CITY MANAGER’S REPORT
SEPTEMBER 18, 2017 CITY COUNCIL REGULAR MEETING

ITEM: PROPOSED PROJECT ASSOCIATED WITH SENATE BILL 1 AND PAVEMENT MANAGEMENT SYSTEM UPDATE

RECOMMENDATION: Adopt a Resolution Approving the Project List and Corresponding Budget Amendment for Local Streets and Roads Funding Associated with Senate Bill 1 and Approve an Agreement for CIP PS 18-01 with Pavement Engineering Inc. (PEI) to Update the Pavement Management System

SUMMARY:

The State of California’s recent approval of Senate Bill 1 (SB 1) created a new funding source for local roadway maintenance and rehabilitation. Current funding estimates show the City of Lathrop’s apportionments at $125,000 in Fiscal Year (FY) 17/18 and $375,000 in FY 18/19. In order to be eligible for State funding, cities must develop a project list and comply with State Highway Code Section 2108.1 which requires development and periodic updating of a certified Pavement Management System. In preparation for receiving SB1 funding, staff seeks Council approval for;

1. The proposed project and corresponding budget for $125,000 from SB1 appropriations. The project includes crack sealing and cape sealing on portions of Bizzibe St., Mingo Way and Avon St. (see attachment B).

2. Approval of an agreement with Pavement Engineering Inc. in the amount of $36,115 to update the Pavement Management System. The Pavement Management System update was anticipated in the FY 17/18 budget and funds are currently available.

Staff is requesting City Council adoption of a resolution approving the proposed project with corresponding budget amendment and agreement with Pavement Engineering Inc.

BACKGROUND:

Over the next 10 years, California faces a $59 billion shortfall to adequately maintain the existing state highway system. Similarly, cities and counties face a $78 billion shortfall over the next decade to adequately maintain the existing network of local streets and roads. In response to these roadway infrastructure needs, on April 28, 2017 the Governor signed SB 1 which is known as the Road Repair and Accountability Act of 2017.
SB 1 increases per gallon fuel excise taxes; increases diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years. Beginning November 1, 2017, new funding from SB1 will be deposited into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

SB 1 was approved with an emphasis on accountability and transparency. As a result, in August 2017 the California Transportation Commission issued annual reporting guidelines for the RMRA funding. The guidelines require that local agencies formally adopt a proposed project list for the RMRA funds. Example projects and uses for RMRA funding include, but are not limited to, the following:

- Road Maintenance and Rehabilitation
- Safety Projects
- Railroad Grade Separations
- Complete Streets Components (including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project)
- Traffic Control Devices

The proposed project is listed below and in Attachment B.

**Project Description**

Pavement maintenance project which includes crack sealing and the application of a cape seal. A cape seal is the combination of a chip seal covered with a slurry seal. The benefits of a cape seal include the increased durability of a chip and the smoothness of a slurry seal.

**Project Location**

Bizzibe Street (Louise Avenue - O Street)
Mingo Way (Bizzibe Street - 5th Street)
Avon Street (Lathrop Road - Warren Avenue)

**Proposed Schedule**

Winter 2017: Prepare plans and specifications
Spring 2018: Bid the project
Summer 2018: Start construction
Fall 2018: Complete and accept the improvements

**Estimated Useful Life**

Cape seals can extend the life of a pavement 6 to 8 years.
CIP PS 18-01 City-wide Pavement Maintenance and Repair Program was included in the adopted FY 17/18 and FY 18/19 budget and will be revised to meet the newly created reporting guidelines. The proposed project was generated using the City’s existing Pavement Management System. In 2010, City Council directed staff to establish a Pavement Management System for the purpose of assessing existing roadway conditions, identify appropriate maintenance and rehabilitation methods, and maximize available roadway funds. In order to be eligible for certain State funding sources, the City is required under State Highway Code Section 2108.1 to develop and periodically update a certified Pavement Management System. The City’s Pavement Management System needs to be updated every 3-4 years to reflect changing pavement conditions, the last update occurred in 2013. Staff is requesting Council authorization of a resolution to approve the proposed project with corresponding budget amendment and authorize an agreement with Pavement Engineering Inc. in the amount of $36,115 to update the Pavement Management System. The Pavement Management System update was anticipated in the FY17/18 budget and funds are currently available.

REASON FOR RECOMMENDATION:

The California Transportation Commission issued annual reporting guidelines for the RMRA funding. Prior to receiving this funding, local agencies must formally adopt a proposed project list and update their Pavement Maintenance System.

COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:

This agenda item promotes Public Safety by maintaining and rehabilitating existing roadways.

FISCAL IMPACT:

Current funding estimates show the City of Lathrop’s apportionments of RMRA funding at $125,000 in FY 17/18 and $375,000 in FY 18/19. Staff is requesting that City Council adopt a resolution approving the proposed project and corresponding budget amendment as follows:

**Fiscal Year 17/18**
Increase Transfer Outs
2030-9900-990-9010 $125,000

Increase Transfers In (PS 18-01)
3310-9900-393-0000 $125,000

Increase Expenses (PS 18-01)
3310-8000-481-2012 $125,000

**Fiscal Year 18/19**
RMRA Funds will be allocated to project through mid-year review process.
ATTACHMENTS:

A. Resolution Approving the Project List for Local Streets and Roads Funding Associated with Senate Bill 1, Corresponding Budget Amendment for CIP PS 18-01 and Agreement with Pavement Engineering Inc. (PEI) to Update the Pavement Management System

B. Updated CIP PS 18-01 City-wide Pavement Maintenance and Repair Program

C. Agreement with Pavement Engineering Inc. for Design Engineering Services.
APPROVALS:

Michael King
Senior Civil Engineer
9-5-17

Tim McCoy
Director of Public Works
9/5/17

Cari James
Director of Finance
9/6/17

Salvador Navarrete
City Attorney
9-6-17

Stephen J. Salvatore
City Manager
9-12-17
RESOLUTION NO. 17-——

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING THE PROJECT LIST FOR LOCAL STREETS AND ROADS FUNDING
ASSOCIATED WITH SENATE BILL 1, CORRESPONDING BUDGET
AMENDMENT FOR CIP PS 18-01 AND AGREEMENT WITH PAVEMENT
ENGINEERING INC. (PEI) TO UPDATE THE PAVEMENT MANAGEMENT
SYSTEM

WHEREAS, the State of California’s recent approval of Senate Bill 1 (SB 1) created a new funding source for local roadway maintenance and rehabilitation; and

WHEREAS, new funding from SB1 will be deposited into the newly created Road Maintenance and Rehabilitation Account (RMRA); and

WHEREAS, current funding estimates show the City of Lathrop’s apportionments at $125,000 in FY 17/18 and $375,000 in FY 18/19; and

WHEREAS, RMRA funding will be apportioned by formula to eligible cities and counties for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system; and

WHEREAS, in order to be eligible for State funding, cities must develop a project list and comply with State Highway Code Section 2108.1 which requires development and periodic updating of a certified Pavement Management System; and

WHEREAS, the California Transportation Commission issued annual reporting guidelines for the RMRA funding requiring local agencies to formally adopt a proposed project list prior to receiving funding allocations; and

WHEREAS, Capital Improvement Project CIP PS 18-01 has been updated with a proposed project list to meet the newly created reporting guidelines; and

WHEREAS, current funding estimates show the City of Lathrop’s apportionments at $125,000 in FY 17/18 and $375,000 in FY 18/19; and
WHEREAS, staff is requesting that City Council authorize a budget amendment transferring RMRA Funds to PS 18-01 as follows:

Fiscal Year 17/18
Increase Transfer Outs
2030-9900-990-9010 $125,000

Increase Transfers In (PS 18-01)
3310-9900-393-0000 $125,000

Increase Expenses (PS 18-01)
3310-8000-481-2012 $125,000

Fiscal Year 18/19
RMRA Funds will be allocated to project through mid-year process.

WHEREAS, the proposed project list was generated using the City’s Pavement Management System; and

WHEREAS, the cost to update the City’s Pavement Management System is $36,115 and sufficient funds have been allocated in CIP PS 18-01 to authorize an agreement with Pavement Engineering Inc.; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve the project list for local streets and roads funding associated with Senate Bill 1; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby approve a budget amendment transferring RMRA Funds to PS 18-01; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby approve an agreement with Pavement Engineering Inc. to update the City’s Pavement Management System.
The foregoing resolution was passed and adopted this 18th day of September 2017, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:

Salvador Navarrete, City Attorney
Capital Improvement Project Plan

Project Number:  
PS 18-01

Department Responsible:  
Public Works / Michael King

Project Name:  
City-Wide Road Maintenance and Repair Program

Contact Number:  
209-941-7430

Project Description:
The City-Wide Road Maintenance and Repair Program will include maintaining deteriorated pavement and striping that present public safety issues throughout residential and industrial areas in the City. Locations will be prioritized based upon condition of existing pavement/striping as related to public safety and proximity to high pedestrian facilities (i.e. schools), including the Mossdale area.

Road Maintenance Rehabilitation Account (RMRA) Funding: Pavement maintenance project which includes crack sealing and the application of a cape seal. A cape seal is the combination of a chip seal covered with a slurry seal. The benefits of a cape seal include the increased durability of a chip and the smoothness of a slurry seal. Cape seals can extend the life of a pavement 6 to 8 years.

Justification:
Timely maintenance extends the useful life of the road pavement and helps prevent severe deterioration that decreases public safety and leads to more costly repairs and or replacement in the future.
## Capital Improvement Project Plan

### Project Number:
PS 18-01

### Department Responsible:
Public Works / Michael King

### Project Name:
City-Wide Road Maintenance and Repair Program

### Contact Number:
209-941-7430

### Project Components & Estimated Timeline

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<td>Winter 2018</td>
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## Capital Improvement Project Plan

**Project Number:**
PS 18-01

**Department Responsible:**
Public Works / Michael King

**Project Name:**
City-Wide Road Maintenance and Repair Program

**Contact Number:**
209-941-7430

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Total: $ 2,080,967
CITY OF LATHROP
AGREEMENT FOR DESIGN ENGINEERING SERVICES WITH
PAVEMENT ENGINEERING INC.

FOR PAVEMENT MANAGEMENT SYSTEM UPDATE, CIP PS 18-01

THIS AGREEMENT, dated for convenience this 18th day of September, 2017, is by and between Pavement Engineering Inc. ("CONSULTANT") and the CITY OF LATHROP, a California municipal corporation ("CITY");

RECITALS:

WHEREAS, CONSULTANT is specially trained, experienced, and competent to perform Design Engineering Services, which are required by this agreement; and

WHEREAS, CITY selected the CONSULTANT pursuant to said qualifications; and

WHEREAS, CONSULTANT is willing to render such Design Engineering Services, as hereinafter defined, on the following terms and conditions;

NOW, THEREFORE, CONSULTANT and the CITY agree as follows:

AGREEMENT

(1) Scope of Service.

CONSULTANT agrees to perform Design Engineering Services in accordance with the scope of work and fee proposal provided by CONSULTANT, attached hereto as Exhibit "A" and incorporated herein by reference. CONSULTANT agrees to diligently perform these services in accordance with the upmost standards of its profession and to CITY’S satisfaction.

(2) Compensation.

CITY hereby agrees to pay CONSULTANT a sum not to exceed $36,115 for the Design Engineering Services set forth in Exhibit “A”. CONSULTANT shall be paid any uncontested sum due and payable within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit “A”, unless a written change order or authorization describing the extra work and payment terms has been executed by CITY’s authorized representative prior to the commencement of the work. Payment is made based on a time and materials basis.

(3) Effective Date and Term.

Page 1 of 12
The effective date of this Agreement is September 18, 2017, and it shall terminate no later than June 30, 2018.

(4) **Independent Contractor Status**

It is expressly understood and agreed by both parties that CONSULTANT, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the CITY. As an independent contractor, CONSULTANT is responsible for controlling the means and methods to complete the scope of work described in Exhibit "A" to City's satisfaction. CONSULTANT expressly warrants not to represent, at any time or in any manner, that CONSULTANT is an employee of the CITY.

(5) **Billings**

CONSULTANT'S bills shall include a list of all tasks, a total amount due, the amounts previously billed, and the net amount due on the invoice. Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. In no event shall CONSULTANT submit any billing for an amount in excess of the rates or the maximum amount of compensation provided in section (2) for either task or for the entire Agreement, unless modified by a properly executed change order.

(6) **Advice and Status Reporting**

CONSULTANT shall provide the CITY with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder, and shall furnish to CITY such information as is necessary to enable CITY to monitor the performance of this Agreement.

(7) **Assignment of Personnel**

CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. If CITY asks CONSULTANT to remove a person assigned to the work called for under this Agreement, CONSULTANT agrees to do so immediately, without requiring the City to process a reason or explanation for its request.

The services shall be performed by, or under the direct supervision, of CONSULTANT's Authorized Representative: Joe Ririe. CONSULTANT shall not replace its Authorized Representative without the prior written approval by the CITY.
(8) Assignment and Subcontracting

It is recognized by the parties hereto that a substantial inducement to CITY for entering into this Agreement was, and is, the professional reputation and competence of CONSULTANT. Neither this Agreement nor any interest therein may be assigned by CONSULTANT without the prior written approval of CITY’S authorized representative. CONSULTANT shall not subcontract any portion of the performance contemplated and provided for herein, other than the subcontractors noted in the proposal, without prior written approval of the CITY’S authorized representative.

(9) Insurance

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

(a) Workers’ Compensation. CONSULTANT shall, at CONSULTANT’S sole cost and expense, maintain Statutory Workers’ Compensation Insurance and Employer’s Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers’ Compensation Insurance and Employer’s Liability Insurance shall be provided with limits of not less than one million dollars. In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.

(b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT’S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement.
If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

(i) CITY, its officers, employees, agents, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including the insider’s general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.

(ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.

(iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.

(iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.

(v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.

(vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.
Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than One Million Dollars ($1,000,000) per claim made and per policy aggregate covering the licensed professionals' errors and omissions, as follows:

(i) Any deductible or self-insured retention shall not exceed $150,000 per claim.

(ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.

(iii) The policy must contain a cross liability or severability of interest clause.

(iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:

1. The retroactive date of the policy must be shown and must be before the date of the Agreement.

2. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.

4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.
(d) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of the CITY's authorized representative, CONSULTANT may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY's authorized representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

(e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.

(f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:

(i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;

(ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;

(iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.
(10) **Indemnification - CONSULTANT'S Responsibility**

As to the CONSULTANT'S work hereunder, it is understood and agreed that (a) CONSULTANT has the professional skills necessary to perform the work, (b) CITY relies upon the professional skills of CONSULTANT to perform the work in a skillful and professional manner, and (c) CONSULTANT thus agrees to so perform.

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed. It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession.

CONSULTANT shall indemnify, defend, and hold CITY, its officers, employees, agents, and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct or negligent acts or omissions of CONSULTANT, its employees, subcontractors, or agents, or on account of the performance or character of this work, except for any such claim arising out of the negligence or willful misconduct of the CITY, its officers, employees, agents, or volunteers. It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

(11) **Licenses**

If a license of any kind, which term is intended to include evidence of registration, is required of CONSULTANT, its employees, agents, or subcontractors by federal or state law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, and CONSULTANT shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

(12) **Business Licenses**

CONSULTANT shall obtain and maintain a CITY of Lathrop Business License until
all Agreement services are rendered and accepted by the CITY.

(13) Termination

Either CITY or CONSULTANT may cancel this Agreement upon 30 days written notification to the other party. In the event of termination, the CONSULTANT shall be entitled to compensation for services performed to the effective date of termination; provided, however, that the CITY may condition payment of such compensation upon CONSULTANT’S delivery to the CITY of any or all documents, photographs, computer software, video and audio tapes, and other materials provided to CONSULTANT or prepared by or for CONSULTANT or the CITY in connection with this Agreement.

(14) Funding

CONSULTANT agrees and understands that renewal of this agreement in subsequent years is contingent upon action by the City Council consistent with the appropriations limits of Article XIII (B) of the California Constitution and that the Council may determine not to fund this agreement in subsequent years.

(15) Notices

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

To City: City of Lathrop
City Clerk
390 Towne Centre
Lathrop, CA 95330

Copy to: City of Lathrop
Department of Public Works
390 Towne Centre
Lathrop, CA 95330

MAIN: (209) 941-7430
FAX: (209) 941-7449
(16) **Miscellaneous**

(a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.

(b) Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.

(c) Definitions. The definitions and terms are as defined in these specifications.

(d) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.

(e) Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

(f) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.

(g) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.

(h) Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in
writing and signed by the parties.

(i) Provision. Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.

(j) Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.

(k) Status of CONSULTANT. In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.

(l) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.

(m) Time of the Essence. Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.

(n) Venue. In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.

(o) Recovery of Costs. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.
(17) **Notice to Proceed**

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.

(18) **Signatures**

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
CITY OF LATHROP – CONSULTING SERVICES AGREEMENT

PAVEMENT ENGINEERING INC.

Approved as to Form: City of Lathrop
City Attorney

Salvador Navarrete Date

Recommended for Approval: City of Lathrop
Director of Public Works

Tim McCoy Date

Accepted By: City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore Date
City Manager

CONSULTANT: Pavement Engineering, Inc.
3485 Sacramento Drive, Suite A
San Luis Obispo, CA 93401-7156

Fed ID #
Business License #

(Date)

(Print Name and Title)
August 28, 2017

Mr. Michael King
City of Lathrop
390 Towne Centre Dr.
Lathrop, CA 95330

Subject: 2017 Citywide Pavement Management System Update

Dear Michael:

We’ve enjoyed working with you on past pavement maintenance projects and appreciate the City’s efforts to maintain its assets in a serviceable, safe condition. As you know, the Metropolitan Transportation Commission (MTC) recommends cities and counties update plans regularly to ensure their Pavement Management Systems reflect the true current condition of their streets and to monitor the effectiveness of applied treatments. It’s time to consider this option again, so I’ve taken the initiative to prepare a proposal for updating the City’s Pavement Management Plan. The scope of work and our cost for this assistance are outlined below.

BACKGROUND

The City of Lathrop maintains 83 centerline miles of road, or approximately 17,303,847 square feet of pavement. In 2013, the City contracted with PEI to develop a Pavement Management System and Five-Year Plan using MTC’s StreetSaver® program. As part of the MTC’s recommendations, Pavement Engineering, Inc. (PEI) is proposing to assist the City of Lathrop in completing this update.

SCOPE OF WORK

Task 1: Initial Planning and Kick-off Meeting

PEI will schedule a kick-off meeting with City staff to discuss project goals and expectations. Some items of discussion may include:

- The scope of work, schedule and budget;
- Existing pavement data, GIS files and drawings;
- Streets, roadways and functional classifications;
- Current and past pavement maintenance history and budgets;
- Desired pavement service levels;
- Quality control approach;
- Safety, field work access and public notifications;
- PEI personnel and project contacts;
- The format of deliverables.

Serving California since 1987

www.pavementengineering.com
At PEI rehabilitation, segments data latest relocate Recording location PEI on designed will for measure Precise During PEI Standard keep PEI’s and cracking, procedures will to PEI at measure to PCI’s are meeting PCI’s that are inspected will PCI’s meet and the to PCI’s is visual work inspected will PCI’s the be PCI’s is accuracy rate for PCI’s inspectors of ± 5 PCI points. Industry standards accept ± 10 PCI points. They will manually survey all streets and roads according to the following MTC’s seven distress categories:

PEI will assign a Pavement Condition Index (PCI) for each street segment and trail per StreetSaver® criteria and supported by PEI’s quality assurance standards, which are designed to ensure accuracy and consistency.

During the field review, PEI will use a vehicle-mounted digital measuring device to measure the length of each street segment and a hand-held wheel to measure the width. Precise measurements are key to accurate cost projections, which are calculated based on pavement area.

PEI will sample locations on random test sites of ± 2,500 sf and will annotate the sample location on our rating sheet using footage from the beginning of each road segment. Recording locations of inspected sample areas provides the necessary information to relocate the measured area for verification. This method produces reliable, reproducible data for current and future use.

At PEI we strive for accuracy and precision, so our Quality Control Plan compares the latest PCI’s of newly rated street segments to prior PCI’s from the last PMS update. Street segments with PCI’s that have increased in PCI, without any maintenance and rehabilitation, and street segments with PCI’s that have dropped more than 3 PCI points per year, since their last rating, will be identified and reviewed in the field by an engineer.
or senior engineering technician. At PEI, we strive for a +/- 5 PCI points when comparing initial ratings versus QC ratings. Any segment that exhibits a PCI difference outside of the +/- 5 PCI points, will be re-rated by an engineer or a senior engineering technician. We will review a minimum of 10% of the segments as part of the QC review.

To ensure safety during the visual evaluation, PEI will provide its inspectors with reflective safety vests and will provide traffic control using a flashing beacon and a vehicle-mounted magnetic sign warning of frequent stops.

**Task 3: Data Input**

PEI will input all of the data collected during the visual evaluations in the City's StreetSaver database using MTC's Mobile Rater. This speeds project completion and increases accuracy.

To make sure any analysis is consistent with the use of recommended maintenance and rehabilitation strategies, PEI will review the City's current street segmentation and how the roads are being used. Our goal is to develop the most accurate database possible, one that will manifest in better, more precise recommendations and projections.

In addition, PEI can review the functional classifications of streets in its system to determine if they comply with Caltrans specifications and are therefore eligible for future federal funding. We can compare each road section contained in the updated PMS database with the California Road System (CRS) maps found on the Caltrans website to verify functional classification accuracy.

As part of this Task, PEI will also review both the StreetSaver® Decision Tree and PCI breakpoint table with the City to verify recommended treatments and associated unit prices to ensure costs being used by the program are current and reflect the construction costs the City is seeing. Revised information will be updated in StreetSaver®.

**Task 4: Draft Report and Budget Recommendations**

Once the visual evaluations are finished and the StreetSaver® database is completely updated, PEI will run reports that forecast the PCI based on proposed treatments. This effort provides feedback for the treatment decisions necessary to achieve the City's goals.

Working with City staff, we determine (forecast) the best maintenance and rehabilitation approach for the next five years that will maintain the City's overall PCI at a level it sets. We will do this by performing a budget analysis using several scenarios that will help the City evaluate budget strategies and impacts and will use StreetSaver® GIS mapping to visually illustrate these impacts.
PEI will work with City staff to identify and prioritize annual asphalt concrete preventative maintenance and rehabilitation treatments on a street by street or neighborhood by neighborhood basis and make recommendations based on a critical-point approach that incorporates pavements from all parts of the deterioration curve, not just the best nor just the worst. This approach optimizes every budget dollar by seeking to apply the right treatment at the right time: not too soon and not too late.

Our analysis will demonstrate what the City can expect in overall pavement condition based on current and proposed future funding levels. If shortfalls exist, PEI will recommend preventative maintenance strategies to improve and maintain the City’s street system within budgetary constraints. PEI has the knowledge and experience to assist the City evaluate appropriate options and explore treatments and value engineering techniques to accomplish the objectives.

Task 5: Final Report

PEI will prepare one copy of the final report in indexed binder for the City’s review. After the review, we will prepare an updated final report containing all relevant information for review and one electronic copy in a Word and PDF format on a computer disk. Both the print and the electronic report will contain the following information:

- Executive summary
- Budget needs scenarios
- Network replacement costs
- Proposed future budget levels
- Budget scenarios including
  - a scenario to maintain roadways at the existing PCI;
  - a scenario to increase the current PCI by 5 points; and
  - a scenario to show the potential PCI for roadways over five years using current funding levels.
- A section description report for all street segments
- Street sections selected for recommended treatments during the next five years
- Maps and exhibits.
SCHEDULE

We anticipate the entire project will take six to eight weeks. The schedule may vary depending upon rain days. PEI will be ready to begin the project shortly after contracts have been signed, and we receive a notice to proceed.

COSTS

Our cost for performing the outlined work will be $36,115, which is summarized on the enclosed fee breakdown. We will invoice monthly according to the percentage of completed work. All costs associated with this project are subject to final negotiation with the City of Lathrop. The enclosed proposal conditions apply.

We value our relationship with the City of Lathrop and will continue our commitment to provide our services with honesty, trust and professionalism. As our slogan says, “You can ride on our reputation.” Please don't hesitate contacting me with any questions you may have regarding this proposal.

Very truly yours,

PAVEMENT ENGINEERING INC.

Joseph L. Ririe, P.E.
Principal

Enclosures: Fee Schedule Breakdown
Proposal Conditions

pc: C File, M File, MP File S/P/R
## FEE BREAKDOWN SCHEDULE
FOR THE
CITY OF LATHROP
CITYWIDE PAVEMENT MANAGEMENT SYSTEM UPDATE

### TASK 1: KICK-OFF MEETING AND INITIAL PLANNING

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**TASK 1 FEE** $3,375

### TASK 2: VISUAL EVALUATION OF PAVEMENT CONDITION

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**TASK 2 FEE** $19,975

### TASK 3: DATA INPUT

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**TASK 3 FEE** $3,330

### TASK 4: DRAFT REPORT AND BUDGET RECOMMENDATIONS

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**TASK 4 FEE** $4,575

### TASK 5: FINAL REPORT

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**TASK 5 FEE** $4,860

**TOTAL ESTIMATED FEE** $36,115
PROPOSAL CONDITIONS

1. Proposal is valid for thirty days from the date of the proposal.

2. All work shall be performed utilizing common methods and practices of the civil engineering profession.

3. Fees for Lump Sum or Unit Price Proposals will be charged at the quoted price. Fees for Engineering and PMS Technical Services on a Time and Materials Basis will be charged at the applicable hourly rates of the current PEI PMS Fee Schedule.

4. The proposal is based upon providing liability insurance with limits up to $1,000,000.

5. One copy of a PMS Final Report will be provided to the Owner. Additional copies are $50 each.

6. Payment: Invoices will be submitted on a monthly basis. All invoices are due within 30 days. Attorney’s fees or other costs incurred in collecting any delinquent amount shall be paid by the client.