

**RESOLUTION NO. 4241**

**A RESOLUTION AUTHORIZING THE CITY OF MILES CITY TO ENTER INTO A SHORT FORM OF AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES WITH INTERSTATE ENGINEERING, INC. RELATED TO THE MILES CITY WATER INTAKE PRELIMINARY ENGINEERING REPORT.**

*WHEREAS*, The City of Miles City has retained the engineering services of Interstate Engineering, Inc. (Interstate), to provide engineering services related to the Miles City Water Intake Preliminary Engineering Report (PER);

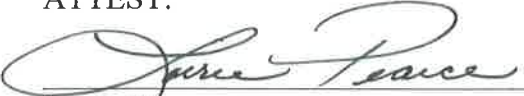
*AND WHEREAS*, Interstate has provided the City with a written agreement setting forth the duties and responsibilities of the parties, entitled “Short Form of Agreement Between Owner and Engineer for Professional Services.”

*NOW THEREFORE BE IT RESOLVED* by the City Council of Miles City, Montana, as follows:

1. The “Short Form of Agreement Between Owner and Engineer for Professional Services,” attached hereto as Exhibit “A”, and made a part hereof, is hereby approved and adopted by this Council.
2. The Mayor of the City of Miles City is hereby empowered and authorized to execute said document on behalf of the City of Miles City and bind the City of Miles City thereto.

**SAID RESOLUTION FINALLY PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF MILES CITY, MONTANA, AT A DULY CALLED MEETING THIS 12<sup>TH</sup> DAY OF MARCH, 2019.**

  
\_\_\_\_\_  
John Hollowell, Mayor

ATTEST:  
  
\_\_\_\_\_  
Lorrie Pearce, City Clerk

**SHORT FORM OF AGREEMENT  
BETWEEN OWNER AND ENGINEER  
FOR  
PROFESSIONAL SERVICES**

Prepared by



and

Issued and Published Jointly by



AMERICAN COUNCIL OF ENGINEERING COMPANIES

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ASSOCIATED GENERAL CONTRACTORS OF AMERICA

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AMERICAN SOCIETY OF CIVIL ENGINEERS

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PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE  
*A Practice Division of the*  
NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

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SHORT FORM OF AGREEMENT  
BETWEEN OWNER AND ENGINEER  
FOR  
PROFESSIONAL SERVICES

THIS IS AN AGREEMENT effective as of March 12, 2019 ("Effective Date")  
between

City of Miles City, Montana ("Owner")

and

Interstate Engineering, Inc. ("Engineer").

Owner's Project, of which Engineer's services under this Agreement are a part, is generally identified as follows:

Miles City Water Intake Preliminary Engineering Report (PER)  
Water Intake ("Project").

Engineer's Services under this Agreement are generally identified as follows:

Professional Engineering Services to complete a Preliminary Engineering Report for the Miles City River Well Pump House that meets the requirements and follows the format of the most recent edition of the *Uniform Preliminary Engineering Report for Montana Public Facility Projects Outline* for a water system study.

Owner and Engineer further agree as follows:

1.01 *Basic Agreement and Period of Service*

- A. Engineer shall provide, or cause to be provided, the services set forth in this Agreement. If authorized by Owner, or if required because of changes in the Project, Engineer shall furnish services in addition to those set forth above. Owner shall pay Engineer for its services as set forth in Paragraphs 7.01 and 7.02.
- B. Engineer shall complete its services within a reasonable time, or within the following specific time period: 12 Months from the Effective Date of this Agreement.
- C. If the Project includes construction-related professional services, then Engineer's time for completion of services is conditioned on the time for Owner and its contractors to complete construction not exceeding N/A months. If the actual time to complete construction exceeds the number of months indicated, then Engineer's period of service and its total compensation shall be appropriately adjusted.

## 2.01 *Payment Procedures*

- A. *Invoices*: Engineer shall prepare invoices in accordance with its standard invoicing practices and submit the invoices to Owner on a monthly basis. Invoices are due and payable within 45 days of receipt. If Owner fails to make any payment due Engineer for services and expenses within 45 days after receipt of Engineer's invoice, then the amounts due Engineer will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said forth-fifth day. In addition, Engineer may, after giving seven days written notice to Owner, suspend services under this Agreement until Engineer has been paid in full all amounts due for services, expenses, and other related charges. Owner waives any and all claims against Engineer for any such suspension. Payments will be credited first to interest and then to principal.

## 3.01 *Termination*

- A. The obligation to continue performance under this Agreement may be terminated:
1. For cause,
    - a. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the Agreement's terms through no fault of the terminating party. Failure to pay Engineer for its services is a substantial failure to perform and a basis for termination.
    - b. By Engineer:
      - 1) upon seven days written notice if Owner demands that Engineer furnish or perform services contrary to Engineer's responsibilities as a licensed professional; or
      - 2) upon seven days written notice if the Engineer's services for the Project are delayed for more than 90 days for reasons beyond Engineer's control.

Engineer shall have no liability to Owner on account of a termination by Engineer under Paragraph 3.01.A.1.b.

- c. Notwithstanding the foregoing, this Agreement will not terminate as a result of a substantial failure under Paragraph 3.01.A.1.a if the party receiving such notice begins, within seven days of receipt of such notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of notice; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein shall extend up to, but in no case more than, 60 days after the date of receipt of the notice.
2. For convenience, by Owner effective upon Engineer's receipt of written notice from Owner.

- B. The terminating party under Paragraph 3.01.A may set the effective date of termination at a time up to 30 days later than otherwise provided to allow Engineer to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble Project materials in orderly files.
- C. In the event of any termination under Paragraph 3.01, Engineer will be entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all reimbursable expenses incurred through the effective date of termination.

#### 4.01 *Successors, Assigns, and Beneficiaries*

- A. Owner and Engineer are hereby bound and the successors, executors, administrators, and legal representatives of Owner and Engineer (and to the extent permitted by Paragraph 4.01.B the assigns of Owner and Engineer) are hereby bound to the other party to this Agreement and to the successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.
- B. Neither Owner nor Engineer may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
- C. Unless expressly provided otherwise, nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Owner or Engineer to any contractor, subcontractor, supplier, other individual or entity, or to any surety for or employee of any of them. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Engineer and not for the benefit of any other party.

#### 5.01 *General Considerations*

- A. The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with Engineer's services. Subject to the foregoing standard of care, Engineer and its consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.
- B. Engineer shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at the Project site, nor for any failure of a contractor to comply with laws and regulations applicable to such contractor's furnishing and performing of its work.

- C. This Agreement is to be governed by the law of the state or jurisdiction in which the Project is located.
- D. Engineer neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract between Owner and such contractor. Engineer is not responsible for variations between actual construction bids or costs and Engineer's opinions or estimates regarding construction costs.
- E. Engineer shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any of their agents or employees or of any other persons (except Engineer's own employees) at the Project site or otherwise furnishing or performing any construction work; or for any decision made regarding the construction contract requirements, or any application, interpretation, or clarification of the construction contract other than those made by Engineer.
- F. The general conditions for any construction contract documents prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by the Engineers Joint Contract Documents Committee (EJCDC C-700, 2007 Edition) unless the parties agree otherwise.
- G. All documents prepared or furnished by Engineer are instruments of service, and Engineer retains an ownership and property interest (including the copyright and the right of reuse) in such documents, whether or not the Project is completed. Owner shall have a limited license to use the documents on the Project, extensions of the Project, and for related uses of the Owner, subject to receipt by Engineer of full payment for all services relating to preparation of the documents and subject to the following limitations: (1) Owner acknowledges that such documents are not intended or represented to be suitable for use on the Project unless completed by Engineer, or for use or reuse by Owner or others on extensions of the Project, on any other project, or for any other use or purpose, without written verification or adaptation by Engineer; (2) any such use or reuse, or any modification of the documents, without written verification, completion, or adaptation by Engineer, as appropriate for the specific purpose intended, will be at Owner's sole risk and without liability or legal exposure to Engineer or to its officers, directors, members, partners, agents, employees, and consultants; (3) Owner shall indemnify and hold harmless Engineer and its officers, directors, members, partners, agents, employees, and consultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification of the documents without written verification, completion, or adaptation by Engineer; and (4) such limited license to Owner shall not create any rights in third parties.
- H. To the fullest extent permitted by law, Owner and Engineer (1) waive against each other, and the other's employees, officers, directors, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project, and (2) agree that Engineer's total liability to Owner under this Agreement shall be limited to \$50,000 or the total amount of compensation received by Engineer, whichever is greater.
- I. The parties acknowledge that Engineer's scope of services does not include any services related to a Hazardous Environmental Condition (the presence of asbestos, PCBs, petroleum, hazardous substances or waste as defined by the Comprehensive Environmental Response, Compensation and

Liability Act, 42 U.S.C. §§9601 et seq., or radioactive materials). If Engineer or any other party encounters a Hazardous Environmental Condition, Engineer may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the Project affected thereby until Owner: (1) retains appropriate specialist consultants or contractors to identify and, as appropriate, abate, remediate, or remove the Hazardous Environmental Condition; and (2) warrants that the Site is in full compliance with applicable Laws and Regulations.

- J. Owner and Engineer agree to negotiate each dispute between them in good faith during the 30 days after notice of dispute. If negotiations are unsuccessful in resolving the dispute, then the dispute shall be mediated. If mediation is unsuccessful, then the parties may exercise their rights at law.

#### 6.01 *Total Agreement*

- A. This Agreement (including any expressly incorporated attachments), constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

#### 7.01 *Basis of Payment—Hourly Rates Plus Reimbursable Expenses*

- A. Using the procedures set forth in Paragraph 2.01, Owner shall pay Engineer as follows:
  1. An amount equal to the cumulative hours charged to the Project by each class of Engineer's employees times standard hourly rates for each applicable billing class for all services performed on the Project, plus reimbursable expenses and Engineer's consultants' charges, if any.
  2. Engineer's Standard Hourly Rates are attached as Attachment 1.
  3. The total compensation for services and reimbursable expenses is estimated to be \$30,000.00.

- 7.02 *Additional Services:* For additional services of Engineer's employees engaged directly on the Project, Owner shall pay Engineer an amount equal to the cumulative hours charged to the Project by each class of Engineer's employees' times standard hourly rates for each applicable billing class; plus reimbursable expenses and Engineer's consultants' charges, if any. Engineer's standard hourly rates are attached as Attachment 1.

Attachments: Attachment 1: Engineer's Standard Hourly Rates

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

OWNER: John Hollowell

By: 

Title: Mayor of Miles City

Date Signed: 3-12-19

Address for giving notices:

City of Miles City

P.O. Box 910

Miles City, MT 59301

(406) 234-3462

ENGINEER: Brent Moore, AICP

By: 

Title: Western Regional Vice President

Date Signed: March 18, 2019

Engineer License or Firm's Certificate/PEL-EF-LIC-  
Number: 419

State of: Montana

Address for giving notices:

Interstate Engineering, Inc.

P.O. Box 648

Sidney, MT 59270-0648

406-433-5617



**ATTACHMENT #1 SCHEDULE OF RATES**

ENGINEERS

ENG I	\$101.00 per hour
ENG II	\$134.00 per hour
ENG III	\$170.00 per hour
ENG IV	\$193.00 per hour
ENG V	\$213.00 per hour
ENG VI	\$236.00 per hour
ENG VII	\$250.00 per hour
ENG / SURV VII	\$260.00 per hour

SURVEYORS

SURV I	\$97.00 per hour
SURV II	\$108.00 per hour
SURV III	\$123.00 per hour
SURV IV	\$150.00 per hour
SURV V	\$168.00 per hour
SURV VI	\$198.00 per hour

PLANNERS

PLANNER I	\$80.00 per hour
PLANNER II	\$103.00 per hour
PLANNER III	\$128.00 per hour
PLANNER IV	\$160.00 per hour

TECHNICIANS

TECH I	\$68.00 per hour
TECH II	\$95.00 per hour
TECH III	\$115.00 per hour
TECH IV	\$131.00 per hour
TECH V	\$143.00 per hour
TECH VI	\$170.00 per hour
TECH VII	\$180.00 per hour

ADMINISTRATIVE

ADMIN I	\$73.00 per hour
ADMIN II	\$83.00 per hour

INFORMATION TECHNOLOGISTS

IT I	\$90.00 per hour
IT II	\$180.00 per hour

EXPERT WITNESS

\$275.00 per hour

CHARGEABLE EXPENSES

Subsistence.....Actual cost	8 1/2" X 11" Prints per Page.....	\$0.15 – black & white, \$0.50 - color
Travel Vehicle.....\$0.55 per mile	11" x 17" Prints per Page.....	\$0.25 – black & white, \$0.50 - color
Survey Vehicle.....\$0.65 per mile	24" x 36" Prints per Page.....	\$9.00
Aircraft.....Actual cost	Mylar.....	\$3.00 per ft <sup>2</sup>
Any But Ordinary First-Class Postage.....Actual cost	ATV.....	\$75.00 per day
Subconsultant Services.....Cost plus 10%	UTV.....	\$150.00 per day
Plat Certification per Certification.....\$35.00	UTV with Tracks / Snowmobile.....	\$200.00 per day
Recordation per Monument.....\$35.00		
Cost of surveying materials, filing fees, drafting materials and other materials required for the job.....		Cost plus 25%
Any and all sales and use tax, TERO or other special fees which apply to this contract.		

**Appendix 1, Standard Hourly Rates Schedule**

EJCDC E-520 Short Form of Agreement Between Owner and Engineer for Professional Services.

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Attachments: Attachment 1: Engineer's Standard Hourly Rates

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OWNER: John Hollowell

By: 

Title: Mayor of Miles City

Date Signed: 3-12-19

ENGINEER: Brent Moore, AICP

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

Title: Western Regional Vice President

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

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