SHORT FORM AGREEMENT BETWEEN OWNER AND HDR ENGINEERING, INC. FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made as of this _____ day of _____, 20___, between City of Manzanita ("OWNER") a municipal corporation, with principal offices 167 S 5th Street, Manzanita, Oregon 97130, and HDR ENGINEERING, INC., ("ENGINEER" or "CONSULTANT") for services in connection with the project known as Manzanita Water Storage Feasibility Study Project ("Project");

WHEREAS, OWNER desires to engage ENGINEER to provide professional engineering, consulting and related services ("Services") in connection with the Project; and

WHEREAS, ENGINEER desires to render these Services as described in SECTION I, Scope of Services.

NOW, THEREFORE, OWNER and ENGINEER in consideration of the mutual covenants contained herein, agree as follows:

SECTION I. SCOPE OF SERVICES

ENGINEER will provide Services for the Project, which consist of the Scope of Services as outlined on the attached Exhibit A.

SECTION II. TERMS AND CONDITIONS OF ENGINEERING SERVICES

The HDR Engineering, Inc. Terms and Conditions, which are attached hereto in Exhibit B, are incorporated into this Agreement by this reference as if fully set forth herein.

SECTION III. RESPONSIBILITIES OF OWNER

The OWNER shall provide the information set forth in paragraph 6 of the attached "HDR Engineering, Inc. Terms and Conditions for Professional Services."

SECTION IV. COMPENSATION

Compensation for ENGINEER'S services under this Agreement shall be on the basis of Time and Materials shall mean actual labor hours at the rates included in Exhibit C, to be paid as total compensation for each hour an employee works on the project, plus Reimbursable Expenses. Total compensation shall not exceed $98,789.

Reimbursable Expense shall mean the actual expenses incurred directly or indirectly in connection with the Project for transportation travel, subconsultants, subcontractors, technology charges, telephone, telex, shipping and express, and other incurred expense. ENGINEER will add five percent (5%) to invoices received by ENGINEER from subconsultants and subcontractors to cover administrative expenses and vicarious liability.

SECTION V. PERIOD OF SERVICE

Upon receipt of written authorization to proceed, ENGINEER shall perform the services described in Exhibit A within the time period(s) described in Exhibit A. Unless otherwise stated in this Agreement, the rates of compensation for ENGINEER'S services have been agreed to in anticipation of the orderly and continuous progress of the project through completion. If any specified dates for the completion of ENGINEER'S services are exceeded through no fault of the ENGINEER, the time for performance of those services shall be automatically extended for a period which may be reasonably required for their completion and all rates, measures and amounts of ENGINEER'S compensation shall be equitably adjusted.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

CITY OF MANZANITA
"OWNER"

BY: _____

NAME: _____

TITLE: _____

ADDRESS: 167 S 5th Street
Manzanita, Oregon 97130

HDR ENGINEERING, INC.
"ENGINEER"

BY: _____

NAME: _____

TITLE: _____

ADDRESS: 1050 SW 6th Ave., Suite 1800
Portland, OR 97204

EXHIBIT A

SCOPE OF SERVICES

Exhibit A

Feasibility Study for Water Storage Improvements

January 2021

HDR Engineering, Inc. (HDR) is pleased to provide this scope of work for the City of Manzanita's (City's) Feasibility Study for Water Storage Improvements. The study will evaluate three relevant project alternatives to facilitate the City's selection of a preferred alternative. The alternatives include 1) "do nothing" or minimal upgrades, 2) retrofit and armoring of existing facilities, and 3) full water tank replacement. The preferred alternative will be defined in terms of a 10-percent level design and construction cost estimate. This will allow the City to move forward with the project into subsequent phases of design, if so chosen.

Project understanding includes the following:

- The City of Manzanita is located adjacent to the Pacific Ocean, making it particularly vulnerable to a Cascadia Subduction Zone (CSZ) seismic event. Hazards to the community include ground accelerations (shaking), tsunami, landslides, and liquefaction. Combined, these hazards pose a significant threat to the water delivery system, water storage tanks, and City recovery efforts.

- Built primarily on sandy soils, the City's three existing water storage tanks are susceptible to liquefaction and ground movement. Water Tank #3 is at greatest risk for structural failure being located adjacent to a steep slope. Past geotechnical assessments indicated that a seismic event may trigger slope failure. The remaining two tanks risk structural failure due to a lack of lateral reinforcing and the effects from ground subsidence.

- The complex network of yard piping, connections, and valving between the three reservoirs creates additional vulnerability for community water storage and water delivery. Even if the reservoir structures survive, the contents are likely to spill as a result of sheared pipe connections or joint separations. Losing water storage impedes the City's ability for first response and recovery actions such as firefighting and provision of potable water for residents and critical facilities.

- The Oregon Resilience Plan (ORP) recommends communities improve the backbone of their water system. Reservoir storage is a key component of that backbone. The ORP also states that the water delivery system should be capable of supplying key community needs, including fire suppression, health and emergency response, and community drinking water distribution points, while more wide-spread damage to the larger components of the system are being addressed.

SCOPE OF WORK

TASK 1 PROJECT MANAGEMENT AND MEETINGS

HDR's project manager (PM) will manage delivery of this scope of work, coordinate directly with City staff, and respond to City emails and inquiries including issues related to scope, schedule, and budget performance. Includes internal management requirements such as project setup, invoicing, accounting reviews, and team meetings.

1.1 Project Kickoff Meeting

Coordinate a project kick-off meeting (up to 2 hours) to discuss project elements, background, scope, schedule, criteria, and City preferences.

1.2 Project Schedule

Develop a detailed schedule identifying critical tasks to meet the project completion date. The schedule shall be updated throughout the project.

Assumptions

- Project duration is estimated to be 6 months, pending City preferences for review periods.
- General project assumptions are as follows:
  - Technical Memorandums (TM) will be electronically submitted in PDF format.
  - Drawings will be prepared on 11-inch by 17-inch sheets, in AutoCAD Civil 3D 2018 using an HDR standard title block. Plans will be submitted via e-mail in PDF format.
  - The City will provide interagency or utilities coordination.
  - Except for site visits, meetings will be conducted virtually through Webex and facilitated by HDR.

Deliverables

- Monthly progress reports and invoices (approx. 6)
- Meeting agendas and notes (3)
- Project schedule updates (approx. 2)

TASK 2 BACKGROUND AND RESEARCH

This task is to gather the necessary information and research required to develop an adequate basis for the study.

2.1 Review Available Background Information

The City's Water System Plan (WSP) will be reviewed for relevant information including other capital projects that could affect this project. The review includes available hydraulic information,

operational history (SCADA), historical and projected demands, previous water system-related evaluations, hazard planning criteria, discussions with City staff, and record drawings.

2.2 Research Available GIS Mapping, Property Maps, Environmentally Critical Areas

Readily available and online GIS mapping and property information will be reviewed to assess water storage tank property locations. Online research of state and local resources will be completed regarding known environmentally sensitive or critical areas within or near the tank locations.

2.3 Research Applicable Codes or Standards

HDR will research current state and federal codes, design standards, hazard mitigation guidance (i.e., ORP and Tillamook County Multi-Jurisdictional Natural Hazards Mitigation Plan), and regulations that could affect the project scope or design.

2.4 Site Visit

The project manager, project engineer, structural engineer, and electrical engineer will conduct a site visit to verify existing conditions and identify conditions that may affect the project.

2.5 Geotechnical Evaluation and TM

Subconsultant Shannon-Wilson will complete a site reconnaissance and a high-level geotechnical evaluation of the project area to identify geohazard risks based on published maps, surface reconnaissance, and review of available soils and geologic information. Based on this, a range of potentially viable options can be provided that will mitigate geotechnical risks. This evaluation will inform geotechnically related seismic-related risks for the existing water storage tanks, help determine the viable project alternatives, and inform the conceptual (10%) design.

2.6 Background and Research TM

Includes an abbreviated TM that summarizes the findings from the subtasks listed above.

Assumptions

- Current WSP and water system operational data will be provided to HDR.
- Mapping or property information will be provided by the City or be accessible online.
- Code, standard, and regulation research will be limited to those that could affect project alternatives or the preferred alternative.
- The geotechnical evaluation will be completed based on site observations, previous reports or studies, recent construction in the area, publicly available soils information, and discussions with the City. Soil testing or borings are not included.

Deliverables

- Geotechnical TM

- Background and Research TM

TASK 3 EVALUATION OF ALTERNATIVES

This task will establish, define, evaluate, and compare the following alternatives for the study, allowing for the selection of the preferred alternative:

1. "Do nothing" or minimal upgrades
2. Retrofit and armoring of existing facilities
3. Full water tank replacement

3.1 Verify Design Water Demand and Water Storage Needs

Based on design demands and forecasts included in the City's WSP, existing hydraulic modeling results or evaluations, and City input, verify the current and forecasted design water demand and water storage needs. Incorporate applicable resilience considerations for water storage volume.

3.2 Evaluation of Water Storage Operation and Connections

Based on available information, evaluate how the three existing water storage tanks interact operationally and hydraulically including the existing yard piping, valves, pump stations, interties, and connections with respect to hydraulic operability and efficiency. Consider locations that create vulnerability for loss of water storage.

3.3 Structural Evaluation of Existing Water Storage Tanks

The existing tanks will be evaluated for structural integrity and seismic resilience based on the geohazards identified to inform the viability and scope of a tank retrofit alternative. Structural evaluation will be based on field observations and as-built documentation.

3.4 Evaluate Existing Site Power Supply, Telemetry, and Controls

Provide a high-level evaluation of the condition and capability of existing power supply, backup power, telemetry, and controls. The evaluation will characterize the condition and level of service to inform alternative development.

3.5 Evaluate Three Viable Alternatives

Based on information gathered, evaluations, and discussions with the City, evaluate and compare the three viable project alternatives for resilience value, construction cost, site constraints/impacts, constructability, and operations/maintenance. A TM with schematic exhibits will be provided summarizing and comparing each alternative.

3.6 Selection of Preferred Alternative

Following City review of the TM, HDR will attend and facilitate a review meeting (up to 2 hours) to discuss the findings and compare the alternatives. The City will select its preferred alternative.

Assumptions

- The evaluation of water storage tank operations does not include hydraulic modeling. Assessment of broader system impacts is not included.
- Evaluation of design water demand will be limited in nature and rely on data provided by the City or the WSP.
- Scope does not include evaluation of alternate properties for the water storage tanks.
- The TM will be succinct and only include findings and conclusions relevant for comparison. Schematic level exhibits will be provided on GIS or Google Earth style exhibits. The City will provide necessary as-built drawings or property information to adequately scale the exhibits.
- Cost estimates will be Class 5 based on AACE International Recommended Practice No. 18R-97, which includes cost estimate classifications, methodologies, and accuracy ranges.
- Right-of-way, land-use, and permitting issues will be addressed by the City. Assessment of environmental issues will be high level and consist of online research and information provided by the City.
- Structural analysis of existing water tanks does not include modeling or detailed calculations.

Deliverables

- Draft Alternatives Evaluation TM. Review comments will be incorporated into the Task 4.2 draft feasibility study report.
- Meeting notes summarizing selection of the preferred alternative.

TASK 4 FEASIBILITY STUDY REPORT AND PLANS

This task includes further refinement of the preferred alternative for preliminary design and construction cost, and summarizing relevant findings, conclusions, and exhibits into a report format.

4.1 Conceptual (10%) Design for the Preferred Alternative

The preferred alternative will be further examined and detailed to a 10-percent level of design for the site plan and facility plan. The construction cost estimate will be advanced commensurate with the design.

4.2 Draft Feasibility Study Report

A draft feasibility study report will be prepared that summarizes the background information, research, alternatives, and the preferred alternative. HDR will include recommendations and conclusions regarding the design, construction cost estimate, constructability, operations and maintenance, and project schedule.

4.3 Design Review Meeting

HDR's project manager and project engineer will prepare an agenda and facilitate a design review meeting (up to 2 hours) with representatives from the City to address 10-percent design and draft feasibility study report review comments.

4.4 Final Feasibility Study Report and Plans

A final feasibility study report and 10-percent plans will be prepared that incorporate comments and guidance from review of the draft report and plans.

Assumptions

- Survey is not included in subconsultant efforts. The plans will be provided on scalable GIS backgrounds, Google Earth, or record drawings. The City will provide necessary as-built drawings or property information to scale the exhibits.
- Opinions of probable construction costs will be Class 4 based on AACE International Recommended Practice No. 18R-97, which includes cost estimate classifications, methodologies, and accuracy ranges.

Deliverables

- Draft and Final Feasibility Study Report
- Draft and Final 10-Percent Plans and Opinion of Probable Construction Cost

EXHIBIT B

TERMS AND CONDITIONS

HDR Engineering, Inc. Terms and Conditions for Professional Services

1. **STANDARD OF PERFORMANCE**
The standard of care for all professional engineering, consulting and related services performed or furnished by ENGINEER and its employees under this Agreement will be the care and skill ordinarily used by members of ENGINEER's profession practicing under the same or 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.

2. **INSURANCE/INDEMNITY**
ENGINEER agrees to procure and maintain, at its expense, Workers' Compensation insurance as required by statute; Employer's Liability of $250,000; Automobile Liability insurance of $1,000,000 combined single limit for bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of $1,000,000 combined single limit for personal injury and property damage; and Professional Liability insurance of $1,000,000 per claim for protection against claims arising out of the performance of services under this Agreement caused by negligent acts, errors, or omissions for which ENGINEER is legally liable. If flying an Unmanned Aerial System (UAS or drone), ENGINEER will procure and maintain aircraft unmanned aerial systems insurance of $1,000,000 per occurrence. OWNER shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the OWNER. ENGINEER agrees to indemnify OWNER for third party personal injury and property damage claims to the extent caused by ENGINEER's negligent acts, errors or omissions. However, neither Party to this Agreement shall be liable to the other Party for any special, incidental, indirect, or consequential damages (including but not limited to loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; and/or fines or penalties), loss of profits or revenue arising out of, resulting from, or in any way related to the Project or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, errors or omissions, strict liability or breach of contract.

3. **OPINIONS OF PROBABLE COST (COST ESTIMATES)**
Any opinions of probable project cost or probable construction cost provided by ENGINEER are made on the basis of information available to ENGINEER and on the basis of ENGINEER's experience and qualifications, and represents its judgment as an experienced and qualified professional engineer. However, since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s') methods of determining prices, or over competitive bidding or market conditions, ENGINEER does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost ENGINEER prepares.

4. **CONSTRUCTION PROCEDURES**
ENGINEER's observation or monitoring portions of the work performed under construction contracts shall not relieve the contractor from its responsibility for performing work in accordance with applicable contract documents. ENGINEER shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work and shall not manage, supervise, control or have charge of construction. ENGINEER shall not be responsible for the acts or omissions of the contractor or other parties on the project. ENGINEER shall be entitled to review all construction contract documents and to require that no provisions extend the duties or liabilities of ENGINEER beyond those set forth in this Agreement. OWNER agrees to include ENGINEER as an indemnified party in OWNER's construction contracts for the work, which shall protect ENGINEER to the same degree as OWNER. Further, OWNER agrees that ENGINEER shall be listed as an additional insured under the construction contractor's liability insurance policies.

5. **CONTROLLING LAW**
This Agreement is to be governed by the law of the state where ENGINEER's services are performed.

6. **SERVICES AND INFORMATION**
OWNER will provide all criteria and information pertaining to OWNER's requirements for the project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations. OWNER will also provide copies of any OWNER-furnished Standard Details, Standard Specifications, or Standard Bidding Documents which are to be incorporated into the project.

OWNER will furnish the services of soils/geotechnical engineers or other consultants that include reports and appropriate professional recommendations when such services are deemed necessary by ENGINEER. The OWNER agrees to bear full responsibility for the technical accuracy and content of OWNER-furnished documents and services.

In performing professional engineering and related services hereunder, it is understood by OWNER that ENGINEER is not engaged in rendering any type of legal, insurance or accounting services, opinions or advice. Further, it is the OWNER's sole responsibility to obtain the advice of an attorney, insurance counselor or accountant to protect the OWNER's legal and financial interests. To that end, the OWNER agrees that OWNER or the OWNER's representative will examine all studies, reports, sketches, drawings, specifications, proposals and other documents, opinions or advice prepared or provided by ENGINEER, and will obtain the advice of an attorney, insurance counselor or other consultant as the OWNER deems necessary to protect the OWNER's interests before OWNER takes action or forebears to take action based upon or relying upon the services provided by ENGINEER.

7. **SUCCESSORS, ASSIGNS AND BENEFICIARIES**
OWNER and ENGINEER, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither OWNER nor ENGINEER will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other. No third party beneficiaries are intended under this Agreement.

8. **RE-USE OF DOCUMENTS**
All documents, including all reports, drawings, specifications, computer software or other items prepared or furnished by ENGINEER pursuant to this Agreement, are instruments of service with respect to the project. ENGINEER retains ownership of all such documents. OWNER may retain copies of the documents for its information and reference in connection with the project; however, none of the documents are intended or represented to be suitable for reuse by OWNER or others on extensions of the project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER will defend, indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses, including attorney's fees, arising or resulting therefrom. Any such verification or adaptation will

entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

9. TERMINATION OF AGREEMENT

OWNER or ENGINEER may terminate the Agreement, in whole or in part, by giving seven (7) days written notice to the other party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all services and expenses associated with the project up to the effective date of termination. An equitable adjustment shall also be made to provide for termination settlement costs ENGINEER incurs as a result of commitments that had become firm before termination, and for a reasonable profit for services performed.

10. SEVERABILITY

If any provision of this agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

11. INVOICES

ENGINEER will submit monthly invoices for services rendered and OWNER will make payments to ENGINEER within thirty (30) days of OWNER's receipt of ENGINEER's invoice.

ENGINEER will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by OWNER's auditors upon request.

If OWNER disputes any items in ENGINEER's invoice for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER will promptly notify ENGINEER of the dispute and request clarification and/or correction. After any dispute has been settled, ENGINEER will include the disputed item on a subsequent, regularly scheduled invoice, or on a special invoice for the disputed item only.

OWNER recognizes that late payment of invoices results in extra expenses for ENGINEER. ENGINEER retains the right to assess OWNER interest at the rate of one percent (1%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date OWNER receives ENGINEER's invoice. In the event undisputed portions of ENGINEER's invoices are not paid when due, ENGINEER also reserves the right, after seven (7) days prior written notice, to suspend the performance of its services under this Agreement until all past due amounts have been paid in full.

12. CHANGES

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. Any proposed fees by ENGINEER are estimates to perform the services required to complete the project as ENGINEER understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. ENGINEER will inform OWNER of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional services, or suspension of services results in an increase or decrease in the cost of or time required for performance of the services, an equitable adjustment shall be made, and the Agreement modified accordingly.

13. CONTROLLING AGREEMENT

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document.

14. EQUAL EMPLOYMENT AND NONDISCRIMINATION

In connection with the services under this Agreement, ENGINEER agrees to comply with the applicable provisions of federal and state Equal Employment Opportunity for individuals based on color, religion, sex, or national origin, or disabled veteran, recently separated veteran, other protected veteran and armed forces service medal veteran status, disabilities under provisions of executive order 11246, and other employment, statutes and regulations, as stated in Title 41 Part 60 of the Code of Federal Regulations § 60-1.4 (a-f), § 60-300.5 (a-e), § 60-741 (a-e).

15. HAZARDOUS MATERIALS

OWNER represents to ENGINEER that, to the best of its knowledge, no hazardous materials are present at the project site. However, in the event hazardous materials are known to be present, OWNER represents that to the best of its knowledge it has disclosed to ENGINEER the existence of all such hazardous materials, including but not limited to asbestos, PCB's, petroleum, hazardous waste, or radioactive material located at or near the project site, including type, quantity and location of such hazardous materials. It is acknowledged by both parties that ENGINEER's scope of services do not include services related in any way to hazardous materials. In the event ENGINEER or any other party encounters undisclosed hazardous materials, ENGINEER shall have the obligation to notify OWNER and, to the extent required by law or regulation, the appropriate governmental officials, and ENGINEER may, at its option and without liability for delay, consequential or any other damages to OWNER, suspend performance of services on that portion of the project affected by hazardous materials until OWNER: (i) retains appropriate specialist consultant(s) or contractor(s) to identify and, as appropriate, abate, remediate, or remove the hazardous materials; and (ii) warrants that the project site is in full compliance with all applicable laws and regulations. OWNER acknowledges that ENGINEER is performing professional services for OWNER and that ENGINEER is not and shall not be required to become an "arranger," "operator," "generator," or "transporter" of hazardous materials, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA), which are or may be encountered at or near the project site in connection with ENGINEER's services under this Agreement. If ENGINEER's services hereunder cannot be performed because of the existence of hazardous materials, ENGINEER shall be entitled to terminate this Agreement for cause on 30 days written notice. To the fullest extent permitted by law, OWNER shall indemnify and hold harmless ENGINEER, its officers, directors, partners, employees, and subconsultants from and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from hazardous materials, provided that (i) any such cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or injury to or destruction of tangible property (other than completed Work), including the loss of use resulting therefrom, and (ii) nothing in this paragraph shall obligate OWNER to indemnify any individual or entity from and against the consequences of that individual's or entity's sole negligence or willful misconduct.

16. EXECUTION

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between ENGINEER and OWNER, supersedes and controls over all prior written or oral

understandings. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

17. ALLOCATION OF RISK

OWNER AND ENGINEER HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING ENGINEER'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS, SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF ENGINEER (AND ITS RELATED CORPORATIONS, SUBCONSULTANTS AND EMPLOYEES) TO OWNER AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE LESSER OF $1,000,000 OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF ENGINEER'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY.

18. LITIGATION SUPPORT

In the event ENGINEER is required to respond to a subpoena, government inquiry or other legal process related to the services in connection with a legal or dispute resolution proceeding to which ENGINEER is not a party, OWNER shall reimburse ENGINEER for reasonable costs in responding and compensate ENGINEER at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearings, and trial.

19. NO THIRD PARTY BENEFICIARIES

No third party beneficiaries are intended under this Agreement. In the event a reliance letter or certification is required under the scope of services, the parties agree to use a form that is mutually acceptable to both parties.

20. UTILITY LOCATION

If underground sampling/testing is to be performed, a local utility locating service shall be contacted to make arrangements for all utilities to determine the location of underground utilities. In addition, OWNER shall notify ENGINEER of the presence and location of any underground utilities located on the OWNER's property which are not the responsibility of private/public utilities. ENGINEER shall take reasonable precautions to avoid damaging underground utilities that are properly marked. The OWNER agrees to waive any claim against ENGINEER and will indemnify and hold ENGINEER harmless from any claim of liability, injury or loss caused by or allegedly caused by ENGINEER's damaging of underground utilities that are not properly marked or are not called to ENGINEER's attention prior to beginning the underground sampling/testing.

21. UNMANNED AERIAL SYSTEMS

If operating UAS, ENGINEER will obtain all permits or exemptions required by law to operate any UAS included in the services. ENGINEER's operators have completed the training, certifications and licensure as required by the applicable jurisdiction in which the UAS will be operated. OWNER will obtain any necessary permissions for ENGINEER to operate over private property, and assist, as necessary, with all other necessary permissions for operations.

22. OPERATIONAL TECHNOLOGY SYSTEMS

OWNER agrees that the effectiveness of operational technology systems ("OT Systems") and features designed, recommended or assessed by ENGINEER are dependent upon OWNER's continued operation and maintenance of the OT Systems in accordance with all standards, best practices, laws, and regulations that govern the operation and maintenance of the OT Systems. OWNER shall be solely responsible for operating and maintaining the OT System in accordance with applicable industry standards (i.e. ISA, NIST, etc.) and best practices, which generally include but are not limited to, cyber security policies and procedures, documentation and training requirements, continuous monitoring of assets for tampering and intrusion, periodic evaluation for asset vulnerabilities, implementation and update of appropriate technical, physical, and operational standards, and offline testing of all software/firmware patches/updates prior to placing updates into production. Additionally, OWNER recognizes and agrees that OT Systems are subject to internal and external breach, compromise, and similar incidents. Security features designed, recommended or assessed by ENGINEER are intended to reduce the likelihood that OT Systems will be compromised by such incidents. However, ENGINEER does not guarantee that OWNER's OT Systems are impenetrable and OWNER agrees to waive any claims against ENGINEER resulting from any such incidents that relate to or affect OWNER's OT Systems.

23. FORCE MAJEURE

ENGINEER shall not be responsible for delays caused by factors beyond ENGINEER's reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, government ordered industry shutdowns, power or server outages, acts of nature, widespread infectious disease outbreaks (including, but not limited to epidemics and pandemics), failure of any governmental or other regulatory authority to act in a timely manner, failure of the OWNER to furnish timely information or approve or disapprove of ENGINEER's services or work product, or delays caused by faulty performance by the OWNER's or by contractors of any level or any other events or circumstances not within the reasonable control of the party affected, whether similar or dissimilar to any of the foregoing. When such delays beyond ENGINEER's reasonable control occur, the OWNER agrees that ENGINEER shall not be responsible for damages, nor shall ENGINEER be deemed in default of this Agreement, and the parties will negotiate an equitable adjustment to ENGINEER's schedule and/or compensation if impacted by the force majeure event or condition.

EXHIBIT C

RATE SCHEDULE

City of Manzanita Rate Schedule

Rates effective January 1, 2021 through December 31, 2021

Category	2021 Billing Rates
Project Principal	290.00
Sr. Project Manager	250.00
Project Manager	179.00
Technical Advisor II	396.00
Technical Advisor I	280.00
Engineer V	275.00
Engineer IV	240.00
Engineer III	211.00
Engineer II	174.00
Engineer I	150.00
EIT	116.00
Planner/Scientist IV	223.00
Planner/Scientist III	190.00
Planner/Scientist II	150.00
Planner/Scientist I	130.00
Project Technician IV	174.00
Project Technician III	140.00
Project Technician II	112.00
Project Technician I	89.00

Notes: Rates valid through Deember 31 each year, after which they will be adjusted for the CPI-U Western Region

Expenses	
Mileage	At IRS Rate
Travel & Hotel	At Cost
Other Direct Cost	At Cost
Subconsultants	5% Markup