Plan). The Plan identified short-term treatment upgrades and developed long-term treatment alternatives. The long-term alternatives included treating wastewater in the same location as the existing lagoons, the construction of a new Navy owned wastewater treatment plant on Navy property and the connection to the City's CWF.

In order to consider connecting Seaplane Base to the CWF as a viable alternative, the Navy is requesting that the City of Oak Harbor provide revised wastewater conveyance, treatment and operation and maintenance cost projections. These revised costs projections will allow the Navy to select a long-term alternative to the existing lagoon plant.

Navy Wastewater to Clean Water Facility:

The alternative under consideration involves eliminating the lagoon wastewater treatment plant within Seaplane Base and conveying all wastewater flows to the City of Oak Harbor for treatment at the City's Clean Water Facility. This alternative requires construction of new conveyances (lift stations and forcemains) on Navy property, as well as modifications to the City's existing collection system. Refer to Attachment 1 for a concept drawing showing potential system modifications.

The City shall provide a rate analysis which includes estimated connection charges for collection system modifications and new conveyances, as well as an estimated sewer rate for treatment of Navy wastewater flows. The estimated connection charge and sewer rate shall be provided for the following scenarios:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. The Navy pays a one-time connection charge, plus a rate for wastewater treatment;
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment;
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. The Navy pays a one-time connection charge, plus a rate for wastewater treatment;
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment;

The rate analysis shall also include a line item pricing breakdown for the following components of wastewater collection and treatment:

1. Lift stations and force mains, located on Navy property, required to convey wastewater to the City's collection system.
2. Wastewater collection system modifications, within City property, that would be necessary to accommodate the Navy's flows to the Clean Water Facility.
3. Annual operation and maintenance cost of conveying and treating Navy's wastewater.

A3. Government Points of Contact:

Naval Facilities Engineering Command Northwest Contracting Officer:

Annette Goodchild, (360) 257-6500 annie.goodchild@navy.mil
NAVFAC NW, Whidbey Island 1115 W. Lexington B-103 Oak Harbor, WA 98278

Rebecca Tangen, (360) 257-3849 rebecca.tangen@navy.mil
NAVFAC NW, Whidbey Island 1115 W. Lexington B-103 Oak Harbor, WA 98278

Naval Facilities Engineering Command Northwest Design Manager:

Trevor Lunceford, (360) 315-3003 trevor.lunceford@navy.mil
NAVFAC NW, 1101 Tautog Circle Building 1101 Silverdale, WA 98315

Note: Only the Contracting Officer has authority to modify the terms and conditions of this Task Order.

B. Deliverables:

- B1. Provide a Rate Analysis document, including the following:
 - a. Estimated connection charge and estimated sewer rate, in accordance with Section A2.
 - b. Methods used for the construction cost estimate and rate development.

- State the method of cost estimates utilized in rate analysis (i.e. quantity take-off, other method(s), or combination thereof).
 - State whether the cost estimates are based on results of studies, and if not, state what assumptions have been made.
 - Provide data supporting conclusions and observations made for each of the components above.
 - Identify preferred rate structure.
- c. Assumptions and exclusions to the rate analysis –
- List and explain the use of other markups such as design contingencies (including contingencies to address any assumptions made pertaining to any studies/reports), bonds, gross receipts tax, other taxes, etc.

C. Rate Analysis Submittal Schedule:

Note: Durations and Government review periods are shown in calendar days.

Milestones	Duration	Government Review
Kick-off Meeting	10 days after Task Order Award	N/A
35% - 50% Rate Analysis Submittal	30 days after Kick-off Meeting	7 days
35% - 50% Rate Analysis Review Meeting	10 days after 35% - 50% Rate Analysis Submittal	N/A
100% Pre-Final Rate Analysis Submittal	20 days after 35% - 50% Rate Analysis Review Meeting	7 days
100% Pre-Final Rate Analysis Presentation and Review Meeting	10 days after 100% Pre-Final Rate Analysis Submittal	N/A
Final Submittal	10 days after 100% Pre-Final Rate Analysis Review Meeting	N/A

C1. Submittal Requirements

For each submittal stage (35%-50%, 100% Pre-Final, and Final), provide 1 hard copy and 1 electronic copy (on DVD) to each of the Government Points of Contact indicated in Section A3.

D. Meetings, Conferences, and Conference Calls:

D1. Locations:

The following meetings are required. Organize, attend and participate in the required meetings at the designated locations specified below.

Meetings, Conferences, and Conference Calls	Location
Kick-off Meeting	Conference Call
35% - 50% Rate Analysis Development Review Meeting	City of Oak Harbor PWD
100% Pre-Final Rate Analysis Presentation & Review Meeting	City of Oak Harbor PWD

D2. Kick-off Meeting:

This meeting is required to verify the contract scope and expectations, discuss the rate analysis, highlight coordination issues, etc. with the government representatives.

D3. Review Meetings:

Review meetings will be held following each submittal as indicated below:

- a. 35% - 50% Rate Analysis Development Review Meeting: This meeting is a progress review meeting to verify/confirm the requirements of the rate analysis. The intent of this meeting is to ascertain the status, and identify problems areas, if any, prior to the 100% Pre-Final submittal.
- b. 100% Pre-Final Rate Analysis Presentation and Review Meeting: This meeting is a progress review meeting to discuss the requirements and technical features of the rate analysis. The intent of this meeting will be for the City to present to Navy staff their findings, calculations, assumptions and recommendations, and identify outstanding problems areas, if any, prior to the Final rate analysis submittal.

D4. Meeting Minutes:

Record all meetings, conferences and conference calls minutes and provide an electronic copy of these minutes in Adobe PDF format to each of the Government Points of Contact indicated in Section A3.

Attachment (1) – Seaplane Base Projected Flows and Loadings

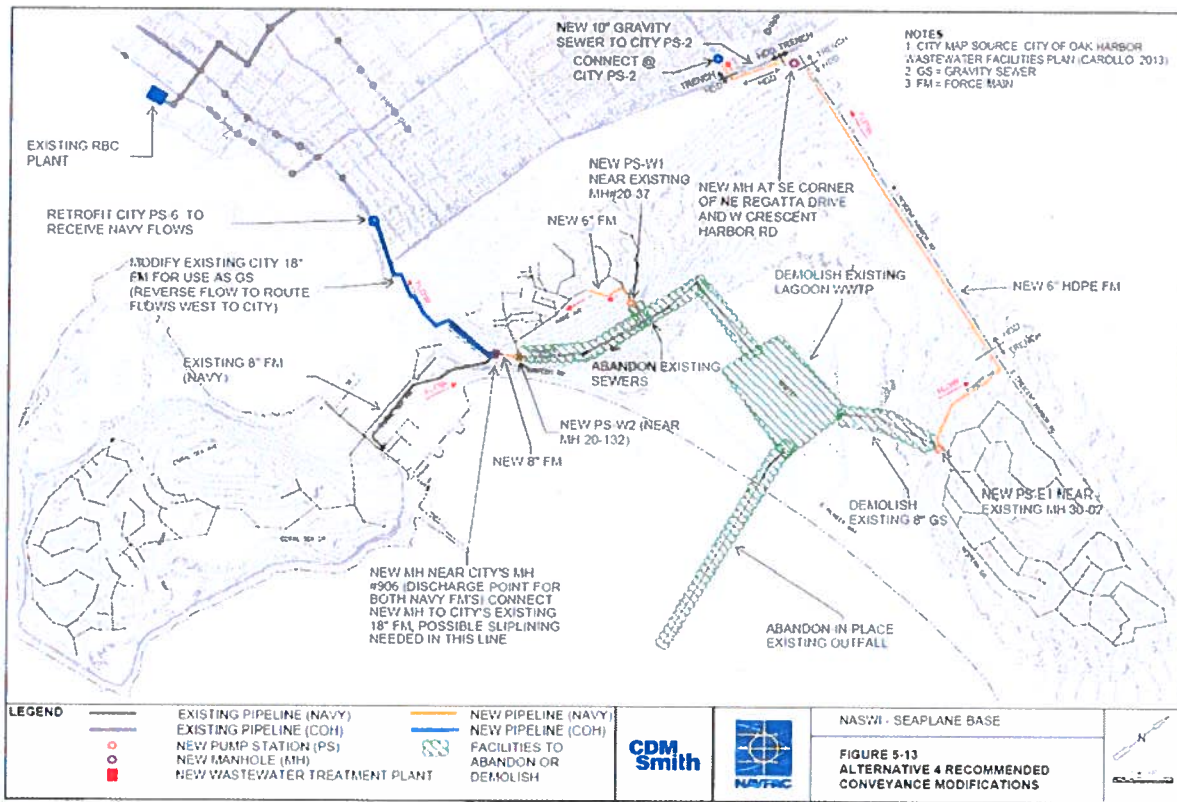


Table 1 Projected Flows from the West Seaplane Service Area	
Projected Flows	Estimated Flow (gpd)
ADWF	256,326
AAF	370,591
MMF	384,489
PDF	1,307,263
PHF	1,486,691

Table 2 Projected Loading from the West Seaplane Service Area	
Design Parameter	Loading, ppd
BOD₅	
Average Annual	513
Maximum Month	577
TSS	
Average Annual	577
Maximum Month	641
Ammonia-Nitrogen	
Average Annual	80
Maximum Month	80

Table 3 Projected Flows from the East Seaplane Service Area	
Projected Flows	Estimated Flow (gpd)
ADWF	114,604
AAF	137,525
MMF	171,906
PDF	584,480
PHF	664,703

Table 4 Projected Loading from the East Seaplane Service Area	
Design Parameter	Loading, ppd
BOD₅	
Average Annual	229
Maximum Month	258
TSS	
Average Annual	258
Maximum Month	287
Ammonia-Nitrogen	
Average Annual	36
Maximum Month	36



November 16, 2018

NAVFAC Northwest
PWD Whidbey Island
Facilities Engineering and Acquisition Division
Attn: Rebecca S. Tangen
1115 W Lexington Drive - Building 103
Oak Harbor, WA 98278-3500

RE: Request for Quotation No. N4425518T7002

Dear Ms. Tangen,

Thank you for meeting with us on October 24, 2018 to review the City's proposal for a wastewater treatment plant connection fee and treatment rate analysis as outlined in the Navy's Request for Quotations No. N4425518T002. Based on the discussion of October 24, 2018, the City has made the following revisions:

- HDR Task 1 – Kickoff meeting has been changed from an in-person meeting to a 2-hour conference call.
- HDR Task 9 – Public Presentation has been removed and included as a City expense. As we discussed, City Council must authorize submittal of the connection fee and rates to the Navy.
- We have removed the services by PFM from this proposal.
- The proposal has been changed from a time and materials basis to a fixed fee basis.

The City is pleased to submit this revised proposal for your consideration.

SCOPE OF WORK

1) Meetings

a) Kick-off Meeting

At the start of the project, a 2-hour kick-off meeting will be held via conference call with representatives from the Navy, members of the City's consultant team and representatives of the City. The purpose of this meeting is to review study goals and objectives, verify the contract scope and expectations, highlight coordination issues, and establish a final time schedule.

b) Review Meetings

Project Review Meeting #1: 35%-50% Rate Analysis Development Review

At the completion of the draft rate and connection charge analysis, a meeting will be held at City offices with representatives from the Navy, members of the City's consultant team and representatives of the City. The intent of this meeting is to discuss project status and identify problem areas, if any, prior to development of the draft final analysis. Up to four (4) hours have been allocated for this meeting.

Project Review Meeting #2: 100% Pre-Final Rate Analysis Presentation and Review Meeting

At the completion of the draft final analysis, a meeting will be held at City offices with representatives from the Navy, members of the City's consultant team and representatives of the City. The intent of this meeting will be for the City to present to Navy staff their findings, calculations, assumptions and recommendations and to identify outstanding problem areas, if any, prior to the Final Rate Analysis submittal.

c) Meeting Minutes

An electronic copy of records of all meetings, conferences and conference calls will be provided in Adobe PDF format to each of the Government Points of Contact indicated in Section A3 of the Navy's Request for Quotations.

2) Development of Estimated Sewer Rate

The City team will develop an estimate of rates to provide sewer service to the Navy's Seaplane Base. The rate analysis will include four (4) alternatives based on the request by the Navy and will include operation and maintenance costs for the conveyance system and a rate for wastewater treatment. For two (2) of the alternatives, the rate will also include amortizing the connection charge over a 20-year period.

All analysis will be predicated on local, state and federal requirements.

3) Development of Sewer Connection Charge

This task will include a review of the processes, capacity, and capabilities of the current CWF design to meet the estimated sewer volumes from the Navy Seaplane Base utilizing the estimated Navy flows and loads. It also includes review and development of conveyance system costs as proposed by the Navy.

Once the capital improvement needs at the CWF have been determined, an analysis will be performed to determine the equitable share of CWF costs that benefit the Navy. In addition to CWF costs, a review of the existing City collection system infrastructure benefitting the Navy will be completed to determine allocable components of the existing collection and pumping infrastructure that will provide service to the Navy.

The Navy has requested a rate analysis for four (4) different alternatives:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays a one-time charge, plus a rate for wastewater treatment.
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period plus a rate for wastewater treatment.
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays a one-time connections charge, plus a rate for wastewater treatment.

Invoices will be submitted monthly and will be due within 30 days.

A copy of the proposals and fees schedules for HDR is attached.

The City appreciates the opportunity to provide this revised proposal to the Navy. Should you have any questions regarding the approach to this project or any of the information contained herein, please contact Patricia Soule, the point of contact regarding this proposal. Ms. Soule may be reached at (360) 279-4538 or at psoule@oakharbor.org.

Sincerely,

Blaine Oborn
City Administrator
City of Oak Harbor
865 SE Barrington Drive
Oak Harbor, WA 98277
(360) 279-4501
boborn@oakharbor.org

Enclosures:

Request for Quotations No. N4425518T7002
HDR Proposal dated November 1, 2018
HDR Project Team Chart
HDR Hourly Billing Rates

CC: Mayor Severns
CC: Oak Harbor City Council
CC: Patricia Soule, Director, Finance Department
CC: Cathy Rosen, Director, Public Works Department
CC: Brett Arvidson, Clean Water Facility Project Manager

- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment.

All analysis will be predicated on local, state and federal requirements.

CITY PROJECT TEAM

The proposed project team is composed primarily of individuals that have been working on the City's Clean Water Facility (CWF) Project including City staff, the design engineers, and financial consultants that have assisted the City in obtaining funding for the CWF project and performing the rate analysis for the City's wastewater utility. The proposed project team is as follows:

Blaine Oborn, City Administrator

Mr. Oborn will guide the overall project for the City.

Patricia Soule, City Finance Director

Ms. Soule will co-manage the project with the City Public Works Director. Ms. Soule will be the City's point of contact and will provide oversight and verification of costs.

Cathy Rosen, City Public Works Director

Ms. Rosen will co-manage the project with the City Finance Director. Ms. Rosen will provide oversight regarding operational and other programmatic needs related to the City's wastewater collection and treatment systems.

Brett Arvidson, City CWF Project Manager

Mr. Arvidson will provide assistance in determining operational costs of the CWF and impacts to operation of the CWF from Navy flow.

HDR Engineering, Inc. as a consultant with Carollo Engineers, Inc. as a subconsultant

HDR will lead the preparation of the connection fee and rate analysis. HDR has assisted the City with the development of wastewater rates and fees since 2008.

As a subconsultant to HDR, Carollo Engineers will be responsible for developing the list of infrastructure needs required to connect Navy facilities on the Seaplane Base to the City's Clean Water Facility and providing estimated costs for that infrastructure. Carollo Engineers has been assisting the City with the development of the facilities plan and design of the CWF and has provided engineering support services during the construction of the CWF.

SCHEDULE

Past studies of this nature have typically taken 8-12 weeks. The project team will work with the Navy to develop the final project schedule.

FEE

The City will enter into a professional services agreement with HDR to complete the scope of work outlined in this proposal. In addition to the direct charges from HDR the City will charge a 10% administrative fee. The City administrative fee will include costs including but not limited to, staff labor, direct and indirect expenses, overhead charges and other costs. City expenses will be billed on a 10% markup basis and will not be itemized.

The Fee for this work is:

HDR (Tasks 1-8 plus expenses)	\$107,414.00
City Expense (HDR Task 9 public presentation)	\$ 8,910.00
City Administration 10% (HDR cost)	\$ 10,741.40
Total Fee	\$127,065.40

865 S.E. Barrington Drive • Oak Harbor, Washington 98277-4092 • City Hall (360) 279-4500

REQUEST FOR QUOTATIONS <i>(THIS IS NOT AN ORDER)</i>		THIS RFQ <input type="checkbox"/> IS <input checked="" type="checkbox"/> IS NOT A SMALL BUSINESS SET-ASIDE			PAGE OF PAGES 1 18	
1. REQUEST NO. N4425518T7002	2. DATE ISSUED 13-Jun-2018	3. REQUISITION/PURCHASE REQUEST NO.	4. CERT. FOR NAT. DEF. UNDER BDSA REG. 2 AND/OR DMS REG. 1	RATING		
5a. ISSUED BY NAVFAC NORTHWEST PWO WHIDBEY ISLAND FACILITIES ENGINEERING AND ACQUISITION DMSI 1115 W LEXINGTON DR BLDG 103 OAK HARBOR WA 98278-3500			6. DELIVER BY (Date) SEE SCHEDULE			
5b. FOR INFORMATION CALL: (Name and Telephone no.) (No collect calls) REBECCA S. TANGEN 360-257-3849			7. DELIVERY <input checked="" type="checkbox"/> FOB <input type="checkbox"/> OTHER DESTINATION (See Schedule)			
8. TO: NAME AND ADDRESS, INCLUDING ZIP CODE			9. DESTINATION (Consignee and address, including ZIP Code) SEE SCHEDULE			
10. PLEASE FURNISH QUOTATIONS TO THE ISSUING OFFICE IN BLOCK 5a ON OR BEFORE CLOSE OF BUSINESS: (Date) 29-Jun-2018						
IMPORTANT: This is a request for information, and quotations furnished are not offers. If you are unable to quote, please so indicate on this form and return it to the address in Block 5a. This request does not commit the Government to pay any costs incurred in the preparation of the submission of this quotation or to contract for supplies or services. Supplies are of domestic origin unless otherwise indicated by quoter. Any representations and/or certifications attached to this Request for Quotations must be completed by the quoter.						
11. SCHEDULE (Include applicable Federal, State, and local taxes)						
ITEM NO. (a)	SUPPLIES/ SERVICES (b)		QUANTITY (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)
SEE SCHEDULE						
12. DISCOUNT FOR PROMPT PAYMENT	a. 10 CALENDAR DAYS	b. 20 CALENDAR DAYS	c. 30 CALENDAR DAYS	d. CALENDAR DAYS		
	%	%	%	No.	%	
NOTE: Additional provisions and representations <input type="checkbox"/> are <input type="checkbox"/> are not attached.						
13. NAME AND ADDRESS OF QUOTER (Street, City, County, State, and ZIP Code)			14. SIGNATURE OF PERSON AUTHORIZED TO SIGN QUOTATION		15. DATE OF QUOTATION	
			16. NAME AND TITLE OF SIGNER (Type or print)		TELEPHONE NO. (Include area code)	

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION NOT USABLE

Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	WWTP Connection & Treatment Rate Analysis FFP Rate analysis to provide costs for Navy to connect to the City of Oak Harbor's new wastewater treatment facility. Also include operation and maintenance costs. 4 scenarios requested. FOB: Destination				\$127,065.40
NET AMT					\$127,065.40

Section C - Descriptions and Specifications

STATEMENT OF WORK

City of Oak Harbor Wastewater Connection and Treatment Rate Analysis

Attachment List:

- (1) – Seaplane Base Projected Flows and Loadings
- (2) – Estimated Bare Costs for Conveyance Systems on Navy Property

A. General Information:

A1. Contract Identification:

Contract No.: N44255-18-P-7001

Project Title: City of Oak Harbor Wastewater Connection and Treatment Rate Analysis

Project Location: Naval Air Station Whidbey Island

A2. Contract Scope:

Provide a Rate Analysis in accordance with the following:

Background:

In March 2013 the City of Oak Harbor provided estimated wastewater treatment plant, conveyance, outfall and operation and maintenance costs for the Navy to join their Clean Water Facility (CWF). Due to fiscal limitations and acquisition regulations, the Navy could not commit to the cost share proposal within the City's project development and construction timeframe. The Navy opted to resume operation and maintenance of the Navy owned lagoon treatment plant after the completion of the CWF in order to continue wastewater services for Navy customers on Seaplane Base.

In August 2016, the Navy initiated the Seaplane Base General Sewer Plan (Plan). The Plan identified short-term treatment upgrades and developed long-term treatment alternatives. The long-term alternatives included treating wastewater in the same location as the existing lagoons, the construction of a new Navy owned wastewater treatment plant on Navy property and the connection to the City's CWF.

In order to consider connecting Seaplane Base to the CWF as a viable alternative, the Navy is requesting that the City of Oak Harbor provide revised wastewater conveyance, treatment and operation and maintenance cost projections. These revised costs projections will allow the Navy to select a long-term alternative to the existing lagoon plant.

Navy Wastewater to Clean Water Facility:

The alternative under consideration involves eliminating the lagoon wastewater treatment plant within Seaplane Base and conveying all wastewater flows to the City of Oak Harbor for treatment at the City's Clean Water Facility. This alternative requires construction of new conveyances (lift stations and forcemains) on Navy property, as well as modifications to the City's existing collection system. Refer to Attachment 1 for a concept drawing showing potential system modifications.

The City shall provide a rate analysis which includes estimated connection charges for collection system modifications and new conveyances, as well as an estimated sewer rate for treatment of Navy wastewater flows. The estimated connection charge and sewer rate shall be provided for the following scenarios:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. The Navy pays a one-time connection charge, plus a rate for wastewater treatment;
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment;

- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. The Navy pays a one-time connection charge, plus a rate for wastewater treatment;
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment;

The rate analysis shall also include a line item pricing breakdown for the following components of wastewater collection and treatment:

1. Lift stations and force mains, located on Navy property, required to convey wastewater to the City's collection system.
2. Wastewater collection system modifications, within City property, that would be necessary to accommodate the Navy's flows to the Clean Water Facility.
3. Annual operation and maintenance cost of conveying and treating Navy's wastewater.

A3. Government Points of Contact:

Naval Facilities Engineering Command Northwest Contract Specialist:

Mrs. Rebecca Tangen, Contract Specialist

(360-257-3849 rebecca.tangen@navy.mil)

Mrs. Annette Goodchild, Contracting Officer

(360) 257-6500 annie.goodchild@navy.mil

NAVFAC NW, Whidbey Island 1115 W. Lexington B-103 Oak Harbor, WA 98278

Naval Facilities Engineering Command Northwest Design Manager:

Mr. Trevor Lunceford, Senior Utilities Engineer

(360) 315-3003 trevor.lunceford@navy.mil

NAVFAC NW, 1101 Tautog Circle Building 1101 Silverdale, WA 98315

Note:

Only the Contracting Officer has authority to modify the terms and conditions of this Task Order.

B. Deliverables:

B1. Provide a Rate Analysis document, including the following:

- a. Estimated connection charge and estimated sewer rate, in accordance with Section A2.
- b. Methods used for the construction cost estimate and rate development.
 - State the method of cost estimates utilized in rate analysis (i.e. quantity take-off, other method(s), or combination thereof).
 - State whether the cost estimates are based on results of studies, and if not, state what assumptions have been made.
 - Provide data supporting conclusions and observations made for each of the components above.
 - Identify preferred rate structure.
- c. Assumptions and exclusions to the rate analysis –
 - List and explain the use of other markups such as design contingencies (including contingencies to address any assumptions made pertaining to any studies/reports), bonds, gross receipts tax, other taxes, etc.

C. Rate Analysis Submittal Schedule:

Note: Durations and Government review periods are shown in calendar days.

Milestones	Duration	Government Review
Kick-off Meeting	10 days after Task Order Award	N/A
35% - 50% Rate Analysis Submittal	30 days after Kick-off Meeting	7 days
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C1. Submittal Requirements

For each submittal stage (35%-50%, 100% Pre-Final, and Final), provide 1 hard copy and 1 electronic copy (on DVD) to each of the Government Points of Contact indicated in Section A3.

D. Meetings, Conferences, and Conference Calls:

D1. Locations:

The following meetings are required. Organize, attend and participate in the required meetings at the designated locations specified below.

Meetings, Conferences, and Conference Calls	Location
Kick-off Meeting	Conference Call
35% - 50% Rate Analysis Development Review Meeting	City of Oak Harbor PWD
100% Pre-Final Rate Analysis Presentation & Review Meeting	City of Oak Harbor PWD

D2. Kick-off Meeting:

This meeting is required to verify the contract scope and expectations, discuss the rate analysis, highlight coordination issues, etc. with the government representatives.

D3. Review Meetings:

Review meetings will be held following each submittal as indicated below:

- a. **35% - 50% Rate Analysis Development Review Meeting:** This meeting is a progress review meeting to verify/confirm the requirements of the rate analysis. The intent of this meeting is to ascertain the status, and identify problems areas, if any, prior to the 100% Pre-Final submittal.
- b. **100% Pre-Final Rate Analysis Presentation and Review Meeting:** This meeting is a progress review meeting to discuss the requirements and technical features of the rate analysis. The intent of this meeting will be for the City to present to Navy staff their findings, calculations, assumptions and recommendations, and identify outstanding problems areas, if any, prior to the Final rate analysis submittal.

D4. Meeting Minutes:

Record all meetings, conferences and conference calls minutes and provide an electronic copy of these minutes in Adobe PDF format to each of the Government Points of Contact indicated in Section A3.

Attachment (1) – Seaplane Base Projected Flows and Loadings

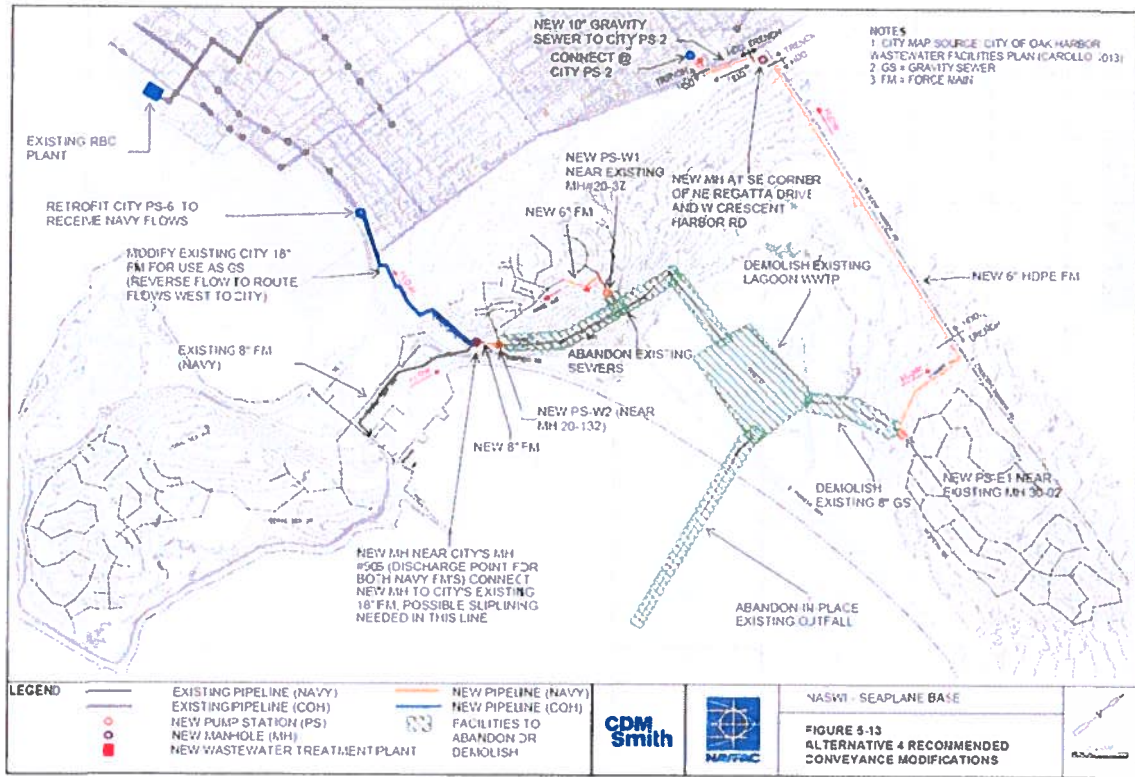


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Average Annual	577
Maximum Month	641
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Average Annual	80
Maximum Month	80

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Design Parameter	Loading, ppd
BOD₅	
Average Annual	229
Maximum Month	258
TSS	
Average Annual	258
Maximum Month	287
Ammonia-Nitrogen	
Average Annual	36
Maximum Month	36

Alternative 4 – Sewer SPB to City of Oak Harbor (COH)

- This estimate is consistent with the description of Alternative 4 provided in subsection 5.2.4 of the *Sewer Plan* (CDM Smith, October 2017) unless otherwise noted herein.

Eastside Conveyance:

New PS-E1

- All line items under this component category are the same as for Alt-2, with the addition of an influent flow meter and composite sampler.

6" Forcemain and 10" Gravity Sewer (GS)

- From the pump station, there is 2,200 Inft of 6" HDPE FM open cut pipe line that connects to 6" HDPE HDD pipe line at the top of the hill and a small section at the new manhole.
- One-half (10') of the asphalt road was removed and replaced for the open cut.
- 5,000 Inft of 6" HDPE horizontally directionally drilled (HDD) pipeline parallels the 36-ft wide W. Crescent Harbor Rd.
- HDD pipeline frequently use sending and receiving pits at each end of a drill section. An allowance of \$14.59/Inft is included for necessary sending and receiving pits spaced every 1,000 Inft of HDD. Details for spacing pits and their required size will be determined in future designs and contracts. This allowance includes excavation, imported backfill and hauling spoils to the NAS. Seven pits are included in the estimate.
- Traffic control and demo and replacement of asphalt paving has been included for pit areas.
- Disturbed areas will be hydro seeded.
- A new 6' dia with a 12' invert manhole is installed near the intersection of W. Crescent Harbor Rd. and Torpedo Rd.
- From the manhole, there is a short section of open cut 10" gravity sewer which flows into a new 752 Inft 10" HDPE gravity sewer HDD pipeline. This in turn flows into 300 Inft 10" GS open cut pipe line that connects to the City of Oak Harbor (COH) PS-2. 6' diameter manholes are spaced every 300 LF along the gravity sewer alignment.

Westside Conveyance

PS-W1:

- This station was estimated as similar to PS-W1 (e.g., two 7-hp submersible pumps in a small packaged pump station).
- Site conditions are very similar including electrical service and emergency generator (10 KW).
- Metering is provided at this pump station (mag meter)

New 3" HDPE FM:

- 947 Inft of 3" open cut FM is installed at the pump discharge and connects to an existing sewer line.

Abandoned sewer:

Alternative 4

- An existing sewer line is being abandoned in place.
- Eleven manholes are removed from this sewer line.

New 12" PVC GS:

- 500 lft of 12" PVC GS, open cut, is installed near area of tie-in of two Navy forcemains to a soon to be abandoned COH 16" GS.

New manholes

- Two new, 6' dia with a 12' invert, manholes will be installed to facilitate the connections to the COH pipeline.

New Effluent Composite Sampler and Meter

- The sampler and meter will be installed prior to flowing into the COH 16" pipeline. The sampler is housed in an FRP Building and the meter is in a concrete vault.
- The site work for this installation is similar to the pump stations however no generator has been included.

Conversion of City FM to Gravity Sewer

- The cost for adding manholes to the existing pipeline, yard-piping changes needed at the COH WWTP, or other related modifications to accomplish this conversion were not included in the estimate. It is assumed that this cost will be included in the city's connection fee since this is City-owned infrastructure, mainly located outside of SPB, and any modifications that COH requires to this pipeline is assumed would be performed by the COH directly.

Alternative 2 - New Plant for SPB

Eastside Conveyance:

New PS-E1

- PS-E1 is a small packaged pump station with two 7-hp non-clog submersible pumps. This station pumps flows from Crescent Capehart to the new WWTP.
- A new 6" mag-flow meter is included in an exterior vault.
- A composite sampler is included at this station.
- Site work includes clear and grub area of trees, fine grade, addition of some limited asphalt paving either at the approach apron and/or at the new pump station. A new security fence was added and the site hydro-seeded. No card key reader was provided for at the gate.
- Erosion control is included.
- All excavation spoils are hauled to NAS stockpile.
- All demolished materials are hauled to disposal sites explained above.
- Site improvements include new electrical service assumed at 14.4 KV, 1,000 lft of direct buried PGRC raceway, new step-down transformer and meter. The raceway runs from the pump station to a connection point is not currently specified.
- To facilitate communicate with the pump station a new 1,000 lft telecom direct burial raceway was added. This data connection will allow communication with the SCADA system. Telecom raceway runs from the pump station to telephone line connection that is not currently specified.
- Funds were included to provide for data up-link.

Section E - Inspection and Acceptance

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0001	N/A	N/A	N/A	Government

Section F - Deliveries or Performance

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	DODAAC / CAGE
0001	N/A	N/A	N/A	N/A

CLAUSES INCORPORATED BY REFERENCE

52.242-15	Stop-Work Order	AUG 1989
52.242-17	Government Delay Of Work	APR 1984

Section G - Contract Administration Data

CLAUSES INCORPORATED BY FULL TEXT

5252.201-9300 CONTRACTING OFFICER AUTHORITY (JUN 1994)

In no event shall any understanding or agreement between the Contractor and any Government employee other than the Contracting Officer on any contract, modification, change order, letter or verbal direction to the Contractor be effective or binding upon the Government. All such actions must be formalized by a proper contractual document executed by an appointed Contracting Officer. The Contractor is hereby put on notice that in the event a Government employee other than the Contracting Officer directs a change in the work to be performed or increases the scope of the work to be performed, it is the Contractor's responsibility to make inquiry of the Contracting Officer before making the deviation. Payments will not be made without being authorized by an appointed Contracting Officer with the legal authority to bind the Government. (End of clause)

Section I - Contract Clauses

CLAUSES INCORPORATED BY REFERENCE

52.204-7	System for Award Management	OCT 2016
52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
52.222-1	Notice To The Government Of Labor Disputes	FEB 1997
52.232-17	Interest	MAY 2014
52.232-23	Assignment Of Claims	MAY 2014
52.237-2	Protection Of Government Buildings, Equipment, And Vegetation	APR 1984
52.243-1 Alt I	Changes--Fixed Price (Aug 1987) - Alternate I	APR 1984
52.249-4	Termination For Convenience Of The Government (Services) (Short Form)	APR 1984
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004 Alt A	System for Award Management Alternate A	FEB 2014
252.232-7003	Electronic Submission of Payment Requests and Receiving Reports	JUN 2012
252.243-7001	Pricing Of Contract Modifications	DEC 1991

CLAUSES INCORPORATED BY FULL TEXT

52.213-4 TERMS AND CONDITIONS--SIMPLIFIED ACQUISITIONS (OTHER THAN COMMERCIAL ITEMS) (JAN 2018).

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses that are incorporated by reference:

(1) The clauses listed below implement provisions of law or Executive order:

(i) 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017) (section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions)).

(ii) 52.222-3, Convict Labor (JUN 2003) (E.O. 11755).

(iii) 52.222-21, Prohibition of Segregated Facilities (APR 2015).

(iv) 52.222-26, Equal Opportunity (SEPT 2016) (E.O. 11246).

(v) 52.225-13, Restrictions on Certain Foreign Purchases (JUN 2008) (E.O.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

(vi) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(vii) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78 (19 U.S.C. 3805 note).

(2) Listed below are additional clauses that

apply: (i) 52.232-1, Payments (APR 1984).

- (ii) 52.232-8, Discounts for Prompt Payment (FEB 2002).
- (iii) 52.232-11, Extras (APR 1984).
- (iv) 52.232-25, Prompt Payment (JAN 2017).
- (v) 52.232-39, Unenforceability of Unauthorized Obligations (JUN 2013).
- (vi) 52.232-40, Providing Accelerated Payments to Small Business Subcontractors (DEC 2013).
- (vii) 52.233-1, Disputes (MAY 2014).
- (viii) 52.244-6, Subcontracts for Commercial Items (NOV 2017).
- (ix) 52.222-55, Minimum Wages Under Executive Order 13658 (MAR 2016) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia)).

(b) The Contractor shall comply with the following FAR clauses, incorporated by reference, unless the circumstances do not apply:

(1) The clauses listed below implement provisions of law or Executive order:

- (i) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (Oct 2016) (Pub. L. 109-282) (31 U.S.C. 6101 note) (Applies to contracts valued at \$30,000 or more).
- (ii) 52.222-19, Child Labor--Cooperation with Authorities and Remedies (Jan 2018) (E.O. 13126). (Applies to contracts for supplies exceeding the micro-purchase threshold).
- (iii) 52.222-20, Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (MAY 2014) (41 U.S.C. chapter 65) (Applies to supply contracts over \$15,000 in the United States, Puerto Rico, or the U.S. Virgin Islands).
- (iv) 52.222-35, Equal Opportunity for Veterans (Oct 2015) (38 U.S.C. 4212) (applies to contracts of \$150,000 or more).
- (v) 52.222-36, Equal Employment for Workers with Disabilities (JUL 2014) (29 U.S.C. 793) (Applies to contracts over \$15,000, unless the work is to be performed outside the United States by employees recruited outside the United States). (For purposes of this clause, "United States" includes the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.)
- (vi) 52.222-37, Employment Reports on Veterans (Feb 2016) (38 U.S.C. 4212) (Applies to contracts of \$150,000 or more).
- (vii) 52.222-41, Service Contract Labor Standards (MAY 2014) (41 U.S.C. chapter 67) (Applies to service contracts over \$2,500 that are subject to the Service Contract Labor Standards statute and will be performed in the United States, District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, Johnston Island, Wake Island, or the outer Continental Shelf).
- (viii)(A) 52.222-50, Combating Trafficking in Persons (MAR 2015) (22 U.S.C. chapter 78 and E.O 13627) (Applies to all solicitations and contracts).
- (B) Alternate I (MAR 2015) (Applies if the Contracting Officer has filled in the following information with regard to applicable directives or notices: Document title(s), source for obtaining document(s), and contract performance location outside the United States to which the document applies).

- (ix) 52.222-55, Minimum Wages Under Executive Order 13658 (DEC 2015) (Executive Order 13658) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia)).
- (x) 52.222-62, Paid Sick Leave Under Executive Order 13706 (JAN 2017) (E.O. 13706) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia.))
- (xi) 52.223-5, Pollution Prevention and Right-to-Know Information (MAY 2011) (E.O. 13423) (Applies to services performed on Federal facilities).
- (xii) 52.223-11, Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (June, 2016) (E.O. 13693)(applies to contracts for products as prescribed at FAR 23.804(a)(1)).
- (xiii) 52.223-12, Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (June, 2016) (E.O. 13693) (Applies to maintenance, service, repair, or disposal of refrigeration equipment and air conditioners).
- (xiv) 52.223-15, Energy Efficiency in Energy-Consuming Products (DEC 2007) (42 U.S.C. 8259b) (Unless exempt pursuant to 23.204, applies to contracts when energy-consuming products listed in the ENERGY STAR[supreg] Program or Federal Energy Management Program (FEMP) will be--
- (A) Delivered;
- (B) Acquired by the Contractor for use in performing services at a Federally-controlled facility;
- (C) Furnished by the Contractor for use by the Government; or
- (D) Specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance).
- (xv) 52.223-20, Aerosols (June, 2016) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons as a propellant or as a solvent; or contracts for maintenance or repair of electronic or mechanical devices).
- (xvi) 52.223-21, Foams (June, 2016) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons or refrigerant blends containing hydrofluorocarbons as a foam blowing agent; or contracts for construction of buildings or facilities.
- (xvii) 2.225-1, Buy American--Supplies (MAY 2014) (41 U.S.C. chapter 67) (Applies to contracts for supplies, and to contracts for services involving the furnishing of supplies, for use in the United States or its outlying areas, if the value of the supply contract or supply portion of a service contract exceeds the micro-purchase threshold and the acquisition--
- (A) Is set aside for small business concerns; or
- (B) Cannot be set aside for small business concerns (see 19.502-2), and does not exceed \$25,000).
- (xviii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (MAY 2014) (42 U.S.C. 1792) (Applies to contracts greater than \$25,000 that provide for the provision, the service, or the sale of food in the United States).

(xix) 52.232-33, Payment by Electronic Funds Transfer--System for Award Management (JUL 2013) (Applies when the payment will be made by electronic funds transfer (EFT) and the payment office uses the System for Award Management (SAM) database as its source of EFT information.)

(xx) 52.232-34, Payment by Electronic Funds Transfer--Other than System for Award Management (JUL 2013) (Applies when the payment will be made by EFT and the payment office does not use the SAM database as its source of EFT information.)

(xxi) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. App. 1241) (Applies to supplies transported by ocean vessels (except for the types of subcontracts listed at 47.504(d).)

(2)) Listed below are additional clauses that may apply:

(i) 52.204-21, Basic Safeguarding of Covered Contractor Information Systems (June, 2016) (Applies to contracts when the contractor or a subcontractor at any tier may have Federal contract information residing in or transiting through its information system.

(ii) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Oct 2015) (Applies to contracts over \$35,000).

(iii) 52.211-17, Delivery of Excess Quantities (SEP 1989) (Applies to fixed-price supplies).

(iv) 52.247-29, F.o.b. Origin (FEB 2006) (Applies to supplies if delivery is f.o.b. origin).

(v) 52.247-34, F.o.b. Destination (NOV 1991) (Applies to supplies if delivery is f.o.b. destination).

(c) FAR 52.252-2, Clauses Incorporated by Reference (FEB 1998). This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

(Insert one or more Internet addresses)

(d) Inspection/Acceptance. The Contractor shall tender for acceptance only those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Government must exercise its postacceptance rights--

(1) Within a reasonable period of time after the defect was discovered or should have been discovered; and

(2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(e) Excusable delays. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence, such as acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(f)) Termination for the Government's convenience. The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all

work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that the Contractor can demonstrate to the satisfaction of the Government, using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred that reasonably could have been avoided.

(g) Termination for cause. The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(h) Warranty. The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(End of clause)

52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 2014)

In compliance with the Service Contract Labor Standards statute and the regulations of the Secretary of Labor (29 CFR part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

THIS STATEMENT IS FOR INFORMATION ONLY: IT IS NOT A WAGE DETERMINATION
Employee Class Monetary Wage-Fringe Benefits

(End of clause)

52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING (AUG 2011)

(a) Definitions. As used in this clause--

Driving—

(1) Means operating a motor vehicle on an active roadway with the motor running, including while temporarily stationary because of traffic, a traffic light, stop sign, or otherwise.

(2) Does not include operating a motor vehicle with or without the motor running when one has pulled over to the side of, or off, an active roadway and has halted in a location where one can safely remain stationary.

Text messaging means reading from or entering data into any handheld or other electronic device, including for the purpose of short message service texting, e-mailing, instant messaging, obtaining navigational information, or

engaging in any other form of electronic data retrieval or electronic data communication. The term does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to park.

(b) This clause implements Executive Order 13513, Federal Leadership on Reducing Text Messaging while Driving, dated October 1, 2009.

(c) The Contractor is encouraged to--

(1) Adopt and enforce policies that ban text messaging while driving--

(i) Company-owned or -rented vehicles or Government-owned vehicles; or

(ii) Privately-owned vehicles when on official Government business or when performing any work for or on behalf of the Government.

(2) Conduct initiatives in a manner commensurate with the size of the business, such as--

(i)) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

(ii) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

(d) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts that exceed the micro-purchase threshold.

(End of clause)

52.225-25 PROHIBITION ON CONTRACTING WITH ENTITIES ENGAGING IN CERTAIN ACTIVITIES OR TRANSACTIONS RELATING TO IRAN--REPRESENTATION AND CERTIFICATIONS. (OCT 2015)

(a) Definitions. As used in this provision--

Person--

(1)) Means--

(i) A natural person;

(ii) A corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(iii) Any successor to any entity described in paragraph (1)(ii) of this definition; and

(2) Does not include a government or governmental entity that is not operating as a business enterprise.

Sensitive technology--

(1) Means hardware, software, telecommunications equipment, or any other technology that is to be used specifically--

(i) To restrict the free flow of unbiased information in Iran; or

(ii) To disrupt, monitor, or otherwise restrict speech of the people of Iran; and

(2) Does not include information or informational materials the export of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

(b) The offeror shall email questions concerning sensitive technology to the Department of State at CISADA106@state.gov.

(c) Except as provided in paragraph (d) of this provision or if a waiver has been granted in accordance with 25.703-4, by submission of its offer, the offeror—

(1) Represents, to the best of its knowledge and belief, that the offeror does not export any sensitive technology to the government of Iran or any entities or individuals owned or controlled by, or acting on behalf or at the direction of, the government of Iran;

(2) Certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act. These sanctioned activities are in the areas of development of the petroleum resources of Iran, production of refined petroleum products in Iran, sale and provision of refined petroleum products to Iran, and contributing to Iran's ability to acquire or develop certain weapons or technologies; and

(3) Certifies that the offeror, and any person owned or controlled by the offeror, does not knowingly engage in any transaction that exceeds \$3,500 with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (see OFAC's Specially Designated Nationals and Blocked Persons List at <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>).

(d) Exception for trade agreements. The representation requirement of paragraph (c)(1) and the certification requirements of paragraphs (c)(2) and (c)(3) of this provision do not apply if—

(1) This solicitation includes a trade agreements notice or certification (e.g., 52.225-4, 52.225-6, 52.225-12, 52.225-24, or comparable agency provision); and

(2) The offeror has certified that all the offered products to be supplied are designated country end products or designated country construction material.

(End of provision)

52.232-39 UNENFORCEABILITY OF UNAUTHORIZED OBLIGATIONS (JUN 2013)

(a) Except as stated in paragraph (b) of this clause, when any supply or service acquired under this contract is subject to any End User License Agreement (EULA), Terms of Service (TOS), or similar legal instrument or agreement, that includes any clause requiring the Government to indemnify the Contractor or any person or entity for damages, costs, fees, or any other loss or liability that would create an Anti-Deficiency Act violation (31 U.S.C. 1341), the following shall govern:

(1) Any such clause is unenforceable against the Government.

(2) Neither the Government nor any Government authorized end user shall be deemed to have agreed to such clause by virtue of it appearing in the EULA, TOS, or similar legal instrument or agreement. If the EULA, TOS, or similar legal instrument or agreement is invoked through an "I agree" click box or other comparable mechanism (e.g., "click-wrap" or "browse-wrap" agreements), execution does not bind the Government or any Government authorized end user to such clause.

(3) Any such clause is deemed to be stricken from the EULA, TOS, or similar legal instrument or agreement.

(b) Paragraph (a) of this clause does not apply to indemnification by the Government that is expressly authorized by statute and specifically authorized under applicable agency regulations and procedures.

(End of clause)

252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)

The Contractor's procedures for protecting against unauthorized disclosure of information shall not require Department of Defense employees or members of the Armed Forces to relinquish control of their work products, whether classified or not, to the contractor.

(End of clause)



November 1, 2018

Ms. Cathy Rosen
Public Works Director
City of Oak Harbor
865 SE Barrington Drive
Oak Harbor, WA 98277

RE: Projection of Sewer SDCs and Rates for the Navy Connection to the City Sewer System

Dear Ms. Rosen:

The City of Oak Harbor (City) has requested technical and professional services from HDR Engineering, Inc. (HDR) and Carollo Engineers (Carollo) to develop an estimated sewer rate and sewer connection charge for various alternatives as requested by the U.S. Navy (Navy). HDR and Carollo (The Project Team) have been working extensively with the City to develop projected Clean Water Facility (CWF) costs and subsequent rates and connection charges. Provided below is a summary of the scope of services, project team, and fee estimate.

Scope of Services

Provided below is the scope of services to provide an estimated sewer rate and connection fee to provide service to the Navy under the requested alternatives. Specifically, provide service to the Seaplane Base and Crescent Capehart Housing. The basis for the analyses will be the most recent sewer rate study completed by HDR as well as the WWTP cost projections by the City's GC/CM contractor, and designs completed by Carollo. This information will be utilized to develop the estimated sewer rate and connection charge alternatives.

Task 1—Kick-Off Meeting

At the start of the project a kick-off meeting will be held with the HDR project team, City project team, and Navy project team. This project meeting will review the study goals and objectives, review the study scope and approach, establish a final time schedule, and coordination of efforts. Up to four (4) HDR project team members will participate in 2-hour kick-off meeting conference call.

DELIVERABLES AS A RESULT OF TASK 1:

- A 2-hour kick-off meeting conference call

hdrinc.com

929 108th Ave NE, Suite 1300, Bellevue, WA 98004
T 425.450.6200

Task 2—Data Collection, Review, and Assessment

An initial written data request will be provided to the City which details the data and information required to develop the analysis. HDR recently completed the development of the sewer rate study and sewer connection charge analysis. As a result, a majority of the data necessary to complete the rate and connection charge analysis has been provided. In addition to the financial analysis, the following information will be required to determine the impacts of the additional Navy flow to the CWF. This will include items such as:

- Confirmation of the current and projected sewer flow rates and volumes from the Navy for each alternative
- Confirmation of current and projected strength (concentrations of conventional pollutants including BOD, TSS, and ammonia) of the Navy sewer flow for each alternative
- Detailed cost estimates for construction of the Clean Water Facility by the City's GC/CM contractor

As the analysis progresses the project team will work with the City and Navy to determine additional data needs.

DELIVERABLES AS A RESULT OF TASK 2:

- An initial written data request
- Identification of data constraints
- Identification of additional data needs

Task 3—Development of the Draft Estimated Sewer Rate

The starting point of the analysis will be for HDR to develop an estimate of the sewer rate to provide sewer service to the Navy. Up to four (4) alternatives will be developed based on the request by the Navy. The rate alternatives are as follows:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system.
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system.
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system.
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system.

As noted, the starting point will be the current update of the sewer rate analysis for the City being developed by HDR. A key aspect of the analysis will be determining the impact,

under each alternative, the Navy's sewer volumes have on the CWF and City sewer collection system.

The analysis will be based on the additional O&M and capital costs the City will incur at the CWF based on the current and projected sewer volumes from the Navy. A comprehensive analysis will be performed to determine the impact, under each alternative, of the Navy's sewer flows have on the CWF and sewer collection system. The analysis will be based on the O&M the City will incur including electricity, chemicals, and labor. In addition, a review of allocable collection, administrative, and other O&M costs will be reviewed and allocated to the Navy based on generally accepted rate setting methodologies.

As the project progresses, a conference call meeting will be held with the City to review the status of the analyses. Up to four team members from the project team will participate in this meeting with the City. At the completion of meeting, the project team will refine the analyses and develop a draft final analysis which will be provided to the City for discussion with the Navy.

At the completion of the analysis HDR will provide a brief discussion of each alternative to describe the assumptions, inputs, and results of each alternative.

DELIVERABLES AS A RESULT OF TASK 3:

- Development of up to four (4) draft sewer rate analyses based on the alternatives requested by the Navy
- O&M costs estimate for the CWF and conveyance system
- An electronic copy (PDF) of the technical analysis for each alternative
- A conference call with City staff during the development of analyses
- A summary of each alternative assumptions, inputs and results

Task 4—Development of the Draft Sewer Connection Charge

A key aspect of the analyses will be the development of a sewer connection charge for each of the alternatives requested by the Navy. This task will include a review of the processes, capacity, and capabilities of the current CWF design to meet the estimated sewer volumes from the Navy. The analysis will evaluate the navy flows and loads and review the processes, capacity, and capabilities of the current CWF design to treat the estimated sewer flows from the Navy. It also includes review and development of the draft conveyance system costs developed by the Navy.

Once the capital improvement needs at the CWF have been determined, the connection fee analysis can begin. This will determine the equitable share of CWF costs that benefit the Navy. In addition to CWF costs, a review of existing collection system infrastructure benefitting the Navy will be completed to determine allocable components of the existing collection and pumping infrastructure that provide service to the Navy. The alternatives are the same as the rate analyses and are as follows:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. This alternative will calculate a one-time connection charge for the Navy
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. This alternative will calculate a connection charge which will be amortized over a 20-year period
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. This alternative will calculate a one-time connection charge for the Navy
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. This alternative will calculate a connection charge which will be amortized over a 20-year period

As the project progresses, a conference call meeting will be held with the City to review the status of the analyses. Up to four team members from the project team will participate in this meeting with the City. At the completion of meeting, the project team will refine the analyses and develop a draft final analysis which will be provided to the City for discussion with the Navy.

At the completion of the analyses, a brief summary of the assumptions, inputs, and results of each alternative will be provided.

DELIVERABLES AS A RESULT OF TASK 4:

- Development of the additional capital improvement needs at the CWF and conveyance system
- Cost estimates for the identified capital improvement needs
- A draft sewer connection charge for each alternative provided in electronic form (PDF)
- A conference call with City staff during the development of analyses
- A brief summary of the assumptions, inputs, and results.

Task 5—Project Review Meeting #1

At the completion of the draft rate and connection charge analyses a four (4) hour project meeting will be held at the City's offices with City and Navy representatives. Up to four (4) HDR project team members will participate in the project meeting. At the completion of this meeting the HDR project team will have received input to develop the draft final analyses.

DELIVERABLES AS A RESULT OF TASK 5:

- A four (4) hour meeting at the City's offices with City and Navy staff
- Input on the development of final alternatives
- Summary meeting minutes

Task 6—Development of the Draft Final Rate and Connection Charge

Based on the input from the project review meeting, the HDR project will update the draft alternatives developed in Tasks 3 and 4. HDR will work with City and Navy staff to coordinate any additional data needs or assumptions. HDR will provide an electronic copy of the technical analyses for each alternative for the rate and connection charges. The summary documentation provided as part of Tasks 3 and 4 will also be updated to reflect changes in the inputs and assumptions.

DELIVERABLES AS A RESULT OF TASK 6:

- Updated rate and connection charge analyses provided in electronic format (PDF)
- Updated summary documentation provided in electronic format (PDF)

Task 7— Project Review Meeting #2

At the completion of the draft final analyses, a four (4) hour project meeting will be held at the City's offices with City and Navy representatives. Up to four (4) HDR project team members will participate in the project meeting. At the completion of this meeting the HDR project team will have received input to develop the final analyses.

DELIVERABLES AS A RESULT OF TASK 7:

- A four (4) hour meeting at the City's offices with City and Navy staff
- Input on the development of final alternatives
- Summary meeting minutes

Task 8— Development of the Final Rate and Connection Charge

Based on the input from the project review meeting #2, the HDR project team will update the draft alternatives developed in Tasks 3 and 4. HDR will work with City and Navy staff to coordinate any additional data needs or assumptions. HDR will provide an electronic copy of the technical analyses for each alternative for the rate and connection charges. The summary documentation will also be updated to reflect changes in the inputs and assumptions. A conference call will be held with City and Navy staff to review the final analyses.

DELIVERABLES AS A RESULT OF TASK 8:

- Updated rate and connection charge analyses provided in electronic format (PDF)
- Updated summary documentation provided in electronic format (PDF)
- Conference call to review the final analyses

Task 9— Public Presentation

At the completion of the study the HDR and Carollo project managers will present the results of the study to the City Council at a regularly scheduled Council meeting or workshop.

DELIVERABLES AS A RESULT OF TASK 9:

- Development of presentation materials
- One (1) presentation at a City Council meeting or workshop

This concludes the scope of services to provide the City with an estimate of the sewer rate, and connection charge, for the alternatives requested by the Navy. If additional services are requested, they can be provided on an hourly basis at current hourly billing rates. Any additional services will be agreed to in writing between HDR and the City.

Proposed Project Team

The proposed project team is composed primarily of individuals that have been providing similar services to the City. The proposed project team is as follows:

Shawn Koorn, Project Manager (HDR)

Shawn will guide the overall analysis and provide overall quality control for the study. Shawn has been assisting the Department in the development of water and wastewater rates and fees since 2008.

Judy Dean, Senior Financial Analyst (HDR)

Judy will lead the update of the sewer connection fee analysis. Judy developed the prior connection fee analyses for the City during the 2009 rate study.

Josiah Close, Financial Analyst (HDR)

Josiah will develop the technical analysis for the sewer rate analysis. Josiah developed the most recent sewer rate update for the City.

Brian Matson, Project Manager (Carollo)

Brian will guide the work performed by Carollo and provide quality control for Carollo's deliverables. Brian has been assisting the City with development of the Facilities Plan and CWF design since 2010.

Karl Hadler, CWF Design Manager (Carollo)

Karl will assist with development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and capital improvement costs. Karl has been assisting the City with development of the CWF design and construction.

Mike Borerro, CWF Design Engineer (Carollo)

Mike will assist with development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and conveyance capital improvement costs. Mike has been assisting the City with development of the CWF design and construction.

Anne Conklin, Process Modeling (Carollo)

Anne will assist with process modeling updates to the CWF for development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and capital improvement costs. Anne provided similar services for the 2013 Facilities Plan.

Schedule

Past studies of this nature for the City have typically taken 8-12 weeks to complete. The

project team will work with the City and Navy to develop a final schedule.

Hourly Rates and Fee Estimate

Rate Schedule

Our proposed hourly rate schedule by job classification is provided below. The hourly rate schedule will be in effect during the course of the study, through December 2018. These rates shall apply for the requested scope of work.

HDR RATE SCHEDULE July 2018 through December 2018

HDR Project Manager	\$265
Senior Financial Analyst	\$190
Financial Analyst	\$125
Carollo Project Manager	\$298
CWF Design Manager	\$272
Design Engineer/Process Modeler	\$214
Admin/Clerical	\$110

*The billing rates shown cover payroll cost, employee benefits,
and HDR overhead and profit.*

EXPENSES:

In-House Expenses

Vehicle Mileage (per mile)	Current Federal Travel Regulation (FTR)
Black/White Photocopies (per copy)	\$0.05 to \$0.09
Color Copy (per copy)	\$0.15 to \$0.30

No markup on expenses. Other direct expenses are billed at cost.

Fee Estimate

The project fees are a function of the hourly billing rates for the employees to be utilized on the pro forma update and the amount of time required to complete each task. Provided below is a summary of estimated project fee.

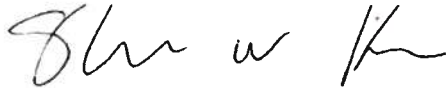
Fee Estimate Projection of Navy Sewer Rates and Connection Charges	
Task Description	Total
Labor:	
Task 1: Kick-Off Meeting	\$4,121
Task 2: Data Collection, Review, and Assessment	6,104
Task 3: Development of the Draft Estimated Sewer Rate	25,256
Task 4: Development of the Draft Sewer Connection Charge	44,813
Task 5: Project Review Meeting #1	6,896
Task 6: Development of the Draft Final Rate and Connection Charge	5,590
Task 7: Project Review Meeting #2	6,598
Task 8: Development of the Final Rate and Connection Charge	2,920
Task 9: Public Presentation	<u>8,910</u>
Grand Total Labor	\$111,209
Total Expenses	<u>5,115</u>
Grand Total	<u>\$116,324</u>

HDR is willing to enter into a time and materials contract with City. Should the City request any additional services, the services will be provided through an amendment at current hourly billing rates. This proposal can be expanded or reduced as mutually agreed upon in writing by the City and HDR.

Ms. Cathy Rosen
November 1, 2018
Page 9

We appreciate the opportunity to provide this proposal to assist the City. Should you have any questions about our approach to this project or any information contained herein, please contact Shawn directly at (425) 450-6366 or at shawn.koorn@hdrinc.com.

Sincerely,
HDR ENGINEERING, INC.

A handwritten signature in black ink, appearing to read "Shawn W. Koorn". The signature is fluid and cursive, with the first name being the most prominent.

Shawn W. Koorn
Associate Vice President

	HDR Project Team				Carollo Project Team					Total
	Project Manager	Senior Analyst	Financial Analyst	Admin/ Acct.	Project Manager	Design Manager	Design Engineer	Process Modeling	Admin/ Acct.	
Hourly Billing Rates	\$265.00	\$190.00	\$125.00	\$110.00	\$298.20	\$271.95	\$213.15	\$213.15	\$108.15	
Task 1	3	3	2	1	1	3	3	2	2	20
Task 2	2	4	6	1	0	2	8	8	0	31
Task 3	12	12	40	2	4	10	32	16	4	132
Task 4	12	40	12	2	6	26	64	44	4	210
Task 5	6	4	4	1	2	6	4	3	2	32
Task 6	6	12	12	2	0	0	0	0	0	32
Task 7	6	4	4	1	1	6	4	3	2	31
Task 8	4	6	4	2	0	0	0	0	0	16
Total	51	85	84	12	14	53	115	76	14	504

City of Oak Harbor Proposal to NASWI RE: CWF Connection
Response to RFQ N4425518T7002
11/16/2018 Master Page 36 of 38

Phase	Task	Task Description	Project Manager	Senior Analyst	Financial Analyst	Proj. Assistant	Project Manager	Design Manager	Design Engineer	Process Modeling	Admin Assistance	Total Project
		Hourly Billing Rates	\$265.00	\$190.00	\$125.00	\$110.00	\$298.20	\$271.95	\$213.15	\$213.15	\$108.15	
1.0	Kick-Off Meeting											
	Hours -		3	3	2	1	1	3	3	2	2	20
	Labor Cost		\$795	\$570	\$250	\$110	\$298	\$816	\$639	\$426	\$216	\$1,725
	Carollo Labor Costs											2,396
	Total Task 1											\$4,121
2.0	Data Collection, Review, and Assessment											
	Hours -		2	4	6	1	0	2	8	8	0	31
	Labor Cost		\$530	\$760	\$750	\$110	\$0	\$544	\$1,705	\$1,705	\$0	\$2,150
	Carollo Labor Costs											3,954
	Total Task 2											\$6,104
3.0	Development of the Draft Estimated Sewer Rate											
	Hours -		12	12	40	2	4	10	32	16	4	132
	Labor Cost		\$3,180	\$2,280	\$5,000	\$220	\$1,193	\$2,720	\$6,821	\$3,410	\$433	\$10,680
	Carollo Labor Costs											14,576
	Total Task 3											\$25,256
4.0	Development of the Draft Sewer Connection Charge											
	Hours -		12	40	12	2	6	26	64	44	4	210
	Labor Cost		\$3,180	\$7,600	\$1,500	\$220	\$1,789	\$7,071	\$13,642	\$9,379	\$433	\$12,500
	Carollo Labor Costs											32,313
	Total Task 4											\$44,813
5.0	Project Review Meeting #1											
	Hours - Written Report		6	4	4	1	2	6	4	3	2	32
	Labor Cost		\$1,590	\$760	\$500	\$110	\$596	\$1,632	\$853	\$639	\$216	\$2,960
	Carollo Labor Costs											3,936
	Total Task 5											\$6,896
6.0	Development of the Draft Final Rate and Connection Charge											
	Hours -		6	12	12	2	0	0	0	0	0	32
	Labor Cost		\$1,590	\$2,280	\$1,500	\$220	\$0	\$0	\$0	\$0	\$0	\$5,590
	Carollo Labor Costs											0
	Total Task 6											\$5,590
7.0	Project Review Meeting #2											
	Hours -		6	4	4	1	1	6	4	3	2	31
	Labor Cost		\$1,590	\$760	\$500	\$110	\$298	\$1,632	\$853	\$639	\$216	\$2,960
	Carollo Labor Costs											3,638
	Total Task 7											\$6,598
8.0	Development of the Final Rate and Connection Charge											
	Hours -		4	6	4	2	0	0	0	0	0	16
	Labor Cost		\$1,060	\$1,140	\$500	\$220	\$0	\$0	\$0	\$0	\$0	\$2,920
	Carollo Labor Costs											0
	Total Task 8											\$2,920
9.0	Public Presentation											
	Hours -		6	4	4	2	8	8	4	2	0	38
	Labor Cost		\$1,590	\$760	\$500	\$220	\$2,386	\$2,176	\$853	\$426	\$0	\$3,070
	Carollo Labor Costs											5,840
	Total Task 9											\$8,910
	Total Hours		57	89	88	14	22	61	119	78	14	542
	Total Fees		\$15,105	\$16,910	\$11,000	\$1,540	\$6,560	\$16,589	\$25,365	\$16,626	\$1,514	\$111,209
			10.5%	16.4%	16.2%	2.6%	4.1%	11.3%	22.0%	14.4%	2.6%	100.0%
	HDR Expenses											
	Mileage (3 trips)											\$310
	Phone/Copies/Misc.											275
	Meals											90
												\$675
	Carollo Expenses											
	Mileage											\$600
	Misc. (phones, copies, fax, etc.)											400
	Professional Equip. and Computer Exp.											3,440
												\$4,440
	Total Expenses											\$5,115
	Grand Total Project Fee Estimate											\$116,324

Phase	Task	Task Description	Project Manager	Senior Analyst	Financial Analyst	Proj. Assistant	Project Manager	Design Manager	Design Engineer	Process Modeling	Admin Assistance	Total Project
		Hourly Billing Rates	\$265.00	\$190.00	\$125.00	\$110.00	\$298.2	\$272.0	\$213.2	\$213.2	\$108.2	
1.0	Kick-Off Meeting											
	Hours -		3	3	2	1	1	3	3	2	2	20
	Labor Cost		\$795	\$570	\$250	\$110	\$298	\$816	\$639	\$426	\$216	\$1,725
	Carollo Labor Costs											2,396
	Total Task 1											\$4,121
2.0	Data Collection, Review, and Assessment											
	Hours -		2	4	6	1	0	2	8	8	0	31
	Labor Cost		\$530	\$760	\$750	\$110	\$0	\$544	\$1,705	\$1,705	\$0	\$2,150
	Carollo Labor Costs											3,954
	Total Task 2											\$6,104
3.0	Development of the Draft Estimated Sewer Rate											
	Hours -		12	12	40	2	4	10	32	16	4	132
	Labor Cost		\$3,180	\$2,280	\$5,000	\$220	\$1,193	\$2,720	\$6,821	\$3,410	\$433	\$10,680
	Carollo Labor Costs											14,576
	Total Task 3											\$25,256
4.0	Development of the Draft Sewer Connection Charge											
	Hours -		12	40	12	2	6	26	64	44	4	210
	Labor Cost		\$3,180	\$7,600	\$1,500	\$220	\$1,789	\$7,071	\$13,642	\$9,379	\$433	\$12,500
	Carollo Labor Costs											32,313
	Total Task 4											\$44,813
5.0	Project Review Meeting #1											
	Hours - Written Report		6	4	4	1	2	6	4	3	2	32
	Labor Cost		\$1,590	\$760	\$500	\$110	\$596	\$1,632	\$853	\$639	\$216	\$2,960
	Carollo Labor Costs											3,936
	Total Task 5											\$6,896
6.0	Development of the Draft Final Rate and Connection Charge											
	Hours -		6	12	12	2	0	0	0	0	0	32
	Labor Cost		\$1,590	\$2,280	\$1,500	\$220	\$0	\$0	\$0	\$0	\$0	\$5,590
	Carollo Labor Costs											0
	Total Task 6											\$5,590
7.0	Project Review Meeting #2											
	Hours -		6	4	4	1	1	6	4	3	2	31
	Labor Cost		\$1,590	\$760	\$500	\$110	\$298	\$1,632	\$853	\$639	\$216	\$2,960
	Carollo Labor Costs											3,638
	Total Task 7											\$6,598
8.0	Development of the Final Rate and Connection Charge											
	Hours -		4	6	4	2	0	0	0	0	0	16
	Labor Cost		\$1,060	\$1,140	\$500	\$220	\$0	\$0	\$0	\$0	\$0	\$2,920
	Carollo Labor Costs											0
	Total Task 8											\$2,920
	Total Hours		51	85	84	12	14	53	115	76	14	504
	Total Fees		\$13,515	\$16,150	\$10,500	\$1,320	\$4,175	\$14,413	\$24,512	\$16,199	\$1,514	\$102,299
			10.1%	16.9%	16.7%	2.4%	2.8%	10.5%	22.8%	15.1%	2.8%	46.0%
	HDR Expenses											
	Mileage (3 trips)											\$310
	Phone/Copies/Misc.											275
	Meals											90
	Carollo Expenses											\$675
	Mileage											\$600
	Misc. (phones, copies, fax, etc.)											400
	Professional Equip. and Computer Exp.											3,440
	Total Expenses											\$4,440
	Grand Total Project Fee Estimate											\$5,115
												\$107,414

City of Oak Harbor
City Council Agenda Bill

Bill No. 9. a.
Date: August 21, 2018
Subject: Authorization to Submit Rate
Analysis Proposal to Navy for
Wastewater Treatment Plant,
connection and wastewater
treatment.

FROM: Cathy Rosen, Public Works Director

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

- Bob Sevens, Mayor
- Patricia Soule, Finance Director
- Nikki Esparza, City Attorney, as to form

RECOMMENDED ACTION

Authorize the Mayor to submit the proposal regarding a wastewater treatment plant connection fee and treatment rate analysis as outlined in the Navy's Request for Quotations No. N4425518T002.

BACKGROUND / SUMMARY INFORMATION

The Navy has requested that that City give them a price proposal for the development of a wastewater treatment plant connection fee and a rate to treat the Navy's wastewater for four (4) different scenarios:

1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays a one-time charge, plus a rate for wastewater treatment.

1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period plus a rate for wastewater treatment.

2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays a one-time connections charge, plus a rate for wastewater treatment.

2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment.

The City will need assistance from an outside consultant to determine the costs of the necessary infrastructure and the impacts to the wastewater treatment plant as well as calculating the connection fee and rate for wastewater treatment. The City has received a proposal from HDR with Carollo Engineers as a subconsultant for this work. In addition, the City will need the assistance of a financial consultant regarding the cost to finance the necessary infrastructure to connect the Navy's Seaplane Base to the Clean Water Facility. The City has received a proposal from PFM for these services.

The proposal to the Navy includes the costs of HDR and PFM as well as a 10% City administration fee.

If the Navy approves the City's proposal, the City will enter into an agreement with the Navy. Once there is an agreement with the Navy, the contracts with HDR and PFM will be presented to City Council for approval.

LEGAL AUTHORITY

FISCAL IMPACT

PREVIOUS COUNCIL / BOARD / CITIZEN INPUT

ATTACHMENTS

1. [Letter to Rebecca S. Tangen re Navy Request for Quotation No. N4425518T7002](#)
2. [Navy Request for Quotation No. N4425518T7002](#)
3. [HDR Proposal for Projection of Sewer SDCs and Rates for Navy Connection to City Sewer System](#)
4. [PFM Proposal re Navy Connection to City Sewer System](#)



August 21, 2018

Rebecca S. Tangen
NAVFAC Northwest
PWD Whidbey Island
Facilities Engineering and Acquisition Division
1115 W Lexington Drive - Building 103
Oak Harbor, WA 98278-3500

RE: Request for Quotation No. N4425518T7002

Dear Ms. Tangen,

The City of Oak Harbor is pleased to submit this proposal for a wastewater treatment plant connection fee and treatment rate analysis as outlined in the Navy's Request for Quotations No. N4425518T002.

SCOPE OF WORK

Meetings

Kick-off Meeting

At the start of the project, a kick-off meeting will be held at City offices with representatives from the Navy, members of the City's consultant team and representatives of the City. The purpose of this meeting is to verify the contract scope and expectations, highlight coordination issues, review the scope and approach for the rate analysis and establish a final time schedule.

Review Meetings

Project Review Meeting #1: 35%-50% Rate Analysis Development Review

At the completion of the draft rate and connection charge analysis, a meeting will be held at City offices with representatives from the Navy, members of the City's consultant team and representatives of the City. The intent of this meeting is to discuss project status and identify problem areas, if any, prior to development of the draft final analysis. Up to four (4) hours have been allocated for this meeting.

Project Review Meeting #2: 100% Pre-Final Rate Analysis Presentation and Review Meeting

At the completion of the draft final analysis, a meeting will be held at City offices with representatives from the Navy, members of the City's consultant team and representatives of the City. The intent of this meeting will be for the City to present to Navy staff their findings, calculations, assumptions and recommendations and to identify outstanding problem areas, if any, prior to the Final Rate Analysis submittal.

Meeting Minutes

An electronic copy of records of all meetings, conferences and conference calls will be provided in Adobe PDF format to each of the Government Points of Contact indicated in Section A3 of the Navy's Request for Quotations.

Development of Estimated Sewer Rate

The City team will develop an estimate of rates to provide sewer service to the Navy's Seaplane Base. The rate analysis will include four (4) alternatives based on the request by the Navy and will include operation and maintenance costs for the conveyance system and a rate for wastewater treatment. For two (2) of the alternatives, the rate will also include amortizing the connection charge over a 20-year period.

All analysis will be predicated on local, state and federal requirements.

Development of Sewer Connection Charge

This task will include a review of the processes, capacity, and capabilities of the current CWF design to meet the estimated sewer volumes from the Navy Seaplane Base utilizing the estimated Navy flows and loads. It also includes review and development of conveyance system costs as proposed by the Navy.

Once the capital improvement needs at the CWF have been determined, an analysis will be performed to determine the equitable share of CWF costs that benefit the Navy. In addition to CWF costs, a review of the existing City collection system infrastructure benefitting the Navy will be completed to determine allocable components of the existing collection and pumping infrastructure that will provide service to the Navy.

The Navy has requested a rate analysis for four (4) different alternatives:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays a one-time charge, plus a rate for wastewater treatment.
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period plus a rate for wastewater treatment.
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays a one-time connections charge, plus a rate for wastewater treatment.
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment.

All analysis will be predicated on local, state and federal requirements.

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CITY PROJECT TEAM

The proposed project team is composed primarily of individuals that have been working on the City’s Clean Water Facility (CWF) Project including City staff, the design engineers, and financial consultants that have assisted the City in obtaining funding for the CWF project and performing the rate analysis for the City’s wastewater utility. The proposed project team is as follows:

Blaine Oborn, City Administrator

Mr. Oborn will guide the overall project for the City.

Patricia Soule, City Finance Director

Ms. Soule will co-manage the project with the City Public Works Director. Ms. Soule will be the City’s point of contact and will provide oversight and verification of costs.

Cathy Rosen, City Public Works Director

Ms. Rosen will co-manage the project with the City Finance Director. Ms. Rosen will provide oversight regarding operational and other programmatic needs related to the City’s wastewater collection and treatment systems.

Brett Arvidson, City CWF Project Manager

Mr. Arvidson will provide assistance in determining operational costs of the CWF and impacts to operation of the CWF from Navy flow.

HDR with Carollo Engineers as a subconsultant

HDR will lead the preparation of the connection fee and rate analysis. HDR has assisted the City with the development of wastewater rates and fees since 2008.

As a subconsultant to HDR, Carollo Engineers will be responsible for developing the list of infrastructure needs required to connect Navy facilities on the Seaplane Base to the City’s Clean Water Facility and providing estimated costs for that infrastructure. Carollo Engineers has been assisting the City with the development of the facilities plan and design of the CWF and has provided engineering support services during the construction of the CWF.

PFM

PFM will assist the City in determining the cost of debt for those scenarios where the Navy is requesting that the City construct required infrastructure utilizing City funds and amortizing the cost over a 20-year period. PFM assisted the City in issuing bonds to fund a portion of the CWF.

SCHEDULE

Past studies of this nature have typically taken 8-12 weeks. The project team will work with the Navy to develop the final project schedule.

FEE ESTIMATE

The City will enter into Time and Materials Agreements with HDR and PFM to complete the scope of work outlined in this proposal. In addition to the direct charges from HDR and PFM, the City will charge a 10% administrative fee. The City administrative fee will include costs including, but not limited to, staff labor, direct and indirect expenses, overhead charges and other costs. City expenses will be billed on a 10% markup basis and will not be itemized. The estimated Fee for this work is:

HDR	\$119,114.00
PFM	\$ 7,500.00
City Administration 10%	<u>\$ 12,661.40</u>
Total Estimated Fee	\$139,275.40

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Invoices will be submitted monthly and will be due within 30 days.

A copy of the proposals and fees schedules for HDR and PFM are attached.

We appreciate the opportunity to provide this proposal to the Navy. Should you have any questions regarding our approach to this project or any of the information contained herein, please contact Patricia Soule who is the City's point of contact regarding this proposal. Ms. Soule may be reached at (360)279-4538 or at psoule@oakharbor.org.

Sincerely,

Robert Severns
Mayor

REQUEST FOR QUOTATIONS (THIS IS NOT AN ORDER)		THIS RFQ <input type="checkbox"/> IS <input checked="" type="checkbox"/> IS NOT A SMALL BUSINESS SET-ASIDE			PAGE OF PAGES 1 18	
1. REQUEST NO. N4425518T7002	2. DATE ISSUED 13-Jun-2018	3. REQUISITION/PURCHASE REQUEST NO.	4. CERT. FOR NAT. DEF. UNDER BDSA REG. 2 AND/OR DMS REG. 1		RATING	
5a. ISSUED BY NAVFAC NORTHWEST PWO WHIDBEY ISLAND FACILITIES ENGINEERING AND ACQUISITION DMSI 1115W LEXINGTON DR BLDG 103 OAKHARBOR WA 98278-3500			6. DELIVER BY (Date) SEE SCHEDULE			
5b. FOR INFORMATION CALL: (Name and Telephone no.) (No collect calls) REBECCA S. TANGEN 360-257-3849			7. DELIVERY <input checked="" type="checkbox"/> FOB [] OTHER DESTINATION (See Schedule)			
8. TO: NAME AND ADDRESS, INCLUDING ZIP CODE			9. DESTINATION (Consignee and address, including ZIP Code) SEE SCHEDULE			
10. PLEASE FURNISH QUOTATIONS TO THE ISSUING OFFICE IN BLOCK 5a ON OR BEFORE CLOSE OF BUSINESS: (Date) 29-Jun-2018						
IMPORTANT: This is a request for information, and quotations furnished are not offers. If you are unable to quote, please so indicate on this form and return it to the address in Block 5a. This request does not commit the Government to pay any costs incurred in the preparation of the submission of this quotation or to contract for supplies or services. Supplies are of domestic origin unless otherwise indicated by quote. Any representations and/or certifications attached to this Request for Quotations must be completed by the quote.						
11. SCHEDULE (Include applicable Federal, State, and local taxes)						
ITEM NO. (a)	SUPPLIES/ SERVICES (b)		QUANTITY (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)
SEE SCHEDULE						
12. DISCOUNT FOR PROMPT PAYMENT		a. 10 CALENDAR DAYS %	b. 20 CALENDAR DAYS %	c. 30 CALENDAR DAYS %	d. CALENDAR DAYS % No. %	
NOTE: Additional provisions and representations <input type="checkbox"/> are <input type="checkbox"/> are not attached.						
13. NAME AND ADDRESS OF QUOTER (Street, City, County, State, and ZIP Code)			14. SIGNATURE OF PERSON AUTHORIZED TO SIGN QUOTATION		15. DATE OF QUOTATION	
			16. NAME AND TITLE OF SIGNER (Type or print)		TELEPHONE NO. (Include area code)	

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION NOT USABLE

STANDARD FORM 18 (REV. 6-95)
Prescribed by GSA
FAR (48 CFR) 53.215-1(a)

Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	WWTP Connection & Treatment Rate Analysis FFP Rate analysis to provide costs for Navy to connect to the City of Oak Harbor's new wastewater treatment facility. Also include operation and maintenance costs. 4 scenarios requested. FOB: Destination				

\$139,275.40

NET AMT

Section C - Descriptions and Specifications

STATEMENT OF WORK

City of Oak Harbor Wastewater Connection and Treatment Rate Analysis

Attachment List:

- (1) – Seaplane Base Projected Flows and Loadings
- (2) – Estimated Bare Costs for Conveyance Systems on Navy Property

A. General Information:

A1. Contract Identification:

Contract No.: N44255-18-P-7001

Project Title: City of Oak Harbor Wastewater Connection and Treatment Rate Analysis

Project Location: Naval Air Station Whidbey Island

A2. Contract Scope:

Provide a Rate Analysis in accordance with the following:

Background:

In March 2013 the City of Oak Harbor provided estimated wastewater treatment plant, conveyance, outfall and operation and maintenance costs for the Navy to join their Clean Water Facility (CWF). Due to fiscal limitations and acquisition regulations, the Navy could not commit to the cost share proposal within the City's project development and construction timeframe. The Navy opted to resume operation and maintenance of the Navy owned lagoon treatment plant after the completion of the CWF in order to continue wastewater services for Navy customers on Seaplane Base.

In August 2016, the Navy initiated the Seaplane Base General Sewer Plan (Plan). The Plan identified short-term treatment upgrades and developed long-term treatment alternatives. The long-term alternatives included treating wastewater in the same location as the existing lagoons, the construction of a new Navy owned wastewater treatment plant on Navy property and the connection to the City's CWF.

In order to consider connecting Seaplane Base to the CWF as a viable alternative, the Navy is requesting that the City of Oak Harbor provide revised wastewater conveyance, treatment and operation and maintenance cost projections. These revised costs projections will allow the Navy to select a long-term alternative to the existing lagoon plant.

Navy Wastewater to Clean Water Facility:

The alternative under consideration involves eliminating the lagoon wastewater treatment plant within Seaplane Base and conveying all wastewater flows to the City of Oak Harbor for treatment at the City's Clean Water Facility. This alternative requires construction of new conveyances (lift stations and forcemains) on Navy property, as well as modifications to the City's existing collection system. Refer to Attachment 1 for a concept drawing showing potential system modifications.

The City shall provide a rate analysis which includes estimated connection charges for collection system modifications and new conveyances, as well as an estimated sewer rate for treatment of Navy wastewater flows. The estimated connection charge and sewer rate shall be provided for the following scenarios:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. The Navy pays a one-time connection charge, plus a rate for wastewater treatment;
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment;

- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. The Navy pays a one-time connection charge, plus a rate for wastewater treatment;
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment;

The rate analysis shall also include a line item pricing breakdown for the following components of wastewater collection and treatment:

1. Lift stations and force mains, located on Navy property, required to convey wastewater to the City's collection system.
2. Wastewater collection system modifications, within City property, that would be necessary to accommodate the Navy's flows to the Clean Water Facility.
3. Annual operation and maintenance cost of conveying and treating Navy's wastewater.

A3. Government Points of Contact:

Naval Facilities Engineering Command Northwest Contract Specialist:

Mrs. Rebecca Tangen, Contract Specialist
(360-257-3849 rebecca.tangen@navy.mil)

Mrs. Annette Goodchild, Contracting Officer
(360) 257-6500 annie.goodchild@navy.mil

NAVFAC NW, Whidbey Island 1115 W. Lexington B-103 Oak Harbor, WA 98278

Naval Facilities Engineering Command Northwest Design Manager:

Mr. Trevor Lunceford, Senior Utilities Engineer
(360) 315-3003 trevor.lunceford@navy.mil

NAVFAC NW, 1101 Tautog Circle Building 1101 Silverdale, WA 98315

Note:

Only the Contracting Officer has authority to modify the terms and conditions of this Task Order.

B. Deliverables:

B1. Provide a Rate Analysis document, including the following:

- a. Estimated connection charge and estimated sewer rate, in accordance with Section A2.
- b. Methods used for the construction cost estimate and rate development.
 - State the method of cost estimates utilized in rate analysis (i.e. quantity take-off, other method(s), or combination thereof).
 - State whether the cost estimates are based on results of studies, and if not, state what assumptions have been made.
 - Provide data supporting conclusions and observations made for each of the components above.
 - Identify preferred rate structure.
- c. Assumptions and exclusions to the rate analysis –
 - List and explain the use of other markups such as design contingencies (including contingencies to address any assumptions made pertaining to any studies/reports), bonds, gross receipts tax, other taxes, etc.

C. Rate Analysis Submittal Schedule:

Note: Durations and Government review periods are shown in calendar days.

Milestones	Duration	Government Review
Kick-off Meeting	10 days after Task Order Award	N/A
35% - 50% Rate Analysis Submittal	30 days after Kick-off Meeting	7 days
35% - 50% Rate Analysis Review Meeting	10 days after 35% - 50% Rate Analysis Submittal	N/A
100% Pre-Final Rate Analysis Submittal	20 days after 35% - 50% Rate Analysis Review Meeting	7 days
100% Pre-Final Rate Analysis Presentation and Review Meeting	10 days after 100% Pre-Final Rate Analysis Submittal	N/A
Final Submittal	10 days after 100% Pre-Final Rate Analysis Review Meeting	N/a

C1. Submittal Requirements

For each submittal stage (35%-50%, 100% Pre-Final, and Final), provide 1 hard copy and 1 electronic copy (on DVD) to each of the Government Points of Contact indicated in Section A3.

D. Meetings, Conferences, and Conference Calls:

D1. Locations:

The following meetings are required. Organize, attend and participate in the required meetings at the designated locations specified below.

Meetings, Conferences, and Conference Calls	Location
Kick-off Meeting	Conference Call
35% - 50% Rate Analysis Development Review Meeting	City of Oak Harbor PWD
100% Pre-Final Rate Analysis Presentation & Review Meeting	City of Oak Harbor PWD

D2. Kick-off Meeting:

This meeting is required to verify the contract scope and expectations, discuss the rate analysis, highlight coordination issues, etc. with the government representatives.

D3. Review Meetings:

Review meetings will be held following each submittal as indicated below:

- a. **35% - 50% Rate Analysis Development Review Meeting:** This meeting is a progress review meeting to verify/confirm the requirements of the rate analysis. The intent of this meeting is to ascertain the status, and identify problems areas, if any, prior to the 100% Pre-Final submittal.
- b. **100% Pre-Final Rate Analysis Presentation and Review Meeting:** This meeting is a progress review meeting to discuss the requirements and technical features of the rate analysis. The intent of this meeting will be for the City to present to Navy staff their findings, calculations, assumptions and recommendations, and identify outstanding problems areas, if any, prior to the Final rate analysis submittal.

D4. Meeting Minutes:

Record all meetings, conferences and conference calls minutes and provide an electronic copy of these minutes in Adobe PDF format to each of the Government Points of Contact indicated in Section A3.

Attachment (1) – Seaplane Base Projected Flows and Loadings

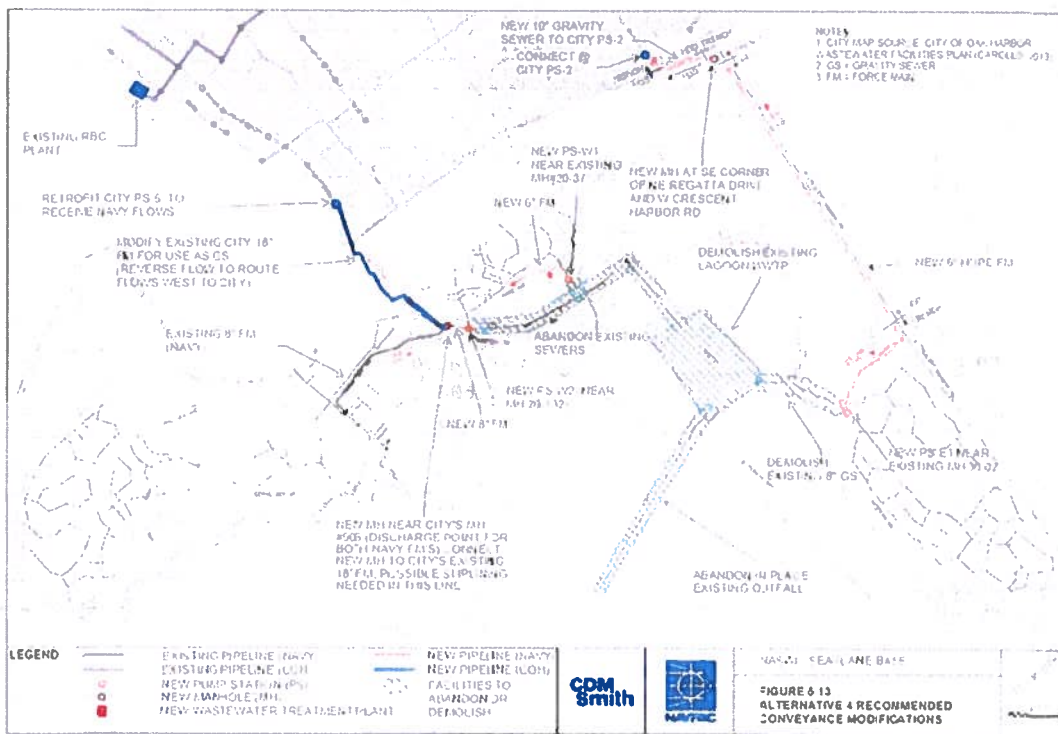


Table 1 Projected Flows from the West Seaplane Service Area	
Projected Flows	Estimated Flow (gpd)
ADWF	256,326
AAF	370,591
MMF	384,489
PDF	1,307,263
PHF	1,486,691

Table 2 Projected Loading from the West Seaplane Service Area	
Design Parameter	Loading, ppd
BOD₅	
Average Annual	513
Maximum Month	577
TSS	
Average Annual	577
Maximum Month	641
Ammonia-Nitrogen	
Average Annual	80
Maximum Month	80

Table 3 Projected Flows from the East Seaplane Service Area	
Projected Flows	Estimated Flow (gpd)
ADWF	114,604
AAF	137,525
MMF	171,906
PDF	584,480
PHF	664,703

Table 4 Projected Loading from the East Seaplane Service Area	
Design Parameter	Loading, ppd
BOD₅	
Average Annual	229
Maximum Month	258
TSS	
Average Annual	258
Maximum Month	287
Ammonia-Nitrogen	
Average Annual	36
Maximum Month	36

Attachment 2 - Estimated Bare Costs for Conveyance Systems on Navy Property

Alternative 4 – Sewer SPB to City of Oak Harbor (COH)

- This estimate is consistent with the description of Alternative 4 provided in subsection 5.2.4 of the *Sewer Plan* (CDM Smith, October 2017) unless otherwise noted herein.

Eastside Conveyance:

New PS-E1

- All line items under this component category are the same as for Alt-2, with the addition of an influent flow meter and composite sampler. [See Page 3 below for description](#)

6" Forcemain and 10" Gravity Sewer (GS)

- From the pump station, there is 2,200 lft of 6" HDPE FM open cut pipe line that connects to 6" HDPE HDD pipe line at the top of the hill and a small section at the new manhole.
- One-half (10') of the asphalt road was removed and replaced for the open cut.
- 5,000 lft of 6" HDPE horizontally directionally drilled (HDD) pipeline parallels the 36-ft wide W. Crescent Harbor Rd.
- HDD pipeline frequently use sending and receiving pits at each end of a drill section. An allowance of \$14.59/lft is included for necessary sending and receiving pits spaced every 1,000 lft of HDD. Details for spacing pits and their required size will be determined in future designs and contracts. This allowance includes excavation, imported backfill and hauling spoils to the NAS. Seven pits are included in the estimate.
- Traffic control and demo and replacement of asphalt paving has been included for pit areas.
- Disturbed areas will be hydro seeded.
- A new 6' dia with a 12' invert manhole is installed near the intersection of W. Crescent Harbor Rd. and Torpedo Rd.
- From the manhole, there is a short section of open cut 10" gravity sewer which flows into a new 752 lft 10" HDPE gravity sewer HDD pipeline. This in turn flows into 300 lft 10" GS open cut pipe line that connects to the City of Oak Harbor (COH) PS-2. 6' diameter manholes are spaced every 300 LF along the gravity sewer alignment.

Westside Conveyance

PS-W1:

- This station was estimated as similar to PS-W1 (e.g., two 7-hp submersible pumps in a small packaged pump station).
- Site conditions are very similar including electrical service and emergency generator (10 KW).
- Metering is provided at this pump station (mag meter)

New 3" HDPE FM:

- 947 lft of 3" open cut FM is installed at the pump discharge and connects to an existing sewer line.

Abandoned sewer:

Alternative 4

- An existing sewer line is being abandoned in place.
- Eleven manholes are removed from this sewer line.

New 12" PVC GS:

- 500 lft of 12" PVC GS, open cut, is installed near area of tie-in of two Navy forcemains to a soon to be abandoned COH 16" GS.

New manholes

- Two new, 6' dia with a 12' invert, manholes will be installed to facilitate the connections to the COH pipeline.

New Effluent Composite Sampler and Meter

- The sampler and meter will be installed prior to flowing into the COH 16" pipeline. The sampler is housed in an FRP Building and the meter is in a concrete vault.
- The site work for this installation is similar to the pump stations however no generator has been included.

Conversion of City FM to Gravity Sewer

- The cost for adding manholes to the existing pipeline, yard-piping changes needed at the COH WWTP, or other related modifications to accomplish this conversion were not included in the estimate. It is assumed that this cost will be included in the city's connection fee since this is City-owned infrastructure, mainly located outside of SPB, and any modifications that COH requires to this pipeline is assumed would be performed by the COH directly.

Alternative 2 - New Plant for SPB

Eastside Conveyance:

New PS-E1

- PS-E1 is a small packaged pump station with two 7-hp non-clog submersible pumps. This station pumps flows from Crescent Capehart to the new WWTP.
- A new 6" mag-flow meter is included in an exterior vault.
- A composite sampler is included at this station.
- Site work includes clear and grub area of trees, fine grade, addition of some limited asphalt paving either at the approach apron and/or at the new pump station. A new security fence was added and the site hydro-seeded. No card key reader was provided for at the gate.
- Erosion control is included.
- All excavation spoils are hauled to NAS stockpile.
- All demolished materials are hauled to disposal sites explained above.
- Site improvements include new electrical service assumed at 14.4 KV, 1,000 lft of direct buried PGRC raceway, new step-down transformer and meter. The raceway runs from the pump station to a connection point is not currently specified.
- To facilitate communicate with the pump station a new 1,000 lft telecom direct burial raceway was added. This data connection will allow communication with the SCADA system. Telecom raceway runs from the pump station to telephone line connection that is not currently specified.
- Funds were included to provide for data up-link.

US Navy, Seaplane Base, Whidbey Island, WA
 WWP Alternates 4
 Revised 10-11-2017

Description	Qty	Labor		Material		Sub		Equip		Other		Total	
		Mhrs	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Cost/Unit	Amount	Amount	
Eastside Conveyance													
PS-E1	1.00 ea	996	63,271	209,111	31,872	9,526	616	314,396.00 /ea				314,396	
6" FM Open Cut Pipe Line	2,200.00 lf	2,169	134,068	168,163	24,257	64,204	25,804	189,32 lf				416,496	
10" Gravity Sewer (GS) Open Cut Pipe Line	297.00 lf	676	41,580	84,417	19,811	21,545	4,227	577.71 lf				171,579	
HDD 6" HDPE Forcemain (includes allowance for pits)	5,000.00 lf	1,577	100,844	153,279	237,004	96,577	15,068	120,55 lf				602,772	
HDD 10" HDPE Gravity Sewer (includes allowance for pit	752.00 lf	482	29,536	39,000	86,105	37,964	15,268	276.43 lf				207,872	
New Manhole 6' dia with 12' Invert	1.00 ea	66	4,089	5,311	1,440	2,625	0	13,465.00 /ea				13,465	
Eastside Conveyance	1.00 ls	5,965	373,388	658,281	400,489	232,440	60,983	1,726,579.50 /ls				1,726,580	
Westside Conveyance Inside SPB													
New Manhole's 6' dia with 12' Invert & Patch	2.00 ea	276	17,121	22,784	6,600	11,747	400	29,326.00 /ea				58,652	
PS-W1	1.00 ea	620	39,625	150,127	44,507	7,683	280	242,222.00 /ea				242,222	
SMH-20 MH Composite Sampler and Meter	1.00 ls	607	37,962	93,192	13,435	7,935	616	153,140.00 /ls				153,140	
Remove Manholes	11.00 ea	1	44	0	19,250	131	1,200	1,875.00 /ea				20,625	
Pipeline Site Work	1.00 ls	753	45,157	29,607	726	21,901	6,953	104,344.00 /ls				104,344	
3" FM Open Cut Pipe Line	947.00 ea	1,656	101,649	105,756	28,694	51,607	9206	313.53 /ea				296,911	
12" PVC GS Open Cut Pipe Line	500.00 lf	1,037	63,855	106,293	23,544	32,749	400	453.68 lf				226,840	
Westside Conveyance Inside SPB	1.00 ls	4,950	305,414	507,759	136,755	133,752	19,055	1,102,734.50 /ls				1,102,735	

Section E - Inspection and Acceptance

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0001	N/A	N/A	N/A	Government

Section F - Deliveries or Performance

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	DODAAC / CAGE
0001	N/A	N/A	N/A	N/A

CLAUSES INCORPORATED BY REFERENCE

52.242-15	Stop-Work Order	AUG 1989
52.242-17	Government Delay Of Work	APR 1984

Section G - Contract Administration Data

CLAUSES INCORPORATED BY FULL TEXT

5252.201-9300 CONTRACTING OFFICER AUTHORITY (JUN 1994)

In no event shall any understanding or agreement between the Contractor and any Government employee other than the Contracting Officer on any contract, modification, change order, letter or verbal direction to the Contractor be effective or binding upon the Government. All such actions must be formalized by a proper contractual document executed by an appointed Contracting Officer. The Contractor is hereby put on notice that in the event a Government employee other than the Contracting Officer directs a change in the work to be performed or increases the scope of the work to be performed, it is the Contractor's responsibility to make inquiry of the Contracting Officer before making the deviation. Payments will not be made without being authorized by an appointed Contracting Officer with the legal authority to bind the Government. (End of clause)

Section I - Contract Clauses

CLAUSES INCORPORATED BY REFERENCE

52.204-7	System for Award Management	OCT 2016
52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
52.222-1	Notice To The Government Of Labor Disputes	FEB 1997
52.232-17	Interest	MAY 2014
52.232-23	Assignment Of Claims	MAY 2014
52.237-2	Protection Of Government Buildings, Equipment, And Vegetation	APR 1984
52.243-1 Alt I	Changes--Fixed Price (Aug 1987) - Alternate I	APR 1984
52.249-4	Termination For Convenience Of The Government (Services) (Short Form)	APR 1984
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004 Alt A	System for Award Management Alternate A	FEB 2014
252.232-7003	Electronic Submission of Payment Requests and Receiving Reports	JUN 2012
252.243-7001	Pricing Of Contract Modifications	DEC 1991

CLAUSES INCORPORATED BY FULL TEXT

52.213-4 TERMS AND CONDITIONS--SIMPLIFIED ACQUISITIONS (OTHER THAN COMMERCIAL ITEMS) (JAN 2018).

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses that are incorporated by reference:

(1) The clauses listed below implement provisions of law or Executive order:

(i) 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017) (section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions)).

(ii) 52.222-3, Convict Labor (JUN 2003) (E.O. 11755).

(iii) 52.222-21, Prohibition of Segregated Facilities (APR 2015).

(iv) 52.222-26, Equal Opportunity (SEPT 2016) (E.O. 11246).

(v) 52.225-13, Restrictions on Certain Foreign Purchases (JUN 2008) (E.O.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

(vi) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(vii) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78 (19 U.S.C. 3805 note).

(2) Listed below are additional clauses that

apply: (i) 52.232-1, Payments (APR 1984).

- (ii) 52.232-8, Discounts for Prompt Payment (FEB 2002).
 - (iii) 52.232-11, Extras (APR 1984).
 - (iv) 52.232-25, Prompt Payment (JAN 2017).
 - (v) 52.232-39, Unenforceability of Unauthorized Obligations (JUN 2013).
 - (vi) 52.232-40, Providing Accelerated Payments to Small Business Subcontractors (DEC 2013).
 - (vii) 52.233-1, Disputes (MAY 2014).
 - (viii) 52.244-6, Subcontracts for Commercial Items (NOV 2017).
 - (ix) 52.222-55, Minimum Wages Under Executive Order 13658 (MAR 2016) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia)).
- (b) The Contractor shall comply with the following FAR clauses, incorporated by reference, unless the circumstances do not apply:
- (1) The clauses listed below implement provisions of law or Executive order:
 - (i) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (Oct 2016) (Pub. L. 109-282) (31 U.S.C. 6101 note) (Applies to contracts valued at \$30,000 or more).
 - (ii) 52.222-19, Child Labor--Cooperation with Authorities and Remedies (Jan 2018) (E.O. 13126). (Applies to contracts for supplies exceeding the micro-purchase threshold).
 - (iii) 52.222-20, Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (MAY 2014) (41 U.S.C. chapter 65) (Applies to supply contracts over \$15,000 in the United States, Puerto Rico, or the U.S. Virgin Islands).
 - (iv) 52.222-35, Equal Opportunity for Veterans (Oct 2015) (38 U.S.C. 4212) (applies to contracts of \$150,000 or more).
 - (v) 52.222-36, Equal Employment for Workers with Disabilities (JUL 2014) (29 U.S.C. 793) (Applies to contracts over \$15,000, unless the work is to be performed outside the United States by employees recruited outside the United States). (For purposes of this clause, "United States" includes the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.)
 - (vi) 52.222-37, Employment Reports on Veterans (Feb 2016) (38 U.S.C. 4212) (Applies to contracts of \$150,000 or more).
 - (vii) 52.222-41, Service Contract Labor Standards (MAY 2014) (41 U.S.C. chapter 67) (Applies to service contracts over \$2,500 that are subject to the Service Contract Labor Standards statute and will be performed in the United States, District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, Johnston Island, Wake Island, or the outer Continental Shelf).
 - (viii)(A) 52.222-50, Combating Trafficking in Persons (MAR 2015) (22 U.S.C. chapter 78 and E.O 13627) (Applies to all solicitations and contracts).
- (B) Alternate I (MAR 2015) (Applies if the Contracting Officer has filled in the following information with regard to applicable directives or notices: Document title(s), source for obtaining document(s), and contract performance location outside the United States to which the document applies).

- (ix) 52.222-55, Minimum Wages Under Executive Order 13658 (DEC 2015) (Executive Order 13658) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia)).
- (x) 52.222-62, Paid Sick Leave Under Executive Order 13706 (JAN 2017) (E.O. 13706) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia.))
- (xi) 52.223-5, Pollution Prevention and Right-to-Know Information (MAY 2011) (E.O. 13423) (Applies to services performed on Federal facilities).
- (xii) 52.223-11, Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (June, 2016) (E.O. 13693)(applies to contracts for products as prescribed at FAR 23.804(a)(1)).
- (xiii) 52.223-12, Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (June, 2016) (E.O. 13693) (Applies to maintenance, service, repair, or disposal of refrigeration equipment and air conditioners).
- (xiv) 52.223-15, Energy Efficiency in Energy-Consuming Products (DEC 2007) (42 U.S.C. 8259b) (Unless exempt pursuant to 23.204, applies to contracts when energy-consuming products listed in the ENERGY STAR[supreg] Program or Federal Energy Management Program (FEMP) will be--
- (A) Delivered;
- (B) Acquired by the Contractor for use in performing services at a Federally-controlled facility;
- (C) Furnished by the Contractor for use by the Government; or
- (D) Specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance).
- (xv) 52.223-20, Aerosols (June, 2016) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons as a propellant or as a solvent; or contracts for maintenance or repair of electronic or mechanical devices).
- (xvi) 52.223-21, Foams (June, 2016) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons or refrigerant blends containing hydrofluorocarbons as a foam blowing agent; or contracts for construction of buildings or facilities.
- (xvii) 2.225-1, Buy American--Supplies (MAY 2014) (41 U.S.C. chapter 67) (Applies to contracts for supplies, and to contracts for services involving the furnishing of supplies, for use in the United States or its outlying areas, if the value of the supply contract or supply portion of a service contract exceeds the micro-purchase threshold and the acquisition--
- (A) Is set aside for small business concerns; or
- (B) Cannot be set aside for small business concerns (see 19.502-2), and does not exceed \$25,000).
- (xviii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (MAY 2014) (42 U.S.C. 1792) (Applies to contracts greater than \$25,000 that provide for the provision, the service, or the sale of food in the United States).

(xix) 52.232-33, Payment by Electronic Funds Transfer--System for Award Management (JUL 2013) (Applies when the payment will be made by electronic funds transfer (EFT) and the payment office uses the System for Award Management (SAM) database as its source of EFT information.)

(xx) 52.232-34, Payment by Electronic Funds Transfer--Other than System for Award Management (JUL 2013) (Applies when the payment will be made by EFT and the payment office does not use the SAM database as its source of EFT information.)

(xxi) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. App. 1241) (Applies to supplies transported by ocean vessels (except for the types of subcontracts listed at 47.504(d).)

(2)) Listed below are additional clauses that may apply:

(i) 52.204-21, Basic Safeguarding of Covered Contractor Information Systems (June, 2016) (Applies to contracts when the contractor or a subcontractor at any tier may have Federal contract information residing in or transiting through its information system.

(ii) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Oct 2015) (Applies to contracts over \$35,000).

(iii) 52.211-17, Delivery of Excess Quantities (SEP 1989) (Applies to fixed-price supplies).

(iv) 52.247-29, F.o.b. Origin (FEB 2006) (Applies to supplies if delivery is f.o.b. origin).

(v) 52.247-34, F.o.b. Destination (NOV 1991) (Applies to supplies if delivery is f.o.b. destination).

(c) FAR 52.252-2, Clauses Incorporated by Reference (FEB 1998). This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

(Insert one or more Internet addresses)

(d) Inspection/Acceptance. The Contractor shall tender for acceptance only those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Government must exercise its postacceptance rights--

(1) Within a reasonable period of time after the defect was discovered or should have been discovered; and

(2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(e) Excusable delays. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence, such as acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(f) Termination for the Government's convenience. The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all

work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that the Contractor can demonstrate to the satisfaction of the Government, using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred that reasonably could have been avoided.

(g) Termination for cause. The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(h) Warranty. The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(End of clause)

52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 2014)

In compliance with the Service Contract Labor Standards statute and the regulations of the Secretary of Labor (29 CFR part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

THIS STATEMENT IS FOR INFORMATION ONLY: IT IS NOT A WAGE DETERMINATION
Employee Class Monetary Wage-Fringe Benefits

(End of clause)

52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING (AUG 2011)

(a) Definitions. As used in this clause--

Driving---

(1) Means operating a motor vehicle on an active roadway with the motor running, including while temporarily stationary because of traffic, a traffic light, stop sign, or otherwise.

(2) Does not include operating a motor vehicle with or without the motor running when one has pulled over to the side of, or off, an active roadway and has halted in a location where one can safely remain stationary.

Text messaging means reading from or entering data into any handheld or other electronic device, including for the purpose of short message service texting, e-mailing, instant messaging, obtaining navigational information, or

engaging in any other form of electronic data retrieval or electronic data communication. The term does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to park.

(b) This clause implements Executive Order 13513, Federal Leadership on Reducing Text Messaging while Driving, dated October 1, 2009.

(c) The Contractor is encouraged to--

(1) Adopt and enforce policies that ban text messaging while driving--

(i) Company-owned or -rented vehicles or Government-owned vehicles; or

(ii) Privately-owned vehicles when on official Government business or when performing any work for or on behalf of the Government.

(2) Conduct initiatives in a manner commensurate with the size of the business, such as--

(i) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

(ii) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

(d) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts that exceed the micro-purchase threshold.

(End of clause)

52.225-25 PROHIBITION ON CONTRACTING WITH ENTITIES ENGAGING IN CERTAIN ACTIVITIES OR TRANSACTIONS RELATING TO IRAN--REPRESENTATION AND CERTIFICATIONS. (OCT 2015)

(a) Definitions. As used in this provision--

Person--

(1) Means--

(i) A natural person;

(ii) A corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(iii) Any successor to any entity described in paragraph (1)(ii) of this definition; and

(2) Does not include a government or governmental entity that is not operating as a business enterprise.

Sensitive technology--

(1) Means hardware, software, telecommunications equipment, or any other technology that is to be used specifically--

(i) To restrict the free flow of unbiased information in Iran; or

(ii) To disrupt, monitor, or otherwise restrict speech of the people of Iran; and

(2) Does not include information or informational materials the export of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

(b) The offeror shall email questions concerning sensitive technology to the Department of State at CISADA106@state.gov.

(c) Except as provided in paragraph (d) of this provision or if a waiver has been granted in accordance with 25.703-4, by submission of its offer, the offeror—

(1) Represents, to the best of its knowledge and belief, that the offeror does not export any sensitive technology to the government of Iran or any entities or individuals owned or controlled by, or acting on behalf or at the direction of, the government of Iran;

(2) Certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act. These sanctioned activities are in the areas of development of the petroleum resources of Iran, production of refined petroleum products in Iran, sale and provision of refined petroleum products to Iran, and contributing to Iran's ability to acquire or develop certain weapons or technologies; and

(3) Certifies that the offeror, and any person owned or controlled by the offeror, does not knowingly engage in any transaction that exceeds \$3,500 with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (see OFAC's Specially Designated Nationals and Blocked Persons List at <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>).

(d) Exception for trade agreements. The representation requirement of paragraph (c)(1) and the certification requirements of paragraphs (c)(2) and (c)(3) of this provision do not apply if—

(1) This solicitation includes a trade agreements notice or certification (e.g., 52.225-4, 52.225-6, 52.225-12, 52.225-24, or comparable agency provision); and

(2) The offeror has certified that all the offered products to be supplied are designated country end products or designated country construction material.

(End of provision)

52.232-39 UNENFORCEABILITY OF UNAUTHORIZED OBLIGATIONS (JUN 2013)

(a) Except as stated in paragraph (b) of this clause, when any supply or service acquired under this contract is subject to any End User License Agreement (EULA), Terms of Service (TOS), or similar legal instrument or agreement, that includes any clause requiring the Government to indemnify the Contractor or any person or entity for damages, costs, fees, or any other loss or liability that would create an Anti-Deficiency Act violation (31 U.S.C. 1341), the following shall govern:

(1) Any such clause is unenforceable against the Government.

(2) Neither the Government nor any Government authorized end user shall be deemed to have agreed to such clause by virtue of it appearing in the EULA, TOS, or similar legal instrument or agreement. If the EULA, TOS, or similar legal instrument or agreement is invoked through an "I agree" click box or other comparable mechanism (e.g., "click-wrap" or "browse-wrap" agreements), execution does not bind the Government or any Government authorized end user to such clause.

(3) Any such clause is deemed to be stricken from the EULA, TOS, or similar legal instrument or agreement.

(b) Paragraph (a) of this clause does not apply to indemnification by the Government that is expressly authorized by statute and specifically authorized under applicable agency regulations and procedures.

(End of clause)

252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)

The Contractor's procedures for protecting against unauthorized disclosure of information shall not require Department of Defense employees or members of the Armed Forces to relinquish control of their work products, whether classified or not, to the contractor.

(End of clause)



June 28, 2018

Mr. Joe Stowell, P.E.
City Engineer
City of Oak Harbor
865 SE Barrington Drive
Oak Harbor, WA 98277

RE: Projection of Sewer SDCs and Rates for the Navy Connection to the City Sewer System

Dear Mr. Stowell:

The City of Oak Harbor (City) has requested technical and professional services from HDR Engineering, Inc. (HDR) and Carollo Engineers (Carollo) to develop an estimated sewer rate and sewer connection charge for various alternatives as requested by the U.S. Navy (Navy). HDR and Carollo (The Project Team) have been working extensively with the City to develop projected Clean Water Facility (CWF) costs and subsequent rates and connection charges. Provided below is a summary of the scope of services, project team, and fee estimate.

Scope of Services

Provided below is the scope of services to provide an estimated sewer rate and connection fee to provide service to the Navy under the requested alternatives. Specifically, provide service to the Seaplane Base and Crescent Capehart Housing. The basis for the analyses will be the most recent sewer rate study completed by HDR as well as the WWTP cost projections by the City's GC/CM contractor, and designs completed by Carollo. This information will be utilized to develop the estimated sewer rate and connection charge alternatives.

Task 1—Kick-Off Meeting

At the start of the project a kick-off meeting will be held at the City's offices with the HDR project team, City project team, and Navy project team. This project meeting will review the study goals and objectives, review the study scope and approach, establish a final time schedule, and coordination of efforts. Up to four (4) HDR project team members will participate in kick-off meeting conference call.

DELIVERABLES AS A RESULT OF TASK 1:

- A kick-off meeting at the City's offices

hdrinc.com

2365 Iron Point Road, Suite 300, Folsom, CA 95630
T 916.817.4700 F 916.817.4747

Task 2—Data Collection, Review, and Assessment

An initial written data request will be provided to the City which details the data and information required to develop the analysis. HDR recently completed the development of the sewer rate study and sewer connection charge analysis. As a result, a majority of the data necessary to complete the rate and connection charge analysis has been provided. In addition to the financial analysis, the following information will be required to determine the impacts of the additional Navy flow to the CWF. This will include items such as:

- Confirmation of the current and projected sewer flow rates and volumes from the Navy for each alternative
- Confirmation of current and projected strength (concentrations of conventional pollutants including BOD, TSS, and ammonia) of the Navy sewer flow for each alternative
- Detailed cost estimates for construction of the Clean Water Facility by the City's GC/CM contractor

As the analysis progresses the project team will work with the City and Navy to determine additional data needs.

DELIVERABLES AS A RESULT OF TASK 2:

- An initial written data request
- Identification of data constraints
- Identification of additional data needs

Task 3—Development of the Draft Estimated Sewer Rate

The starting point of the analysis will be for HDR to develop an estimate of the sewer rate to provide sewer service to the Navy. Up to four (4) alternatives will be developed based on the request by the Navy. The rate alternatives are as follows:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system.
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system.
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system.
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system.

As noted, the starting point will be the current update of the sewer rate analysis for the City being developed by HDR. A key aspect of the analysis will be determining the impact,

under each alternative, the Navy's sewer volumes have on the CWF and City sewer collection system.

The analysis will be based on the additional O&M and capital costs the City will incur at the CWF based on the current and projected sewer volumes from the Navy. A comprehensive analysis will be performed to determine the impact, under each alternative, of the Navy's sewer flows have on the CWF and sewer collection system. The analysis will be based on the O&M the City will incur including electricity, chemicals, and labor. In addition, a review of allocable collection, administrative, and other O&M costs will be reviewed and allocated to the Navy based on generally accepted rate setting methodologies.

As the project progresses, a conference call meeting will be held with the City to review the status of the analyses. Up to four team members from the project team will participate in this meeting with the City. At the completion of meeting, the project team will refine the analyses and develop a draft final analysis which will be provided to the City for discussion with the Navy.

At the completion of the analysis HDR will provide a brief discussion of each alternative to describe the assumptions, inputs, and results of each alternative.

DELIVERABLES AS A RESULT OF TASK 3:

- Development of up to four (4) draft sewer rate analyses based on the alternatives requested by the Navy
- O&M costs estimate for the CWF and conveyance system
- An electronic copy (PDF) of the technical analysis for each alternative
- A conference call with City staff during the development of analyses
- A summary of each alternative assumptions, inputs and results

Task 4—Development of the Draft Sewer Connection Charge

A key aspect of the analyses will be the development of a sewer connection charge for each of the alternatives requested by the Navy. This task will include a review of the processes, capacity, and capabilities of the current CWF design to meet the estimated sewer volumes from the Navy. The analysis will evaluate the navy flows and loads and review the processes, capacity, and capabilities of the current CWF design to treat the estimated sewer flows from the Navy. It also includes review and development of the draft conveyance system costs developed by the Navy.

Once the capital improvement needs at the CWF have been determined, the connection fee analysis can begin. This will determine the equitable share of CWF costs that benefit the Navy. In addition to CWF costs, a review of existing collection system infrastructure benefitting the Navy will be completed to determine allocable components of the existing collection and pumping infrastructure that provide service to the Navy. The alternatives are the same as the rate analyses and are as follows:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. This alternative will calculate a one-time connection charge for the Navy
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. This alternative will calculate a connection charge which will be amortized over a 20-year period
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. This alternative will calculate a one-time connection charge for the Navy
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. This alternative will calculate a connection charge which will be amortized over a 20-year period

As the project progresses, a conference call meeting will be held with the City to review the status of the analyses. Up to four team members from the project team will participate in this meeting with the City. At the completion of meeting, the project team will refine the analyses and develop a draft final analysis which will be provided to the City for discussion with the Navy.

At the completion of the analyses, a brief summary of the assumptions, inputs, and results of each alternative will be provided.

DELIVERABLES AS A RESULT OF TASK 4:

- Development of the additional capital improvement needs at the CWF and conveyance system
- Cost estimates for the identified capital improvement needs
- A draft sewer connection charge for each alternative provided in electronic form (PDF)
- A conference call with City staff during the development of analyses
- A brief summary of the assumptions, inputs, and results.

Task 5—Project Review Meeting #1

At the completion of the draft rate and connection charge analyses a four (4) hour project meeting will be held at the City's offices with City and Navy representatives. Up to four (4) HDR project team members will participate in the project meeting. At the completion of this meeting the HDR project team will have received input to develop the draft final analyses.

DELIVERABLES AS A RESULT OF TASK 5:

- A four (4) hour meeting at the City's offices with City and Navy staff
- Input on the development of final alternatives
- Summary meeting minutes

Task 6—Development of the Draft Final Rate and Connection Charge

Based on the input from the project review meeting, the HDR project will update the draft alternatives developed in Tasks 3 and 4. HDR will work with City and Navy staff to coordinate any additional data needs or assumptions. HDR will provide an electronic copy of the technical analyses for each alternative for the rate and connection charges. The summary documentation provided as part of Tasks 3 and 4 will also be updated to reflect changes in the inputs and assumptions.

DELIVERABLES AS A RESULT OF TASK 6:

- Updated rate and connection charge analyses provided in electronic format (PDF)
- Updated summary documentation provided in electronic format (PDF)

Task 7— Project Review Meeting #2

At the completion of the draft final analyses, a four (4) hour project meeting will be held at the City's offices with City and Navy representatives. Up to four (4) HDR project team members will participate in the project meeting. At the completion of this meeting the HDR project team will have received input to develop the final analyses.

DELIVERABLES AS A RESULT OF TASK 7:

- A four (4) hour meeting at the City's offices with City and Navy staff
- Input on the development of final alternatives
- Summary meeting minutes

Task 8— Development of the Final Rate and Connection Charge

Based on the input from the project review meeting #2, the HDR project team will update the draft alternatives developed in Tasks 3 and 4. HDR will work with City and Navy staff to coordinate any additional data needs or assumptions. HDR will provide an electronic copy of the technical analyses for each alternative for the rate and connection charges. The summary documentation will also be updated to reflect changes in the inputs and assumptions. A conference call will be held with City and Navy staff to review the final analyses.

DELIVERABLES AS A RESULT OF TASK 8:

- Updated rate and connection charge analyses provided in electronic format (PDF)
- Updated summary documentation provided in electronic format (PDF)
- Conference call to review the final analyses

Task 9— Public Presentation

At the completion of the study the HDR and Carollo project managers will present the results of the study to the City Council at a regularly scheduled Council meeting or workshop.

DELIVERABLES AS A RESULT OF TASK 9:

- Development of presentation materials
- One (1) presentation at a City Council meeting or workshop

This concludes the scope of services to provide the City with an estimate of the sewer rate, and connection charge, for the alternatives requested by the Navy. If additional services are requested, they can be provided on an hourly basis at current hourly billing rates. Any additional services will be agreed to in writing between HDR and the City.

Proposed Project Team

The proposed project team is composed primarily of individuals that have been providing similar services to the City. The proposed project team is as follows:

Shawn Koorn, Project Manager (HDR)

Shawn will guide the overall analysis and provide overall quality control for the study. Shawn has been assisting the Department in the development of water and wastewater rates and fees since 2008.

Judy Dean, Senior Financial Analyst (HDR)

Judy will lead the update of the sewer connection fee analysis. Judy developed the prior connection fee analyses for the City during the 2009 rate study.

Josiah Close, Financial Analyst (HDR)

Josiah will develop the technical analysis for the sewer rate analysis. Josiah developed the most recent sewer rate update for the City.

Brian Matson, Project Manager (Carollo)

Brian will guide the work performed by Carollo and provide quality control for Carollo's deliverables. Brian has been assisting the City with development of the Facilities Plan and CWF design since 2010.

Karl Hadler, CWF Design Manager (Carollo)

Karl will assist with development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and capital improvement costs. Karl has been assisting the City with development of the CWF design and construction.

Mike Borerro, CWF Design Engineer (Carollo)

Mike will assist with development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and conveyance capital improvement costs. Mike has been assisting the City with development of the CWF design and construction.

Anne Conklin, Process Modeling (Carollo)

Anne will assist with process modeling updates to the CWF for development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and capital improvement costs. Anne provided similar services for the 2013 Facilities Plan.

Schedule

Past studies of this nature for the City have typically taken 8-12 weeks to complete. The

project team will work with the City and Navy to develop a final schedule.

Hourly Rates and Fee Estimate

Rate Schedule

Our proposed hourly rate schedule by job classification is provided below. The hourly rate schedule will be in effect during the course of the study, through December 2018. These rates shall apply for the requested scope of work.

HDR RATE SCHEDULE July 2018 through December 2018

HDR Project Manager	\$265
Senior Financial Analyst	\$190
Financial Analyst	\$125
Carollo Project Manager	\$298
CWF Design Manager	\$272
Design Engineer/Process Modeler	\$214
Admin/Clerical	\$110

*The billing rates shown cover payroll cost, employee benefits,
and HDR overhead and profit.*

EXPENSES:

In-House Expenses

Vehicle Mileage (per mile)	Current Federal Travel Regulation (FTR)
Black/White Photocopies (per copy)	\$0.05 to \$0.09
Color Copy (per copy)	\$0.15 to \$0.30

No markup on expenses. Other direct expenses are billed at cost.

Mr. Joe Stowell
 June 28, 2018
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Fee Estimate

The project fees are a function of the hourly billing rates for the employees to be utilized on the pro forma update and the amount of time required to complete each task. Provided below is a summary of estimated project fee.

Fee Estimate	
Projection of Navy Sewer Rates and Connection Charges	
Task Description	Total
Labor:	
Task 1: Kick-Off Meeting	\$6,757
Task 2: Data Collection, Review, and Assessment	6,104
Task 3: Development of the Draft Estimated Sewer Rate	25,256
Task 4: Development of the Draft Sewer Connection Charge	44,813
Task 5: Project Review Meeting #1	6,627
Task 6: Development of the Draft Final Rate and Connection Charge	5,590
Task 7: Project Review Meeting #2	6,627
Task 8: Development of the Final Rate and Connection Charge	2,929
Task 9: Public Presentation	<u>8,910</u>
Grand Total Labor	\$113,603
Total Expenses	<u>5,511</u>
Grand Total	<u>\$119,114</u>

HDR is willing to enter into a time and materials contract with City. Should the City request any additional services, the services will be provided through an amendment at current hourly billing rates. This proposal can be expanded or reduced as mutually agreed upon in writing by the City and HDR.

We appreciate the opportunity to provide this proposal to assist the City. Should you have any questions about our approach to this project or any information contained herein, please contact Shawn directly at (425) 450-6366 or at shawn.koorn@hdrinc.com.

Mr. Joe Stowell
June 28, 2018
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Sincerely,
HDR ENGINEERING, INC.

Shawn W. Koorn
Associate Vice President

Cathy Rosen

From: Patricia Soule
Sent: Monday, August 13, 2018 9:26 AM
To: Cathy Rosen
Subject: FW: CWF Navy request for qualifications.pptx
Attachments: Contract_PFMFA_Oak_Harbor_2016-07.pdf

See below.

From: Duncan Brown <brownd@pfm.com>
Sent: Monday, August 13, 2018 9:11 AM
To: Patricia Soule <psoule@oakharbor.org>
Subject: RE: CWF Navy request for qualifications.pptx

Hi, Patricia. Thanks for reaching out. I had a chance to connect briefly with Shawn last week.

Per our conversation a few weeks ago, I expect PFM's role here to focus primarily on: 1.) reviewing the assumptions and results of the HDR/Carollo analysis, and 2.) recommending an approach/structure for potential debt financing, if applicable. Both of those would be covered under the hourly rates in our existing contract (attached for reference).

Based on the hourly rate for a Senior Managing Consultant (my title) of \$295, and conservatively assuming 25 hours of work, that translates to about \$7,500.

Should the City pursue debt financing from a bank or the public bond market (i.e., not a P WTF or SRF loan), PFM's transactional fee would also be in accordance with our contract.

Please let me know if you'd like to discuss further. Thanks.

Duncan Brown
Senior Managing Consultant

PFM Financial Advisors LLC
brownd@pfm.com | mobile 206.406.9920 | web pfm.com
650 NE Holladay Street, Suite 1600 | Portland, Oregon 97232
1200 Fifth Avenue, Suite 1220 | Seattle, Washington 98101

From: Patricia Soule [<mailto:psoule@oakharbor.org>]
Sent: Friday, August 10, 2018 10:51 AM
To: Duncan Brown <brownd@pfm.com>
Subject: FW: CWF Navy request for qualifications.pptx

Duncan,

Could you provide a rate schedule for your part in this analysis and an estimated fee.

We are presenting potential costs to council and need this to round it out.

Thanks!
Patricia

From: Patricia Soule
Sent: Monday, July 30, 2018 11:03 AM
To: 'Duncan Brown' <brownd@pfm.com>
Subject: CWF Navy request for qualifications.pptx

City of Oak Harbor
City Council Agenda Bill

Bill No. 8. b.
Date: January 2, 2019
Subject: Professional Services Agreement:
HDR, Inc for Navy Utility Rate
Study

FROM: Cathy Rosen, Public Works Director

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Patricia Soule, Finance Director
- Nikki Esparza, City Attorney, as to form

RECOMMENDED ACTION

Authorize the Mayor to sign the Professional Services Agreement with HDR Engineering, Inc. for preparing a rate analysis for Navy connection to the Oak Harbor sewer system in the amount of \$116,324.

BACKGROUND / SUMMARY INFORMATION

The Navy requested a proposal from the City to explore connecting Navy facilities to the City's sewerage system. Connecting the Navy requires both a capital and operational cost structure for reimbursement of expenses. On November 16, 2018 the City submitted a proposal (RFQ N4425518T7002) to the Navy. The proposal was accepted and the Navy issued a contract. Council approval of this contract is presented as a separate agenda item.

The proposal to the Navy included consulting assistance from HDR Engineering (HDR). HDR is providing rate analysis for all the City's utilities and is familiar with the City's sewer rate structure. This proposal to the Navy is a logical extension to the existing rate analysis contracts. With their detailed knowledge of the City's sewerage system, Carollo Engineers is a subconsultant to HDR.

The attached Professional Services Agreement from HDR was included in the response to the Navy request. It includes analyzing the four (4) alternatives requested by the Navy, developing the alternative sewer connection charges, and developing sewer rates that reflect the various alternatives. The work includes meeting with the Navy and City Council at various intervals.

The total cost of this work is \$116,324. The expense will be reimbursed by the Navy's contract with the City. The expected time frame for this study is 8-12 weeks. Attached is the proposed Professional Services Agreement with HDR.

LEGAL AUTHORITY

FISCAL IMPACT

Funds Required: \$116,324

Appropriation Source: Wastewater Funds with Navy Reimbursement

PREVIOUS COUNCIL / BOARD / CITIZEN INPUT

July 25, 2018 - The request for proposal from the Navy was discussed in the City Council workshop.

August 21, 2018 - City Council authorized submission of proposal RFQ N4425518T7002 to the Navy.

ATTACHMENTS

1. [Professional Services Agreement with HDR Engineering, Inc.](#)
2. [Exhibit A - HDR Agreement](#)

**ON-CALL PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF OAK HARBOR
AND HDR ENGINEERING, INC.
FOR CONSULTANT SERVICES**

THIS AGREEMENT (“Agreement”) is made and entered into by and between the City of Oak Harbor, a Washington State municipal corporation (“City”), and HDR ENGINEERING, Inc. a Washington Corporation (“Consultant”).

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, the parties hereto agree as follows:

ARTICLE I. PURPOSE

The purpose of this Agreement is to provide the City with consultant administration services on an as-needed basis, as described in Article II. The general terms and conditions of the relationship between the City and the Consultant are specified in this Agreement.

ARTICLE II. SCOPE OF SERVICES

A general Scope of Services is attached as Exhibit A . All services and materials necessary to accomplish each Task Order will be stated in each Task Order Scope of Services and shall be provided by the Consultant unless noted otherwise in the Task Order Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant’s profession.

ARTICLE III. OBLIGATIONS OF THE CONSULTANT

III.1 MINOR CHANGES IN SCOPE. Minor changes, amendments, or revision in the detail of a Task Order Scope of Services as may be required by the City, with no impact to service costs or proposed schedules, shall be discussed and agreed upon between the Consultant and the City. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

Extra Work. The City may desire to have the Consultant perform work or render services in connection with each Task Order in addition to or other than work provided for by the expressed intent of the Task Order Scope of Services. Such work will be considered as Extra Work and will be specified in a written supplement to the Task Order Scope of Services, to be signed by both parties, which will set forth the nature and the scope thereof. All proposals for extra work or services shall be prepared by the Consultant at no cost to the City. Work under a supplemental agreement shall not proceed until executed in writing by the parties.

III.2 WORK PRODUCT AND DOCUMENTS. The work product and all documents produced under this Agreement shall be furnished by the Consultant to the City, and upon

completion of the work shall become the property of the City, except that the Consultant may retain one copy of the work product and documents for its records. The Consultant will be responsible for the accuracy of the work, even though the work has been accepted by the City.

In the event that the Consultant shall default on this Agreement or Task order in the event that this Agreement or Task Order shall be terminated prior to its completion as herein provided, all work product of the Consultant, along with a summary of work as of the date of default or termination, shall become the property of the City. Upon request, the Consultant shall tender the work product and summary to the City. Tender of said work product shall be a prerequisite to final payment under this Agreement. The summary of work done shall be prepared at no additional cost to the City.

Consultant will not be held liable for reuse of documents produced under this Agreement or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Consultant.

III.3 TERM. The term of this Agreement shall commence on January 2, 2019 and shall terminate at midnight, December 31, 2019. The parties may extend the term of this Agreement by written mutual agreement.

III.4 NONASSIGNABLE. The services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

III.5 EMPLOYMENT. Any and all employees of the Consultant, while engaged in the performance of any work or services required by the Consultant under this Agreement, shall be considered employees of the Consultant only and not of the City, and any and all claims that may or might arise under the Workman's Compensation Act on behalf of any said employees while so engaged, and any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while so engaged in any of the work or services provided herein shall be the sole obligation of the Consultant.

III.6 INDEMNITY. Indemnification/Hold Harmless Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, to the extent caused by the negligent acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. The provisions of this section shall survive the expiration or termination of this Agreement.

III.7 INSURANCE.

a. **Minimum Limits of Insurance.** The Consultant shall procure, and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work and services hereunder by the Consultant, its agents, representatives, employees or subcontractors. The Consultant shall, before commencing work under this agreement, file with the City certificates of insurance coverage and the policy endorsement to be kept in force continuously during this Agreement, in a form acceptable to the City. Said certificates and policy endorsement shall name the City, its officers, elected officials, agents and/or employees as an additional named insured with respect to all coverages except professional liability insurance and workers' compensation. The minimum insurance requirements shall be as follows:

(1) Comprehensive General Liability. \$1,000,000 combined single limit per occurrence for bodily injury personal injury and property damage; \$2,000,000 general aggregate.

(2) Automobile Liability. \$300,000 combined single limit per accident for bodily injury and property damage.

(3) Workers' Compensation. Workers' compensation limits as required by the Workers' Compensation Act of Washington.

(4) Consultant's Errors and Omissions Liability. \$1,000,000 per occurrence and as an annual aggregate.

b. **Notice of Cancellation.** In the event that the Consultant receives notice (written, electronic or otherwise) that any of the above required insurance coverage is being cancelled and/or terminated, the Consultant shall immediately (within forty-eight (48) hours) provide written notification of such cancellation/termination to the City.

c. **Acceptability of Insurers.** Insurance to be provided by Consultant shall be with a Bests rating of no less than A:VII, or if not rated by Bests, with minimum surpluses the equivalent of Bests' VII rating.

d. **Verification of Coverage.** In signing this agreement, the Consultant is acknowledging and representing that required insurance is active and current. Further, throughout the term of this Agreement, the Consultant shall provide the City with proof of insurance upon request by the City.

e. **Insurance shall be Primary.** The Consultant's insurance coverage shall be primary insurance as respect the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

f. **No Limitation.** Consultant's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance or otherwise limit the recourse to any remedy available at law or in equity.

g. **Claims-made Basis.** Unless approved by the City all insurance policies shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. The City may require an extended reporting endorsement on any approved "Claims-made" policy.

III.8 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION. The Consultant agrees to comply with equal opportunity employment and not to discriminate against client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training, rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

III.9 UNFAIR EMPLOYMENT PRACTICES. During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

III.10 LEGAL RELATIONS. The Consultant shall comply with all federal, state and local laws and ordinances applicable to work to be done under this Agreement. The Consultant represents that the firm and all employees assigned to work on any City project are in full compliance with the statutes of the State of Washington governing activities to be performed and that all personnel to be assigned to the work required under this Agreement are fully qualified-and properly licensed to perform the work to which they will be assigned. This Agreement shall be interpreted and construed in accordance with the laws of Washington. Venue for any litigation commenced relating to this Agreement shall be in Snohomish County Superior Court.

III.11 INDEPENDENT CONTRACTOR.

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor,

assumes the entire responsibility for carrying out and accomplishing the services required under this Agreement. The Consultant shall make no claim of City employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

d. Prior to commencement of work, the Consultant shall obtain a business license from the City.

III.12 CONFLICTS OF INTEREST. The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant's client base and shall obtain written permission from the City prior to providing services to third parties where a conflict or potential conflict of interest is apparent. If the City determines in its sole discretion that a conflict is irreconcilable, the City reserves the right to terminate this Agreement.

III.13 CITY CONFIDENCES. The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or services provided to the City.

III.14 SUBCONTRACTORS/SUBCONSULTANTS.

a. The Consultant shall is responsible for all work performed by subcontractors/subconsultants pursuant to the terms of this Agreement.

b. The Consultant must verify that any subcontractors/subconsultants they directly hire meet the responsibility criteria for the project. Verification that a subcontractor/subconsultant has proper license and bonding, if required by statute, must be included in the verification process. The Consultant will use the following Subcontractors/Subconsultants: None at this time.

c. The Consultant may not substitute or add subcontractors/subconsultants without the written approval of the City.

d. All Subcontractors/Subconsultants shall have the same insurance coverages and limits as set forth in this Agreement and the Consultant shall provide verification of said insurance coverage.

ARTICLE IV. OBLIGATIONS OF THE CITY

IV.1 PAYMENTS.

a. The Consultant shall be paid by the City on a time and materials basis for services rendered under this Agreement as described in each Task Order and as provided in this section. In no event shall the total compensation paid to Consultant under this Agreement exceed **\$116,324.00**, without the written agreement of the Consultant and the City. Such payment shall be full compensation for work performed and services rendered and for all labor, materials, supplies, equipment and incidentals necessary to complete the work under each Task Order. In the event the City elects to expand the scope of services from that set forth in Exhibit A, the City shall pay Consultant a mutually agreed amount.

b. The Consultant shall submit a combined monthly invoice to the City for services performed under all active Task Orders in the previous calendar month. Each active Task Order will be broken out separately in Consultant's invoice. At a minimum, invoices shall include (1) a summary of previous invoices; (2) current invoice amount; (3) total current monthly billing; (4) amount authorized under this agreement; and (5) total authorized amount still remaining under the agreement. The Consultant shall maintain time and expense records and provide them to the City upon request.

c. The City will pay timely submitted and approved invoices received before the 20th of each month within thirty (30) days of receipt.

IV.2 CITY APPROVAL. Notwithstanding the Consultant's status as an independent contractor, results of the work performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if work has been completed in compliance with the Scope of Services and City requirements.

IV.3 MAINTENANCE/INSPECTION OF RECORDS. The Consultant shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Consultant shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

ARTICLE V. GENERAL

V.1 **NOTICES.** Notices to the City shall be sent to the following address:

Brett Arvidson, PE, Project Engineer
City of Oak Harbor
865 SE Barrington Drive
Oak Harbor, WA 98277-4092
360-279-4521
barvidson@oakharbor.org

Notices to the Consultant shall be sent to the following address:

Shawn Korn,
929 108th Ave. NE, Suite 1300
Bellevue, WA 98004
425-450-6366
Shawn.korn@HDRINC.com

Receipt of any notice shall be deemed effective three (3) days after deposit of written notice in the U.S. mail with proper postage and address, and/or via email communication with delivery and read receipts.

V.2 **TERMINATION.** The right is reserved by the City to terminate this Agreement in whole or in part at any time upon ten (10) calendar days' written notice to the Consultant.

If this Agreement is terminated in its entirety by the City for its convenience, the City shall pay the Consultant for satisfactory services performed through the date of termination in accordance with payment provisions of Section VI.1.

V.3 **DISPUTES.** The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

V.4 **EXTENT OF AGREEMENT/MODIFICATION.** This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

V.5 **SEVERABILITY**

a. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed

and enforced as if the Agreement did not contain the particular provision held to be invalid.

b. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

V.6 NONWAIVER. A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

V.7 FAIR MEANING. The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

V.8 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

V.9 VENUE. The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Snohomish County, Washington.

V.10 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

V.11 AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT. The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth below.

DATED this _____ day of _____, 2019.

CITY OF OAK HARBOR

HDR ENGINEERING, Inc.

By _____
Robert Severns, Mayor

By _____

Approved as to form:

City Attorney



November 1, 2018

Ms. Cathy Rosen
Public Works Director
City of Oak Harbor
865 SE Barrington Drive
Oak Harbor, WA 98277

RE: Projection of Sewer SDCs and Rates for the Navy Connection to the City Sewer System

Dear Mr. Stowell:

The City of Oak Harbor (City) has requested technical and professional services from HDR Engineering, Inc. (HDR) and Carollo Engineers (Carollo) to develop an estimated sewer rate and sewer connection charge for various alternatives as requested by the U.S. Navy (Navy). HDR and Carollo (The Project Team) have been working extensively with the City to develop projected Clean Water Facility (CWF) costs and subsequent rates and connection charges. Provided below is a summary of the scope of services, project team, and fee estimate.

Scope of Services

Provided below is the scope of services to provide an estimated sewer rate and connection fee to provide service to the Navy under the requested alternatives. Specifically, provide service to the Seaplane Base and Crescent Capehart Housing. The basis for the analyses will be the most recent sewer rate study completed by HDR as well as the WWTP cost projections by the City's GC/CM contractor, and designs completed by Carollo. This information will be utilized to develop the estimated sewer rate and connection charge alternatives.

Task 1—Kick-Off Meeting

At the start of the project a kick-off meeting will be held with the HDR project team, City project team, and Navy project team. This project meeting will review the study goals and objectives, review the study scope and approach, establish a final time schedule, and coordination of efforts. Up to four (4) HDR project team members will participate in 2-hour kick-off meeting conference call.

DELIVERABLES AS A RESULT OF TASK 1:

- A 2-hour kick-off meeting conference call

hdrinc.com

929 108th Ave NE, Suite 1300, Bellevue, WA 98004
T 425.450.6200

Task 2—Data Collection, Review, and Assessment

An initial written data request will be provided to the City which details the data and information required to develop the analysis. HDR recently completed the development of the sewer rate study and sewer connection charge analysis. As a result, a majority of the data necessary to complete the rate and connection charge analysis has been provided. In addition to the financial analysis, the following information will be required to determine the impacts of the additional Navy flow to the CWF. This will include items such as:

- Confirmation of the current and projected sewer flow rates and volumes from the Navy for each alternative
- Confirmation of current and projected strength (concentrations of conventional pollutants including BOD, TSS, and ammonia) of the Navy sewer flow for each alternative
- Detailed cost estimates for construction of the Clean Water Facility by the City's GC/CM contractor

As the analysis progresses the project team will work with the City and Navy to determine additional data needs.

DELIVERABLES AS A RESULT OF TASK 2:

- An initial written data request
- Identification of data constraints
- Identification of additional data needs

Task 3—Development of the Draft Estimated Sewer Rate

The starting point of the analysis will be for HDR to develop an estimate of the sewer rate to provide sewer service to the Navy. Up to four (4) alternatives will be developed based on the request by the Navy. The rate alternatives are as follows:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system.
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system.
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system.
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system.

As noted, the starting point will be the current update of the sewer rate analysis for the City being developed by HDR. A key aspect of the analysis will be determining the impact,

under each alternative, the Navy's sewer volumes have on the CWF and City sewer collection system.

The analysis will be based on the additional O&M and capital costs the City will incur at the CWF based on the current and projected sewer volumes from the Navy. A comprehensive analysis will be performed to determine the impact, under each alternative, of the Navy's sewer flows have on the CWF and sewer collection system. The analysis will be based on the O&M the City will incur including electricity, chemicals, and labor. In addition, a review of allocable collection, administrative, and other O&M costs will be reviewed and allocated to the Navy based on generally accepted rate setting methodologies.

As the project progresses, a conference call meeting will be held with the City to review the status of the analyses. Up to four team members from the project team will participate in this meeting with the City. At the completion of meeting, the project team will refine the analyses and develop a draft final analysis which will be provided to the City for discussion with the Navy.

At the completion of the analysis HDR will provide a brief discussion of each alternative to describe the assumptions, inputs, and results of each alternative.

DELIVERABLES AS A RESULT OF TASK 3:

- Development of up to four (4) draft sewer rate analyses based on the alternatives requested by the Navy
- O&M costs estimate for the CWF and conveyance system
- An electronic copy (PDF) of the technical analysis for each alternative
- A conference call with City staff during the development of analyses
- A summary of each alternative assumptions, inputs and results

Task 4—Development of the Draft Sewer Connection Charge

A key aspect of the analyses will be the development of a sewer connection charge for each of the alternatives requested by the Navy. This task will include a review of the processes, capacity, and capabilities of the current CWF design to meet the estimated sewer volumes from the Navy. The analysis will evaluate the navy flows and loads and review the processes, capacity, and capabilities of the current CWF design to treat the estimated sewer flows form the Navy. It also includes review and development of the draft conveyance system costs developed by the Navy.

Once the capital improvement needs at the CWF have been determined, the connection fee analysis can begin. This will determine the equitable share of CWF costs that benefit the Navy. In addition to CWF costs, a review of existing collection system infrastructure benefitting the Navy will be completed to determine allocable components of the existing collection and pumping infrastructure that provide service to the Navy. The alternatives are the same as the rate analyses and are as follows:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. This alternative will calculate a one-time connection charge for the Navy
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. This alternative will calculate a connection charge which will be amortized over a 20-year period
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. This alternative will calculate a one-time connection charge for the Navy
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. This alternative will calculate a connection charge which will be amortized over a 20-year period

As the project progresses, a conference call meeting will be held with the City to review the status of the analyses. Up to four team members from the project team will participate in this meeting with the City. At the completion of meeting, the project team will refine the analyses and develop a draft final analysis which will be provided to the City for discussion with the Navy.

At the completion of the analyses, a brief summary of the assumptions, inputs, and results of each alternative will be provided.

DELIVERABLES AS A RESULT OF TASK 4:

- Development of the additional capital improvement needs at the CWF and conveyance system
- Cost estimates for the identified capital improvement needs
- A draft sewer connection charge for each alternative provided in electronic form (PDF)
- A conference call with City staff during the development of analyses
- A brief summary of the assumptions, inputs, and results.

Task 5—Project Review Meeting #1

At the completion of the draft rate and connection charge analyses a four (4) hour project meeting will be held at the City's offices with City and Navy representatives. Up to four (4) HDR project team members will participate in the project meeting. At the completion of this meeting the HDR project team will have received input to develop the draft final analyses.

DELIVERABLES AS A RESULT OF TASK 5:

- A four (4) hour meeting at the City's offices with City and Navy staff
- Input on the development of final alternatives
- Summary meeting minutes

Task 6—Development of the Draft Final Rate and Connection Charge

Based on the input from the project review meeting, the HDR project will update the draft alternatives developed in Tasks 3 and 4. HDR will work with City and Navy staff to coordinate any additional data needs or assumptions. HDR will provide an electronic copy of the technical analyses for each alternative for the rate and connection charges. The summary documentation provided as part of Tasks 3 and 4 will also be updated to reflect changes in the inputs and assumptions.

DELIVERABLES AS A RESULT OF TASK 6:

- Updated rate and connection charge analyses provided in electronic format (PDF)
- Updated summary documentation provided in electronic format (PDF)

Task 7— Project Review Meeting #2

At the completion of the draft final analyses, a four (4) hour project meeting will be held at the City's offices with City and Navy representatives. Up to four (4) HDR project team members will participate in the project meeting. At the completion of this meeting the HDR project team will have received input to develop the final analyses.

DELIVERABLES AS A RESULT OF TASK 7:

- A four (4) hour meeting at the City's offices with City and Navy staff
- Input on the development of final alternatives
- Summary meeting minutes

Task 8— Development of the Final Rate and Connection Charge

Based on the input from the project review meeting #2, the HDR project team will update the draft alternatives developed in Tasks 3 and 4. HDR will work with City and Navy staff to coordinate any additional data needs or assumptions. HDR will provide an electronic copy of the technical analyses for each alternative for the rate and connection charges. The summary documentation will also be updated to reflect changes in the inputs and assumptions. A conference call will be held with City and Navy staff to review the final analyses.

DELIVERABLES AS A RESULT OF TASK 8:

- Updated rate and connection charge analyses provided in electronic format (PDF)
- Updated summary documentation provided in electronic format (PDF)
- Conference call to review the final analyses

Task 9— Public Presentation

At the completion of the study the HDR and Carollo project managers will present the results of the study to the City Council at a regularly scheduled Council meeting or workshop.

DELIVERABLES AS A RESULT OF TASK 9:

- Development of presentation materials
- One (1) presentation at a City Council meeting or workshop

This concludes the scope of services to provide the City with an estimate of the sewer rate, and connection charge, for the alternatives requested by the Navy. If additional services are requested, they can be provided on an hourly basis at current hourly billing rates. Any additional services will be agreed to in writing between HDR and the City.

Proposed Project Team

The proposed project team is composed primarily of individuals that have been providing similar services to the City. The proposed project team is as follows:

Shawn Koorn, Project Manager (HDR)

Shawn will guide the overall analysis and provide overall quality control for the study. Shawn has been assisting the Department in the development of water and wastewater rates and fees since 2008.

Judy Dean, Senior Financial Analyst (HDR)

Judy will lead the update of the sewer connection fee analysis. Judy developed the prior connection fee analyses for the City during the 2009 rate study.

Josiah Close, Financial Analyst (HDR)

Josiah will develop the technical analysis for the sewer rate analysis. Josiah developed the most recent sewer rate update for the City.

Brian Matson, Project Manager (Carollo)

Brian will guide the work performed by Carollo and provide quality control for Carollo's deliverables. Brian has been assisting the City with development of the Facilities Plan and CWF design since 2010.

Karl Hadler, CWF Design Manager (Carollo)

Karl will assist with development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and capital improvement costs. Karl has been assisting the City with development of the CWF design and construction.

Mike Borerro, CWF Design Engineer (Carollo)

Mike will assist with development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and conveyance capital improvement costs. Mike has been assisting the City with development of the CWF design and construction.

Anne Conklin, Process Modeling (Carollo)

Anne will assist with process modeling updates to the CWF for development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and capital improvement costs. Anne provided similar services for the 2013 Facilities Plan.

Schedule

Past studies of this nature for the City have typically taken 8-12 weeks to complete. The

project team will work with the City and Navy to develop a final schedule.

Hourly Rates and Fee Estimate

Rate Schedule

Our proposed hourly rate schedule by job classification is provided below. The hourly rate schedule will be in effect during the course of the study, through December 2018. These rates shall apply for the requested scope of work.

HDR RATE SCHEDULE July 2018 through December 2018

HDR Project Manager	\$265
Senior Financial Analyst	\$190
Financial Analyst	\$125
Carollo Project Manager	\$298
CWF Design Manager	\$272
Design Engineer/Process Modeler	\$214
Admin/Clerical	\$110

*The billing rates shown cover payroll cost, employee benefits,
and HDR overhead and profit.*

EXPENSES:

In-House Expenses

Vehicle Mileage (per mile)	Current Federal Travel Regulation (FTR)
Black/White Photocopies (per copy)	\$0.05 to \$0.09
Color Copy (per copy)	\$0.15 to \$0.30

No markup on expenses. Other direct expenses are billed at cost.

Fee Estimate

The project fees are a function of the hourly billing rates for the employees to be utilized on the pro forma update and the amount of time required to complete each task. Provided below is a summary of estimated project fee.

Fee Estimate	
Projection of Navy Sewer Rates and Connection Charges	
Task Description	Total
<i>Labor:</i>	
Task 1: Kick-Off Meeting	\$4,121
Task 2: Data Collection, Review, and Assessment	6,104
Task 3: Development of the Draft Estimated Sewer Rate	25,256
Task 4: Development of the Draft Sewer Connection Charge	44,813
Task 5: Project Review Meeting #1	6,896
Task 6: Development of the Draft Final Rate and Connection Charge	5,590
Task 7: Project Review Meeting #2	6,598
Task 8: Development of the Final Rate and Connection Charge	2,920
Task 9: Public Presentation	<u>8,910</u>
Grand Total Labor	\$111,209
Total Expenses	<u>5,115</u>
Grand Total	<u>\$116,324</u>

HDR is willing to enter into a time and materials contract with City. Should the City request any additional services, the services will be provided through an amendment at current hourly billing rates. This proposal can be expanded or reduced as mutually agreed upon in writing by the City and HDR.

Ms. Cathy Rosen
November 1, 2018
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We appreciate the opportunity to provide this proposal to assist the City. Should you have any questions about our approach to this project or any information contained herein, please contact Shawn directly at (425) 450-6366 or at shawn.koorn@hdrinc.com.

Sincerely,
HDR ENGINEERING, INC.

A handwritten signature in black ink, appearing to read "Shawn W. Koorn". The signature is fluid and cursive, with the first name being the most prominent.

Shawn W. Koorn
Associate Vice President

Exhibit A

Phase	Task	Task Description	Project Manager	Senior Analyst	Financial Analyst	Proj. Assistant	Project Manager	Design Manager	Design Engineer	Process Modeling	Admin Assistance	Total Project
		Hourly Billing Rates	\$265.00	\$190.00	\$125.00	\$110.00	\$298.20	\$271.95	\$213.15	\$213.15	\$108.15	
1.0	Kick-Off Meeting											
		Hours -	3	3	2	1	1	3	2	2		20
		Labor Cost	\$795	\$570	\$250	\$110	\$298	\$816	\$639	\$426	\$216	\$1,725
		Carollo Labor Costs										2,396
		Total Task 1										\$4,121
2.0	Data Collection, Review, and Assessment											
		Hours -	2	4	6	1	0	2	8	6	0	31
		Labor Cost	\$530	\$760	\$750	\$110	\$0	\$544	\$1,705	\$1,705	\$0	\$2,150
		Carollo Labor Costs										3,954
		Total Task 2										\$6,104
3.0	Development of the Draft Estimated Sewer Rate											
		Hours -	12	12	40	2	4	10	32	16	4	132
		Labor Cost	\$3,180	\$2,280	\$5,000	\$220	\$1,193	\$2,720	\$6,821	\$3,410	\$433	\$10,680
		Carollo Labor Costs										14,576
		Total Task 3										\$25,256
4.0	Development of the Draft Sewer Connection Charge											
		Hours -	12	40	12	2	6	26	64	44	4	210
		Labor Cost	\$3,180	\$7,600	\$1,500	\$220	\$1,789	\$7,071	\$13,642	\$9,378	\$433	\$12,500
		Carollo Labor Costs										32,313
		Total Task 4										\$44,813
5.0	Project Review Meeting #1											
		Hours - Written Report	6	4	4	1	2	6	4	3	2	32
		Labor Cost	\$1,590	\$760	\$500	\$110	\$596	\$1,632	\$853	\$639	\$216	\$2,960
		Carollo Labor Costs										3,936
		Total Task 5										\$6,896
6.0	Development of the Draft Final Rate and Connection Charge											
		Hours -	6	12	12	2	0	0	0	0	0	32
		Labor Cost	\$1,590	\$2,280	\$1,500	\$220	\$0	\$0	\$0	\$0	\$0	\$5,590
		Carollo Labor Costs										0
		Total Task 6										\$5,590
7.0	Project Review Meeting #2											
		Hours -	6	4	4	1	1	6	4	3	2	31
		Labor Cost	\$1,590	\$760	\$500	\$110	\$298	\$1,632	\$853	\$639	\$216	\$2,960
		Carollo Labor Costs										3,638
		Total Task 7										\$6,598
8.0	Development of the Final Rate and Connection Charge											
		Hours -	4	6	4	2	0	0	0	0	0	16
		Labor Cost	\$1,060	\$1,140	\$500	\$220	\$0	\$0	\$0	\$0	\$0	\$2,920
		Carollo Labor Costs										0
		Total Task 8										\$2,920
9.0	Public Presentation											
		Hours -	6	4	4	2	8	8	4	2	0	38
		Labor Cost	\$1,590	\$760	\$500	\$220	\$2,386	\$2,176	\$853	\$426	\$0	\$3,070
		Carollo Labor Costs										5,840
		Total Task 9										\$8,910
		Total Hours	57	89	88	14	22	61	118	78	14	542
		Total Fees	\$15,105	\$16,910	\$11,000	\$1,540	\$6,560	\$16,589	\$25,365	\$16,826	\$1,514	\$111,209
			10.5%	16.4%	16.2%	2.6%	4.1%	11.3%	22.0%	14.4%	2.6%	100.0%
		HDR Expenses										
		Mileage (3 trips)										\$310
		Phone/Copies/Misc.										275
		Meals										90
												\$675
		Carollo Expenses										
		Mileage										\$600
		Misc. (phones, copies, fax, etc.)										400
		Professional Equip. and Computer Exp.										3,440
												\$4,440
		Total Expenses										\$5,115
		Grand Total Project Fee Estimate										\$116,324