

## AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR

**THIS AGREEMENT** (hereafter Agreement) is made by and between the Laguna County Sanitation District, a dependent special district to the County of Santa Barbara, a political subdivision of the State of California (hereafter COUNTY) and CANNON CORPORATION having its principal place of business at 1050 Southwood Drive, San Luis Obispo, CA 93401 (hereafter CONTRACTOR) wherein CONTRACTOR agrees to provide and COUNTY agrees to accept the services specified herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. **DESIGNATED REPRESENTATIVE.** Martin Wilder at phone number (805) 739-8755 is the representative of COUNTY and will administer this Agreement for and on behalf of COUNTY. Larry Kraemer at phone number (805) 544-7407 is the authorized representative for CONTRACTOR. Changes in designated representatives shall be made only after advance written notice to the other party.

2. **NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first class mail, postage prepaid, or otherwise delivered as follows:

To COUNTY:                   Martin Wilder  
                                      Laguna County Sanitation District  
                                      620 West Foster Road  
                                      Santa Maria, CA 93455

To CONTRACTOR:       Larry Kraemer  
                                      Cannon Corporation  
                                      1050 Southwood Drive  
                                      San Luis Obispo, CA 93401

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

3. **SCOPE OF SERVICES.** CONTRACTOR agrees to provide services to COUNTY in accordance with EXHIBIT A attached hereto and incorporated herein by reference.

4. **TERM.** CONTRACTOR shall commence performance on July 10, 2012 and end performance upon completion, but no later than June 30, 2014 unless otherwise directed by COUNTY or unless earlier terminated.

5. **COMPENSATION OF CONTRACTOR.** CONTRACTOR shall be paid for performance under this Agreement in accordance with the terms of EXHIBIT B attached hereto and incorporated herein by reference. Billing shall be made by invoice, which shall include the contract number assigned by COUNTY and which is delivered to the address given in Section 2 **NOTICES** above following completion of the increments identified on EXHIBIT B. Unless otherwise specified on EXHIBIT B, payment shall be net thirty (30) days from presentation of invoice.

6. **INDEPENDENT CONTRACTOR.** CONTRACTOR shall perform all of its services under this Agreement as an independent contractor and not as an employee of COUNTY. CONTRACTOR understands and acknowledges that it shall not be entitled to any of the benefits of a COUNTY employee,

including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure.

7. **STANDARD OF PERFORMANCE.** CONTRACTOR represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, CONTRACTOR shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which CONTRACTOR is engaged. All products of whatsoever nature, which CONTRACTOR delivers to COUNTY pursuant to this Agreement, shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in CONTRACTOR's profession. CONTRACTOR shall correct or revise any errors or omissions, at COUNTY'S request without additional compensation. Permits and/or licenses shall be obtained and maintained by CONTRACTOR without additional compensation.

8. **TAXES.** COUNTY shall not be responsible for paying any taxes on CONTRACTOR's behalf, and should COUNTY be required to do so by state, federal, or local taxing agencies, CONTRACTOR agrees to promptly reimburse COUNTY for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but not be limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance.

9. **CONFLICT OF INTEREST.** CONTRACTOR covenants that CONTRACTOR presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by CONTRACTOR.

10. **RESPONSIBILITIES OF COUNTY.** COUNTY shall provide all information reasonably necessary by CONTRACTOR in performing the services provided herein.

11. **OWNERSHIP OF DOCUMENTS.** COUNTY shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of COUNTY.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of COUNTY. COUNTY shall have the unrestricted authority to publish, disclose, distribute, and other use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

12. **RECORDS, AUDIT, AND REVIEW.** CONTRACTOR shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of CONTRACTOR's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. COUNTY shall have the right to audit and review all such documents and records at any time during CONTRACTOR's regular business hours or upon reasonable notice.

13. **INDEMNIFICATION AND INSURANCE.** CONTRACTOR shall agree to defend, indemnify and save harmless the COUNTY and to procure and maintain insurance in accordance with the provisions of EXHIBIT C attached hereto and incorporated herein by reference.

14. **NONDISCRIMINATION.** COUNTY hereby notifies CONTRACTOR that COUNTY's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to

this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and CONTRACTOR agrees to comply with said ordinance.

15. **NONEXCLUSIVE AGREEMENT.** CONTRACTOR understands that this is not an exclusive Agreement and that COUNTY shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by CONTRACTOR as the COUNTY desires.

16. **ASSIGNMENT.** CONTRACTOR shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of COUNTY and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

17. **TERMINATION.**

A. **By COUNTY.** COUNTY may, by written notice to CONTRACTOR, terminate this Agreement in whole or in part at any time, whether for COUNTY's convenience or because of the failure of CONTRACTOR to fulfill the obligations herein. Upon receipt of notice, CONTRACTOR shall immediately discontinue all services effected (unless the notice directs otherwise), and deliver to COUNTY all data, estimates, graphs, summaries, reports, and all other records, documents or papers as may have been accumulated or produced by CONTRACTOR in performing this Agreement, whether completed or in process.

1. For Convenience. COUNTY may terminate this Agreement upon thirty (30) days written notice. Following notice of such termination, CONTRACTOR shall promptly cease work and notify COUNTY as to the status of its performance.

Notwithstanding any other payment provision of this Agreement, COUNTY shall pay CONTRACTOR for service performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall CONTRACTOR be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service. CONTRACTOR shall furnish to COUNTY such financial information as in the judgment of COUNTY is necessary to determine the reasonable value of the services rendered by CONTRACTOR. In the event of a dispute as to the reasonable value of the services rendered by CONTRACTOR, the decision of COUNTY shall be final. The foregoing is cumulative and shall not effect any right or remedy which COUNTY may have in law or equity.

2. For Cause. Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, COUNTY may, at COUNTY's sole option, terminate this Agreement by written notice, which shall be effective upon receipt by CONTRACTOR.

B. **By CONTRACTOR.** Should COUNTY fail to pay CONTRACTOR all or any part of the payment set forth in EXHIBIT B, CONTRACTOR may, at CONTRACTOR's option terminate this agreement if such failure is not remedied by COUNTY within thirty (30) days of written notice to COUNTY of such late payment.

18. **SECTION HEADINGS.** The headings of the several sections, and any Table of Contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

19. **SEVERABILITY.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability

shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

20. **REMEDIES NOT EXCLUSIVE.** No remedy herein conferred upon or reserved to COUNTY is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

21. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and each covenant and term is a condition herein.

22. **NO WAIVER OF DEFAULT.** No delay or omission of COUNTY to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to COUNTY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of COUNTY.

23. **ENTIRE AGREEMENT AND AMENDMENT.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

24. **SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

25. **COMPLIANCE WITH LAW.** CONTRACTOR shall, at his sole cost and expense, comply with all County, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action or proceeding against CONTRACTOR, whether COUNTY be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and COUNTY.

26. **CALIFORNIA LAW.** This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

27. **EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

28. **AUTHORITY.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, CONTRACTOR hereby warrants that it shall not have breached the terms or conditions of any

other contract or agreement to which CONTRACTOR is obligated, which breach would have a material effect hereon.

29. **PRECEDENCE**. In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.

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Agreement for Services of Independent Contractor between the County of Santa Barbara and Cannon Corporation.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by COUNTY.

COUNTY OF SANTA BARBARA


By: \_\_\_\_\_  
Chair, Board of Supervisors

Date: \_\_\_\_\_

ATTEST:  
CHANDRA L. WALLER  
CLERK OF THE BOARD

CONTRACTOR  
CANNON CORPORATION  
MIKE CANNON, PRESIDENT

By: \_\_\_\_\_  
Deputy

By:  \_\_\_\_\_  
TaxID Number: 77-0246249

APPROVED AS TO FORM:  
DENNIS A. MARSHALL  
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By: \_\_\_\_\_  
Deputy County Counsel

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
RAY AROMATORIO,  
RISK MANAGER

By: \_\_\_\_\_  
Risk Manager

**EXHIBIT A**  
**STATEMENT OF WORK**

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### Project Understanding

Replacement of the existing earthen (unlined and bermed) sludge drying beds is identified as an "Immediate Upgrade" in the Wastewater Reclamation Plant Facilities and Financial Master Plan (Master Plan, CH2MHill, 2010). The existing beds are at or near capacity and do not meet the Laguna County Sanitation District's (District) goal of alleviating potential impacts to groundwater quality. The District intends to convert the unlined beds to lined beds with an appropriate return system for the bed supernatant (to be returned to the plant headworks). In doing so, the District desires to reduce sludge drying time and the required area for sludge processing.

The Master Plan does not identify a preferred method for lining but focuses primarily on the goal of alleviating the potential impacts to groundwater quality while at the same time providing solids handling capabilities for current and near-term loadings (between 500-600 metric tons per year).

In preliminary discussions with District staff, the primary alternatives to be considered are:

- HDPE liner and/or soil cement base with drivable cap and under-drain system to allow for solids harvesting and supernatant return to headworks;
- concrete liner with drivable section along with a decanting system to return supernatant to headworks; and
- combination liner/mechanical system that is phased to maximize efficiency of the number of constructed drying beds.

### Specific Considerations and Critical Success Factors

Based on our review of applicable sections of the Master Plan, the 2010 and 2011 Biosolids Annual Reports, the 2010 Annual Operations & Laboratory Report, the Flood Analysis of Orcutt Creek Below Black Road, the Geotechnical Report Recycled Water System Improvements, and discussions with District staff, we have identified what we consider are the key elements for the success of this project as outlined below and further developed in our statement of qualifications.

- Experience with Solids Handling Processes: the design team must understand wastewater unit processes, specifically: solids conveyance, pumping, dewatering, drying, and hauling. Sludge coming from the digesters at 2-5% must be adequately and cost effectively dewatered and dried to >20% solids prior to hauling. Careful analysis of life-cycle costs needs to be performed to balance capital costs vs. the operations and maintenance expenses. Cannon has proven experience in the design and construction of solids drying facilities.
- Ability to Plan for the Future: the preferred alternative must consider both existing and future loadings. If current and near-term loading rates are close to the maximum recommended loading rates for conventional sludge drying beds based on available land at the WWTP, it may make sense to build a combination of permanent (concrete) and temporary (HDPE) lined beds. This would allow the temporary beds to be cost-effectively demolished for the installation of future mechanical dewatering



equipment. Cannon has a proven track record in its ability to plan for both existing and future conditions.

- **Familiarity with Varying Site Constraints:** the design team must consider geotechnical data (such as soil and groundwater levels), flood elevations, prevailing wind direction, land needed for future essential unit processes, ease of operation and maintenance, and aesthetics when determining a preferred alternative. Cannon brings significant experience in design and construction of new facilities given these and other site constraints.

### Technical Approach and Work Plan

Cannon's approach to successful completion of this project consists of providing professional services in four progressive phases: Preliminary Engineering, Design and Construction Documents, Contract Bidding, and Construction Support Services. Services to be provided include review of unit process data and development of design criteria, preparation of a preliminary design report and the selection of a preferred alternative, development of construction plans, specifications, and cost estimates, bid assistance, and engineering support during construction. Descriptions of our proposed involvement, specifically included and excluded services, are summarized below within each corresponding project task.

#### Phase 1. Preliminary Engineering Services

##### *Task 1.1 Project Kickoff*

We will orchestrate and attend a Project Kickoff Meeting with appropriate personnel from the District. This meeting agenda will focus on project understanding, team involvement, project constraints, and the anticipation of design development impediments. This meeting will also include a project introduction, review of background information and project scope, and defining the project schedule. This meeting represents a key opportunity for representatives from the District to steer the consultant team and further clarify critical elements of the project scope.

##### *Task 1.2 Review Previous Studies and Reports*

We will research, investigate, and compile pertinent information from previous studies and reports specifically related to the master planning and solids handling operations for use in preparing the Preliminary Design Report. These reports include: the *Wastewater Reclamation Plant Facilities and Financial Master Plan, 2010 Biosolids Annual Report, 2010 Annual Operations & Laboratory Report*. Our aim will be to evaluate the concepts previously developed and formalize several feasible alternatives for use in subsequent tasks.

In addition, we will review the previously prepared geotechnical reports prepared by Fugro West Inc. and Earth Systems Pacific Inc. as we develop alternatives. Given the likelihood that much of the soil strata within the existing sludge drying bed area has been disturbed, we have not developed a detailed approach to any additional soils investigation at this time; rather, we proposed to address soil design criteria after developing the alternatives.

##### *Task 1.3 Process Review & Design Criteria*

We will work with District staff to gather the necessary past, present, and future treatment plant biosolids loading data and develop the design criteria for the proposed lined sludge

drying beds. We will review industry standard solids loading rates for each of the potential sludge drying beds lining systems and calculate the required footprints for each. We will discuss our findings with District staff and get buy-in on the three alternatives to be analyzed in subsequent tasks.

*Task 1.4 Topographic Information*

Upon receiving the completed topographic survey (by others), we will evaluate for existing surface improvements, surface utilities, buildings, tanks, and other such objects as needed to facilitate the project design. We have assumed that mapping will be prepared with 5-foot index contours and 1-foot intermediate contours at a margin of error less than one-half of a foot. The mapping should be produced in U.S. Survey Feet at a scale of 1" = 20' with coordinates and elevations based upon NAD83, California State Coordinate System and NAVD88 Vertical Datum. We will show record boundary information, per Record of Survey No.114-95.

*Task 1.5 Design Report and Meeting*

With the information gathered from previous tasks, we will prepare a preliminary design report evaluating alternative solutions to the lining of the area underneath the existing sludge drying beds. We will evaluate three alternatives based on the design and loading criteria described above. Preliminary alternatives include: (1) HDPE liner capped with drivable surface and under-drain system for sludge agitation and removals; (2) concrete drying beds and decanting system for sludge agitation and removals; and (3) combination concrete drying beds and mechanical dewatering system.

Upon completion of preceding tasks, we will compile a report addressing key aspects of each of the alternative designs as noted above. The report will contain a constraints analysis for use in comparing alternatives. The constraints include: ability to handle sludge loadings, costs, footprint, groundwater, 100-year floodplain, odor, aesthetics, ease of operations and ease of maintenance. As part of this task, we will conduct a field meeting to confirm that all aspects of the project are considered and addressed prior to commencing design. We will incorporate the results from this meeting into the final report.

**Phase 2. Design and Construction Documents**

*Task 2.1 Draft Design Documents (Plans, Specifications, and Cost Estimates)*

We will submit a "Review Submittal" Design Plan Package at a design and detail level at approximately 75% of the anticipated final construction documents for District review and comment. The Design Plans Package will consist of approximately 13 drawing sheets (24" x 36") as listed below, technical specifications, and a preliminary opinion of probable construction costs.

ANTICIPATED SLUDGE DRYING BEDS UPGRADE PROJECT PLAN SET

SHEET NOS.	DESCRIPTION	NO. OF SHEETS	SCALE
1	Title and Locations Map	1	NTS
2	General Notes & Legend	1	NTS
3	Demolition Plan	1	1" = 20'
4	Yard Piping Plan	1	1" = 20'
5	Horizontal Control & Site Plan	1	1" = 20'
6	Grading Plan	1	1" = 20'
7	Piping Plan	1	1" = 20'
8	Foundation Plan	1	1" = 20'
9	Structural Notes and Details	1	Varies
10	Mechanical Plan Details	1	Varies
11	Electrical – Legend and Abbreviations	1	Varies
12	Electrical – Layout Plan, Single-Line	1	1" = 20'
13	Electrical – Details	1	Varies

The design plans will consist of the details necessary for construction of the new drying beds and the necessary piping to connect to the treatment facility. For purposes of this proposal, we have assumed that concrete beds and a decanting system will be constructed and that civil, structural, mechanical, and electrical drawings are required. As part of this task, we will attend one meeting with District staff to review and discuss the design submittal at the 75% completion stage.

*Task 2.2. Final Construction Documents*

Based on the finalized project design issues resolved during the preceding tasks, we will prepare and submit a Final Construction Documents Bid package. This submittal package will contain complete construction documents on permanent drawing medium (Mylar film) and an opinion of probable construction costs. The plans will incorporate review comments of the 75% Design Plans package and provide construction level designs and technical specifications sufficient for final project approvals and bidding.

**Phase 3. Bidding, Construction Support, and Project Closeout**

*Task 3.1 Bid Support*

With respect to interpreting the plans and technical specifications, we will assist the District during the bid period; specifically, we will interpret bid documents for prospective bidders by answering questions and responding to written requests for information and/or clarification. In the event changes are required to further clarify the contract documents for all prospective

bidders, we will prepare written addenda in accordance with County procedures and templates.

*Task 3.2 Construction Support*

We will provide construction phase support services as defined below.

*Task 3.2.1 Attend Construction Meetings*

We will attend key construction meetings during the course of the project (3 included). The meetings we attend will coincide with certain periods of construction such that we can tour the project site prior to completion of milestone events.

*Task 3.2.2 Process Requests for Information*

We will review and respond to contractor requests for information and/or clarifications.

*Task 3.2.3 Assess Change Order Proposals*

We will review and assess change order proposals as needed.

*Task 3.2.4 Review Contractor Submittals*

We will assist the District in reviewing contractor construction submittals such as pumps, valves, sluice gates, piping, electrical materials, aggregate base, concrete, and reinforcement. (8 submittals anticipated)

*Task 3.3 Project Closeout*

Upon completion of construction, we will incorporate the contractor and District field notes/changes and plan revisions into final record drawings. The final record drawings will be prepared in accordance with agency requirements.

If the District so desires, Cannon has the in-house experience and staff to provide construction staking, full resident engineer and/or contract administration services upon request, under a separate scope of work.

**Assumptions and Exclusions**

The following assumptions and exclusions apply to this proposal:

- Cannon is not responsible and cannot be held accountable for the accuracy of As-Builts or Record Drawings provided by the Agencies or utility providers. Cannon has no means of determining whether subsurface features were constructed per the construction / improvement drawings and does not claim to do so. Pot holing of utilities should be performed by others, if there are concerns or uncertainties regarding the subsurface utilities.
- This proposal assumes that all data prepared by others and provided to Cannon will be made available in a digital format, compatible with our systems. It is also understood that the information and technical data provided and prepared by others, on the Client's behalf or Property Owner's behalf, may be used by Cannon in performing its services and is entitled to rely upon the accuracy and completeness thereof.
- Mapping will be based on available local agency vertical datum and an assumed horizontal datum, unless specifically requested otherwise.
- The boundary corners for the site have been established and monumented by others. Cannon will use record data for establishing the project boundary.

*EXHIBIT A  
Sludge Drying Beds Upgrade  
County Project No. SOLIDS1*

- Dry utility coordination and relocation design and plans will be prepared by others.
- All permit fees, if required, will be paid for by District.
- CEQA, Environmental Permitting, Archeological, botanical, biological, and landscaping services will be prepared by others.
- Geotechnical investigations and evaluations and soils compaction testing during construction to be performed by others.
- Construction staking and topographic surveying to be prepared by others.

**Schedule**

We are committed to meeting project schedules and deliverable deadlines. The following schedule is based on an evaluation of the project, its objectives and scope, and the logical sequencing needed to complete the upgrades to the Sludge Drying Beds Upgrade project. Every effort has been made to propose a realistic schedule that allows appropriate timeframes for the preparation of construction documents and accounts for construction to occur outside the rainy season. Our attached schedule shows an anticipated completion date for the project of November 2013 given a notice to proceed in mid July 2012.



**FEE PROPOSAL FOR  
LAGUNA COUNTY SANITATION DISTRICT  
SLUDGE DRYING BEDS UPGRADE PROJECT**

Cannon  
1050 Southwood Drive  
San Luis Obispo, CA 93401  
805.544.7407

Task	Description	Project Manager \$180		Project Engineer \$165		Associate Struct Engineer \$140		Design Engineer \$120		Admin Assistant \$70		Electrical Engineer \$185		Total	
		Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost
<b>PHASE 1. PRELIMINARY ENGINEERING SERVICES</b>															
1.1	Project Kickoff Meeting	4	\$720	4	\$660		\$0		\$0	2	\$140		\$0	10	\$1,520
1.2	Review Previous Studies and Reports	8	\$1,440	8	\$1,320	2	\$280		\$0		\$0		\$0	18	\$3,040
1.3	Process Review & Design Criteria	8	\$1,440	18	\$2,970	4	\$560		\$0		\$0		\$0	30	\$4,970
1.4	Topographic Information	4	\$720		\$0		\$0	16	\$1,920		\$0		\$0	20	\$2,640
1.5	Design Report & Meeting	24	\$4,320	48	\$7,920	8	\$1,120		\$0	10	\$700		\$0	90	\$14,060
	<b>Phase I Total</b>	<b>48</b>	<b>\$8,640</b>	<b>76</b>	<b>\$12,870</b>	<b>14</b>	<b>\$1,960</b>	<b>16</b>	<b>\$1,920</b>	<b>12</b>	<b>\$840</b>	<b>0</b>	<b>\$0</b>	<b>168</b>	<b>\$26,230</b>
<b>PHASE 2. DESIGN AND CONSTRUCTION DOCUMENT SERVICES</b>															
2.1	Draft Design (Plans, Specs, and Estimates)	16	\$2,880	48	\$7,920	72	\$10,080	130	\$15,900	4	\$280	32	\$3,840	302	\$40,600
2.2	Final Construction Documents (Plans, Specs, and Estimates)	8	\$1,440	32	\$5,280	8	\$1,120	30	\$3,600	4	\$280	8	\$960	90	\$12,680
	<b>Phase II Total</b>	<b>24</b>	<b>\$4,320</b>	<b>80</b>	<b>\$13,200</b>	<b>80</b>	<b>\$11,200</b>	<b>160</b>	<b>\$19,200</b>	<b>8</b>	<b>\$560</b>	<b>40</b>	<b>\$4,800</b>	<b>392</b>	<b>\$53,280</b>
<b>PHASE 3. BIDDING, CONSTRUCTION SUPPORT, AND PROJECT CLOSEOUT</b>															
3.1	Bid Support		\$0	16	\$2,640		\$0		\$0	8	\$560		\$0	24	\$3,200
3.2	Construction Support	4	\$720	32	\$5,280	8	\$1,120		\$0	8	\$560	8	\$1,480	60	\$9,160
3.3	Project Closeout	4	\$720	8	\$1,320	2	\$280	16	\$1,920	2	\$140	2	\$370	34	\$4,750
	<b>Phase IV Total</b>	<b>8</b>	<b>\$1,440</b>	<b>56</b>	<b>\$9,240</b>	<b>10</b>	<b>\$1,400</b>	<b>16</b>	<b>\$1,920</b>	<b>18</b>	<b>\$1,260</b>	<b>10</b>	<b>\$1,850</b>	<b>118</b>	<b>\$17,110</b>
	<b>Totals</b>	<b>80</b>	<b>\$14,400</b>	<b>214</b>	<b>\$35,310</b>	<b>104</b>	<b>\$14,560</b>	<b>192</b>	<b>\$23,040</b>	<b>38</b>	<b>\$2,660</b>	<b>50</b>	<b>\$6,650</b>	<b>678</b>	<b>\$96,620</b>
															<b>\$97,620</b>

**Reimbursables**

Cannon's incidental and out-of-pocket expenses incurred in connection with this Project including but not limited to: mileage, courier service, reproduction services, photocopies, etc.

Laguna County Sanitation District  
**Sludge Drying Beds Upgrade Project**  
**Baseline Schedule**

ID	Task Name	Duration	Start	Finish	Predecessors	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	111012_Laguna County SD: Sludge Drying Beds	350 days	Tue 7/10/12	Mon 11/11/13																			
2	***LCSD Issues Notice to Proceed***	0 days	Tue 7/10/12	Tue 7/10/12		7/10																	
3	Phase 1. Preliminary Engineering Services	45 days	Mon 7/16/12	Fri 9/14/12																			
4	Task 1.1 Project Kickoff	1 day	Mon 7/16/12	Mon 7/16/12	2FS+4 days																		
5	Task 1.2 Review Previous Studies and Reports	22 days	Tue 7/17/12	Wed 8/15/12	4																		
6	Task 1.3 Process Review & Design Criteria	22 days	Tue 7/17/12	Wed 8/15/12	4																		
7	Task 1.4 Topographic Information	22 days	Tue 7/17/12	Wed 8/15/12	4																		
8	Task 1.5 Design Report and Meeting	22 days	Thu 8/16/12	Fri 9/14/12	5,6,7																		
9	Phase 2. Design and Construction Document Services	81 days	Mon 9/17/12	Mon 1/7/13																			
10	Task 2.1 Draft Design (Plans, Specs, and Estimates)	44 days	Mon 9/17/12	Thu 11/15/12	8																		
11	LCSD Review and Comment Period	22 days	Fri 11/16/12	Mon 12/17/12	10																		
12	Task 2.2 Final Construction Documents (Plans, Specs, and Estimates)	15 days	Tue 12/18/12	Mon 1/7/13	11																		
13	Phase 3. Bidding, Construction Support, and Project Closeout	220 days	Tue 1/8/13	Mon 11/11/13																			
14	LCSD Advertise, Bid, Award Period	66 days	Tue 1/8/13	Tue 4/9/13	12																		
15	Construction Implementation	132 days	Wed 4/10/13	Thu 10/10/13	14																		
16	Task 3.1 Bid Support	30 days	Tue 1/22/13	Mon 3/4/13																			
17	Task 3.1.1 Respond to bidders questions	15 days	Tue 1/22/13	Mon 2/11/13	12FS+10 days																		
18	Task 3.1.2 Prepare bid addenda	15 days	Tue 2/12/13	Mon 3/4/13	17																		
19	Task 3.2 Construction Support	111 days	Wed 4/10/13	Wed 9/11/13																			
20	Task 3.2.1 Attend Construction meetings	7 days	Wed 4/10/13	Wed 9/11/13	14																		
21	Task 3.2.2 Process Requests for Information	7 days	Wed 4/10/13	Wed 9/11/13	14																		
22	Task 3.2.3 Assess Change Order Proposals	7 days	Wed 4/10/13	Wed 9/11/13	14																		
23	Task 3.2.4 Review Contractor Submittals	22 days	Wed 4/10/13	Thu 5/9/13	14																		
24	Task 3.3 Project Closeout	22 days	Fri 10/11/13	Mon 11/11/13	15																		

Task Legend:

- Task
- Split Milestone
- Summary
- Project Summary
- External Tasks
- External Milestone
- Inactive Task
- Project Summary
- Inactive Milestone
- Inactive Summary
- Manual Task
- Duration-only
- Manual Summary Rollup
- Manual Summary
- Start-only
- Finish-only
- Progress
- Deadline



**FEE SCHEDULE**

**Engineering/Design Staff: Civil, Mechanical, Electrical, Structural, Planning**

Sr. Principal Engineer.....	160.00 - 185.00	Sr. Principal Designer.....	105.00 - 130.00
Principal Engineer.....	160.00 - 185.00	Principal Designer.....	100.00 - 125.00
Sr. Associate Engineer.....	135.00 - 160.00	Sr. Project Designer.....	95.00 - 120.00
Associate Engineer.....	125.00 - 150.00	Lead Designer.....	90.00 - 115.00
Sr. Project Engineer.....	115.00 - 140.00	Project Designer.....	80.00 - 105.00
Project Engineer.....	100.00 - 125.00	Sr. CAD Tech.....	60.00 - 90.00
Design Engineer.....	90.00 - 115.00	CAD Tech.....	50.00 - 80.00
Engineering Assistant I, II.....	60.00 - 85.00	Grant Funding Manager I, II.....	120.00 - 135.00
Project Coordinator.....	85.00 - 100.00	Associate Planner.....	125.00 - 150.00
Administrative/Clerical.....	60.00 - 100.00	Sr. Consultant.....	185.00 - 210.00

**Construction Management Staff**

Resident Engineer.....	155.00 - 180.00	Sr. Construction Inspector.....	120.00 - 145.00
Assistant Resident Engineer.....	140.00 - 165.00	Construction Inspector.....	115.00 - 140.00
Office Engineer.....	125.00 - 150.00	Associate Construction Engineer.....	100.00 - 125.00
Construction Coordinator I, II.....	85.00 - 100.00	Administrative/Clerical.....	60.00 - 100.00

**Survey Office Staff**

Chief Surveyor.....	160.00 - 180.00	Land Surveyor I-IV.....	110.00 - 140.00
Sr. Land Surveyor.....	150.00 - 175.00	Survey Technician I-VI.....	75.00 - 160.00
Survey Manager.....	160.00 - 185.00	Sr. Consultant.....	160.00 - 185.00

*This schedule provides ranges for various staff classifications. The actual rate may differ depending on the discipline; however, it will not be higher than the given range.*

**Survey Field Staff - Prevailing Wage**

Two-Man GPS Crew (3 receivers).....	315.00	Two-Man HDS Crew.....	320.00
Two-Man GPS Crew (2 receivers).....	240.00	One-Man HDS Crew.....	280.00
One-Man GPS Crew (2 receivers).....	200.00	Two-Man UMO Crew.....	160.00
Three-Man Crew.....	265.00	One-Man UMO Crew.....	110.00
Two-Man Crew.....	210.00	One-Man Crew (no robot).....	120.00
One-Man Crew.....	160.00		

*Survey crews are billed portal to portal, and mileage charges are included in the hourly rate.*

*All of the above hourly rates include all direct labor costs and labor overhead, general and administrative expenses and profit. If the client requests, or the client's schedule requires work to be done on an overtime basis, a multiplier of 1.5 will be applied to the above rates for weekdays as well as weekends and holidays.*

**Reimbursable Expenses**

In-House Reproduction	
Black Line Plots.....	\$2.00 per sheet
Color Plots.....	\$5.00 per sheet
Mylar Plots.....	\$12.00 per sheet
Photocopies.....	\$ 0.20 per page
Color Copies (8 1/2 x 11).....	\$ 1.50 per page
Color Copies (11 x 17).....	\$ 3.00 per page
Travel by Automobile.....	\$ 0.55 per mile
Subconsultant Fees.....	.Cost + 10%
Materials.....	.Cost + 25%

*All direct non-salary expenses, such as special equipment, shipping costs, travel other than by automobile, and permit fees will be billed at the actual cost plus 15%.*



## EXHIBIT B

### PAYMENT ARRANGEMENTS Periodic Compensation

- A. For CONTRACTOR services to be rendered under this contract, CONTRACTOR shall be paid a total contract amount, including cost reimbursements, not to exceed \$97,620.
- B. Extra work required to complete the project may be authorized only if CONTRACTOR received written approval by the Public Works Director or COUNTY's designated representative as identified in Paragraph 1 of the Agreement at the same billing rates per unit as included in **Attachment A**. The total amount of this contingency fund is 10% of the agreement amount or \$9,762.00.
- C. Payment for services and/or reimbursement of costs shall be made upon CONTRACTOR's satisfactory performance, based upon the scope and methodology contained in **EXHIBIT A** as determined by COUNTY.
- C. Monthly, CONTRACTOR shall submit to the COUNTY DESIGNATED REPRESENTATIVE an invoice or certified claim on the County Treasury for the service performed over the period specified. These invoices or certified claims must cite the assigned Board Contract Number. COUNTY REPRESENTATIVE shall evaluate the quality of the service performed and if found to be satisfactory shall initiate payment processing. COUNTY shall pay invoices or claims for satisfactory work within 30 days of presentation.
- D. COUNTY's failure to discover or object to any unsatisfactory work or billings prior to payment will not constitute a waiver of COUNTY's right to require CONTRACTOR to correct such work or billings or seek any other legal remedy.

## EXHIBIT C

### STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS for contracts REQUIRING professional liability insurance

#### INDEMNIFICATION

##### Indemnification pertaining to other than Professional Services:

CONTRACTOR shall defend, indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the CONTRACTOR or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the COUNTY.

CONTRACTOR shall notify the COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

##### Indemnification pertaining to Professional Services:

CONTRACTOR shall indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of the negligent performance or attempted performance of the provisions hereof; including any willful or negligent act or omission to act on the part of the CONTRACTOR or his agents or employees or other independent contractors directly responsible to him to the fullest extent allowable by law.

CONTRACTOR shall notify the COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

Without limiting the CONTRACTOR's indemnification of the COUNTY, CONTRACTOR shall procure the following required insurance coverages at its sole cost and expense. All insurance coverage is to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place CONTRACTOR in default. Upon request by the COUNTY, CONTRACTOR shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

1. Workers' Compensation Insurance: Statutory Workers' Compensation and Employers Liability Insurance shall cover all CONTRACTOR's staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event CONTRACTOR is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if CONTRACTOR has no employees as

defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and CONTRACTOR submits a written statement to the COUNTY stating that fact.

2. General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of CONTRACTOR and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the CONTRACTOR in the indemnity and hold harmless provisions of the Indemnification Section of this Agreement between COUNTY and CONTRACTOR. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of CONTRACTOR pursuant to CONTRACTOR's activities hereunder. CONTRACTORS shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

*"Such insurance as is afforded by this policy shall be primary and non-contributory to the full limits stated in the declarations, and if the COUNTY has other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only."*

If the policy providing liability coverage is on a 'claims-made' form, the CONTRACTOR is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this agreement. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

3. Professional Liability Insurance. Professional liability insurance shall include coverage for the activities of CONTRACTOR's professional staff with a combined single limit of not less than \$1,000,000 per occurrence or claim and \$2,000,000 in the aggregate. Said policy or policies shall provide that COUNTY shall be given thirty (30) days written notice prior to cancellation, expiration of the policy, or reduction in coverage. If the policy providing professional liability coverage is a on 'claims-made' form, the CONTRACTOR is required to maintain such coverage for a minimum of three (3) years (ten years [10] for Construction Defect Claims) following completion of the performance or attempted performance of the provisions of this agreement.

CONTRACTOR shall submit to the office of the designated COUNTY representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. COUNTY shall maintain current certificate(s) of insurance at all times in the office of the designated County representative as a condition precedent to any payment under this Agreement. Approval of insurance by COUNTY or acceptance of the certificate of insurance by COUNTY shall not relieve or decrease the extent to which the CONTRACTOR may be held responsible for payment of

damages resulting from CONTRACTOR'S services of operation pursuant to the contract, nor shall it be deemed a waiver of COUNTY'S rights to insurance coverage hereunder.

In the event the CONTRACTOR is not able to comply with the COUNTY'S insurance requirements, COUNTY may, at their sole discretion and at the CONTRACTOR'S expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Risk Manager is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of COUNTY's risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

Contract Summary Form:

Contract Number : 12-

D1. Fiscal Year .....: FY 2012-2013
D2. Budget Unit Number (plus -Ship/-Bill codes in paren's) : 054-00-00-6000-0
D3. Requisition Number.....: 2012-
D4. Department Name.....: Public Works
D5. Contact Person.....: Martin Wilder
D6. Phone.....: x8755

K1. Contract Type (check one): [X] Professional Service [ ] Capital Project/Construction
K2. Brief Summary of Contract Description/Purpose : Wastewater plant master plan for capacity and financial plan
K3. Original Contract Amount.....: \$97,920
K4. Contract Begin Date.....: July 10, 2012
K5. Original Contract End Date.....: June 30, 2014
K6. Amendment History (leave blank if no prior amendments):

Seq#EffectiveDateThisAmndtAmtCumAmndtToDateNewTotalAmtNewEndDate Purpose (2-4 words)

K7. Department Project Number.....: SOLID1

B1. Is this a Board Contract? (Yes/No).....: Yes
B2. Number of Workers Displaced (if any) .....:
B3. Number of Competitive Bids (if any) .....:
B4. Lowest Bid Amount (if bid).....: \$
B5. If Board waived bids, show Agenda Date.....:
B6. ... and Agenda Item Number.....: #
B7. Boilerplate Contract Text Unaffected? (Yes / or cite ¶¶) : Yes

F1. Encumbrance Transaction Code.....: 1701
F2. Current Year Encumbrance Amount.....: \$97,620
F3. Fund Number.....: 0001
F4. Department Number.....: 054
F5. Division Number (if applicable).....:
F6. Account Number.....: 7460
F7. Cost Center number (if applicable).....:
F8. Payment Terms.....: Net 30

V1. Vendor Numbers (A=uditor; P=urchasing) .....: 304637
V2. Payee/Contractor Name.....: Cannon Corporation
V3. Mailing Address.....: 1050 Southwood Drive
V4. City State (two-letter) Zip (include +4 if known) : San Luis Obispo, CA 93401
V5. Telephone Number.....: (805) 544-7407
V6. Contractor's Federal Tax ID Number.....:
V7. Contact Person.....: Larry Kraemer
V8. Workers Comp Insurance Expiration Date.....:
V9. Liability Insurance Expiration Date[s] (G=enl; P=rofl) :
V10. Professional License Number.....: #
V11. Verified by (name of County staff).....: Martin Wilder
V12. Company Type (Check one): [ ] Individual [ ] Sole Proprietorship [ ] Partnership [X] Corporation

I certify: information complete and accurate; designated funds available; required concurrences evidenced on signature page.

Date : Authorized Signature.....: