



**City of Coos Bay and Charleston Sanitary District
Request for Proposal
To Prepare a Rate Study**

NOTICE

The City of Coos Bay (the “City”) and the Charleston Sanitary District (the “District”) are accepting proposals to prepare a study to determine rate or charges the District will pay the City for treating the District’s influent at the City’s Wastewater Treatment Plant 2 (“WWTP2”). The City and the District invite qualified consultants to submit a proposal package based upon the scope of the work contained within this Request for Proposal (RFP).

SUBMISSION OF PROPOSAL PACKAGE

To receive consideration, proposal packages must be submitted in accordance with the following instructions:

1. All proposal packages shall be delivered to:

City of Coos Bay
Public Works Department
Attn: Jim Hossley
500 Central Avenue
Coos Bay, OR 97420

And to

Charleston Sanitary District
Attn: Scott Perkins
P.O. Box 552
63365 Boat Basin Road
Charleston, OR 97420

2. Submit four (4) copies (including 2 unbound copies) of the proposal to each location by 3:00 p.m. on May 10, 2017.
3. The proposals must be clearly marked “PROPOSAL FOR CITY OF COOS BAY AND CHARELSTON SANITARY DISTRICT RATE STUDY”.
4. Maintaining the integrity of the RFP process is extremely important to the City of Coos Bay. As such all questions, shall be in writing and directed to the project manager, Jim Hossley, at (541) 269-1181 ext. 2250 or emailed to jhossley@coosbay.org, with a copy to Scott Perkins, at (541) 888-3911 or emailed to charlestonsanitary@epuerto.net.

Prior to submission of any questions, please review the General Information regarding Additional Information Requests, located on Page 7-8 of this RFP. Answers to all questions will be posted on line and made available to all firms intending to submit a proposal package. Failure to adhere to these instructions may significantly reduce or eliminate your prospects for selection.

5. The City and the District reserve the right to reject any and all proposals that are not in compliance with all prescribed public contracting procedures and requirements and the procedures and requirements contained in this Request for Proposals. The City and District reserve the right to waive any irregularities or minor informalities and to reject any or all proposals if it is in the public's interest to do so and have the right, at their sole discretion, to accept the proposal they consider most favorable to their interest. The City and District reserve the right to waive minor irregularities in procedures and to modify, revise or cancel this RFP. The receipt and evaluation of proposals or the completion of interviews do not obligate the City and/or District to award a contract.

6. All costs incurred by the Proposer in preparation of proposals to this solicitation, including participation in any interviews, shall be borne solely by the Proposer; neither the City or the District shall be liable for any such costs. At no time will City or District provide reimbursement for submission of a proposal unless specifically so stated herein.

**CITY OF COOS BAY & CHARLESTON SANITARY DISTRICT
INSTRUCTIONS TO SUBMITTERS
FOR RATE STUDY SERVICES**

GENERAL INSTRUCTIONS

The City of Coos Bay (the City) and the Charleston Sanitary District (the District) invite qualified individuals or firms to submit a proposals package to prepare and provide a rate study as described in the specifications set forth in this Request for Proposal (RFP). All submittals are subject to the provisions and requirements of the City of Coos Bay Rules of Local Contract Review, the Oregon Revised Statutes and the Attorney General's Model Public Contract Rules (where applicable) and the District's Local Public Contracting Rules.

PROPOSAL PACKAGE REQUIREMENTS

Your PROPOSAL package must not exceed 12 pages and at a minimum shall include the following:

1. **Cover Letter.** All proposal packages must include a cover letter, made to the attention of Jim Hossley Public Works Director with the City and Scott Perkins, General Manager with the District. The letter shall be signed by a person legally authorized to bind the applicant to its Proposal. The cover letter shall include and specifically identify any potential conflicts of interest your firm or any key individual may have with this project. Additionally, the cover letter must include the following items:
 - a. the firm name,
 - b. the names of local partners/principals and the number of local personnel,
 - c. address, telephone, and FAX numbers of the firm,
 - d. and contact information, including an email address, of the person(s) who are authorized to represent the proposer.

2. **Personnel.** All proposal packages must include the following information related to key personnel who will be working on this project. Please note that the contract for professional services for this project will require commitment from the selected firm that the personnel listed below will be assigned to the project in the roles stated by your firm.
 - a. The names of the partners, managers and other key staff persons who will be assigned to the project along with brief resumes that indicate their experience in municipal wastewater rate studies for local governments in the State of Oregon.
 - b. Indicate the key staff's job classification, roles and responsibilities, professional registrations and certifications, and office location. Experience with wastewater rate study preparation is a high priority.
 - c. An organizational chart identifying members of the team, including sub consultants, who would be assigned to this project. The chart should clearly delineate roles and responsibilities of the various team members.
 - d. For the proposed sub consultants, please provide the name of each firm, the office location, contact name and telephone number, and the services to be provided.

3. **References.** All proposal packages must include the following information related to the references and qualifications relative to the scope of work associated with this proposal.

- a. A list of Oregon local government jurisdictions your firm is currently providing municipal rate study services for or have provided rate study services for within the last 5 years.
 - b. A list of municipal rate studies for local governments completed within the last 5 years, summarizing the work performed and time spent on the study. At a minimum, the summary shall provide a brief description of the project and staff that was involved with the project. Provide owner information and contact person.
 - c. Provide brief bio for your team members, concentrating on those members who will have the largest degree of involvement on the project.
4. **Project Approach and Proposal.** A preliminary scope of work has been included with this RFP, however it is anticipated that the proposal submitted in response to this RFP will include any amendments and/or provide additional recommendations based on the consultant's experience on previous rates studies performed. Describe how your team will meet the project goals and summarize why your firm should be selected.

QUALIFICATION EVALUATION CRITERIA

The City and District will follow a select procedure that involves the review of all qualified proposals, the evaluation and ranking of proposals, negotiation of fees with the most qualified firm and award of contract based upon our local and state procurement requirements. The evaluation committee will be comprised of City Staff and representatives from the Charleston Sanitation District. The selection will be based on the following criteria:

STATEMENT OF QUALIFICATIONS

Are similar and current rate studies included to document the consultant's qualifications? Are individual staff members identified to document the Consultant has the staff to perform the work? Does consultant have appropriate management and support staff with the required experience for work on this type of project? Is staff located in Oregon? Is the staff identified in the proposal submitted in response to this RFP the same staff that performed the work on the similar rates studies submitted? Is the proposal clear, concise, and complete?

PROJECT STAFFING

Is the project manager qualified to manage all phases of this rate study? Has the proposer demonstrated ability in preparing and providing similar rate studies? Does support staff have sufficient experience with related work? Are all required disciplines represented in this scope of work? If sub consultants are proposed to be used, have they worked with this proposer before? Have all team members had similar experience regarding project scope and magnitude?

PROJECT EXPERIENCE

Are similar and current rate studies submitted as examples? Do references submitted confirm a "job well done"? Are references current and accessible? Does the City and or District have any prior positive experience with the proposer?

PROPOSED SERVICES

Is a clear understanding of the project stated and demonstrated throughout the RFP? Is the scope detailed and comprehensive? Is the scope consistent with the teaming and staffing levels?

PROPOSAL CONTENT

Does proposal present all required material in a clear and professional manner? Does proposal address all required information?

BACKGROUND AND SCOPE OF WORK

BACKGROUND

The City provides wastewater collection, treatment, and disposal services to retail customers within the City limits as well as two sanitary districts. The topographic characteristics of the City are gentle low lying hills. As such, a ridgeline divides the City into two primary basins for gravity collection, served by two wastewater treatment plants (WWTP). The City owns and operates both of these activated sludge wastewater treatment plants. Wastewater is conveyed to one of the two wastewater treatment plants using a combination of up to 23 sanitary sewer pump stations and a combined total of over 90 miles of sanitary collection system piping. Wastewater from the western area is treated at WWTP 2, while WWTP 1 treats wastewater from the eastern area. The City has contracted with a private company, CH2M, to operate and maintain the City's wastewater treatment plants and collection system

WWTP 2 is located in the Empire area and has a 2.02 mgd dry weather design flow. It has been in service since 1973 and was upgraded in 1990 to meet National Pollutant Discharge Elimination System (NPDES) permit requirements. A replacement Sequencing Batch Reactor plant is under construction to replace the existing plant and is expected to be operational by September 2018.

The District owns and operates a sewer collection system serving the unincorporated communities of Charleston and Barview located on the Coos Bay estuary. Residential and commercial customers' wastewater is collected and pumped through nine pump stations and over 22 miles of pipe to WWTP2, owned by the City and the District's wastewater is treated by City at WWTP2.

Approximately 25% of the flow into the WWTP 2 is from the District while the remainder is from the City. Each year the City invoices the District for its share of operation, maintenance, and capital costs for the previous year. This annual effort is very time consuming for each party and involves compiling, review, and auditing of all costs associated with WWTP 2 including capital design/construction, and equipment operations costs, all attributable to WWTP 2, and costs from the operation of WWTP 1, for sludge and biosolids management generated by WWTP 2 treatment of District wastewater.

The desired goal for the City and District to achieve in requesting this rate study is a fair, equitable, and more efficient approach to determining the District's annual share of the cost to treat the District's influent by the City's treatment system as noted above. The rate study needs to conform and be based on the provisions of ORS 454.030 which require that each recipient of treatment works services pays its proportionate share of the costs of operation, maintenance and replacement of wastewater treatment works facilities. Both the City and District believe a charge per gallon of influent may be one solution to simplify the City's determination of the charge to be made to the District for its proportionate share of the use of WWTP2 to treat the District's wastewater and WWTP 1 to manage sludge and biosolids. The Study will be based on a comprehensive review of the wastewater enterprise funds' historical statements of revenue and expense, current year budgets, flows and loads, historical usage data, Wastewater Master Plans, and any other information deemed necessary.

SCOPE OF WORK

The City and District will select a consultant (or team) to perform work to determine a fair, equitable, proportionate and efficient method and fee, or per gallon rate, for the City to charge the District for providing wastewater treatment services, including costs from operation of WWTP 1 for District sludge and/or biosolids management (only) and capital design/construction and equipment operations all attributable to WWTP 2. The following work and services are anticipated:

1. Explain how the City currently determines the District's annual cost share for treating the District's wastewater influent. This can be done by conducting a detailed review of recent city invoices to the District for providing wastewater treatment services, including costs from operation and maintenance of WWTP 1 for sludge/ biosolids management (only) and capital design/construction, and equipment operations cost all attributable to WWTP 2.
2. Provide an opinion on what the District's needs to verify the City's invoices for future services.
3. Prepare a fair, equitable, and more efficient methodology to determining the District's annual proportionate cost share for treating the District's influent by the City's treatment system. The methodology shall balance the City's need to be compensated for its proportionate cost of providing the service to District and the District's need to be able to easily verify those costs. Both the City and District believe a charge per gallon of influent may be one solution.
4. The methodology will be based on a comprehensive review of the City's wastewater funds' historical statements of revenue and expense, current year budgets, the District's flows and loads, the City's flow and loads prior to the addition of the District's flows and loads, historical data, and any other information deemed necessary.
5. The successful proposer will create a recommended methodology for determining the rate or charge that the City would invoice the District for its proportionate share of the cost of treating District wastewater on an annual or more regular basis. The successful proposer shall clearly identify how the components of the methodology are determined.
6. Provide a detailed schedule for the various stages of the rate study including development and presentation of preliminary and final reports to staff and elected officials of both the City and the District.
7. Prepare and present a Preliminary Rate Study Report. Prepare a preliminary rate study report for review by the City and the District. The report should include tentative methodologies and rate(s), an explanation of how those rates were calculated, and projected payment by District and revenue to the City under the proposed rate structure. Submit four (4) hard copies and two (2) electronic copies of each report, plus one reproducible copy. Prepare and present preliminary reports and tentative rates to both the City and District elected officials and staff.
8. Prepare and Present a Draft Final Rate Study Report. Incorporate changes to the preliminary rate study report pursuant to comments received that were mutually agreed to between the City and District. Submit four (4) hard copies and two (2) electronic copies of each report, plus one reproducible copy. Prepare and present the Draft Final Rate Study Report to both the City and District elected officials and staff.
9. Prepare and Present a Final Rate Study Report. Incorporate changes to the Draft Final Rate Study Report pursuant to comments received that were mutually agreed to between the City and District. Provide the final rate(s) as adopted, the final rate structure. Submit four (4) hard copies and two (2) electronic copies of each report, plus one reproducible copy to both City and District. Provide an electronic copy of the report in MS Word format to both City and District, with a template in Excel format that will allow City and/or District to use as a tool for future analysis.

DELIVERABLES – ONE SET TO BOTH CITY AND DISTRICT

ITEM	TASK	FORMAT	QUANTITY
Preliminary Rate Study Report	7	Hard Copy	4
	7	PDF	2
	7	Presentation	2
Draft Final Rate Study Report	8	Hard Copy	4
	8	PDF	2
	8	Presentation	2
Final Rate Study Report	9	Hard Copy	4
	9	MS Word	2
	9	Excel Template	2

RESOURCES TO BE PROVIDED

The services to be provided by the City and the District include, but are not necessarily limited to the following:

Furnish all reasonably available records and information, including financial reports, budget, interagency service agreements, influent (flows and loads) data, treatment process, sludge/biosolids management, equipment, and other information as needed. This information may include:

1. City's reconciled operations and maintenance costs to the District for 2016 and 2015;
2. City's "20-year take down schedule" of capital projects and cost estimates;
3. District's review and analysis of City's billings for treatment costs for 2015 and 2016;
4. Any legal analysis of the components of City's billings for treatment costs for 2016 and 2016.

The City has made available on line the documents noted in 1 and 2, above, for your use in preparation of your proposal. A hard copy of any of the reports can be provided for a fee by contacting Jim Hossley at 541-269-1181 ext. 2250 or jhossley@coosbay.org to obtain directions and access to the ftp site. The District will make available the documents noted in 3 and 4, above, for your use in preparation of your proposal by requesting a hard copy from the District office.

The successful proposer shall enter into a Professional Services Agreement with the City and the District. The proposed Professional Services Agreement is identified as Exhibit A, attached to this RFP and incorporated herein by this reference. It is anticipated that the successful proposer has read and agrees with the contractual language and insurance requirements in Exhibit A. If the proposer has questions or would like to request modifications to the contractual language, **questions or modifications must be made not later than May 2, 2017 at 3 p.m.**

GENERAL INFORMATION

INTERVIEWS

Proposers **may** be invited to an interview with the City's/District's Selection Committee. Selected firms will be contacted regarding time and location of an interview.

COMPLIANCE WITH RULES

Proposers responding to this RFP must follow the procedures and requirements contained in this RFP. Except as otherwise provided in the RFP, applicable provisions of Oregon statutes, Administrative Rules, Chapter 137, Division 47, and the local public contracting rules of City and District shall apply to all personal service contracts resulting from being selected as the successful

proposer.

REQUEST FOR ADDITIONAL INFORMATION

Proposers may submit questions or a request for additional information. All questions and/or requests must be submitted either by mail or email:

City of Coos Bay
Public Works & Development Department
Attn: Jim Hossley
500 Central Avenue
Coos Bay, OR 97420
jhossley@coosbay.org

with a copy to:

Charleston Sanitary District
Attn: Scott Perkins
PO Box 5522
Charleston, OR 97420
charlestonsanitary@epuerto.net

All requests for additional information, must clearly reference the “Proposal for City of Coos Bay and Charleston Sanitary District Rate Study”. All requests must be received no later than May 2, 2017 at 3:00 pm. The responses to the requests will be made available at the City’s website:

http://www.coosbay.org/City_Requests_Proposals_Qualifications.htm

Hard copies of the questions and responses can be mailed upon request for a fee.

SCHEDULE FOR RFP EVENTS

RFP Advertised (1 st Round)	April 12, 2017
RFP Advertised (2 nd Round)	April 19, 2017
Deadline for Additional Information Request	May 2, 2017
Response to Additional Information Requests	May 5, 2017
Proposal Package Due	May 10, 2017 at 3:00 p.m.
Schedule Interview (at City’s/District’s discretion)	May 17, 2017
Interviews (at City’s/District’s discretion)	May 31/ June 1, 2017
Contract Negotiation w/ Selected Consultant	June 6, 2017
District Consideration of Contract	June 15, 2017
Council/Board Consideration of Contract	June 20, 2017
Award of Project	June 20, 2017

PROPOSAL WITHDRAWAL

Any Proposal may be withdrawn at any time before the “Proposal Due” date and time by providing a written request for the withdrawal to the issuing office. A duly authorized representative of the agency shall make the request. Withdrawal of a Proposal will not preclude the proposer from filing a new Proposal.

APPEALS

Bidders who wish to appeal a disqualification of proposal or the award of contract may submit the appeal in writing to the City Manager's Office within five (5) working days of the postmarked Notice of Award or disqualification.

Address: City of Coos Bay
Public Works and Development Department
Attn: City Manager
500 Central Avenue
Coos Bay OR 97420

With a copy to: Charleston Sanitary District
Attn: Scott Perkins
PO Box 5522
Charleston, OR 97420

The appeal must specifically state the reason for the appeal and show how the appellant's proposal or the successful proposal was miss-scored or show how the selection process deviated from that described in the solicitation document. No contract will be awarded until the appeal has been resolved. Appeals must be timely and must include all legal and factual information regarding the appeal and a statement of the form of relief requested. Appeals received later than the time specified or from other than the Proposer who would receive the contract if the appeal was successful will not be considered.

The exercise of judgment used by the evaluators in scoring the written proposals and interviews or disagreement with the process, e.g., scoring by evaluators, including the use of outside expertise, is not grounds an appeal. The City and District may waive any procedural irregularities that had no material effect on the selection of the proposed contractor, invalidate the proposed award, amend the award decision, request the evaluation committee re-evaluate any proposal, or cancel the solicitation and begin again to solicit new proposals. In the event the matter is returned to the evaluation committee, the City and District shall issue a notice canceling any Notice of Intent to Award the contract.

Decisions of the City Manager and/or District Manager are final and conclude the administrative appeals process.

OWNERSHIP OF DOCUMENTS

Any material submitted by a proposer shall become the property of the City and District. Materials submitted after a contract is signed will be subject to the ownership provision of the executed contract.

CONFIDENTIALITY OF INFORMATION

All information and data furnished to the Proposer by the City and District and all other documents to which the proposer's employees have access during the preparation and submittal of the Proposal shall be treated as confidential to the City and District. Any oral or written disclosure to unauthorized individuals is prohibited.

PUBLIC RECORD

All Proposals and information submitted by proposers are not open for public inspection until after the notice of intent to award a contract is issued. Except for exempt materials, all Proposals and information submitted by proposers will be available for viewing after the evaluation process is complete and the notice of intent to award is sent to all participating parties.

INDEMNITY

Proposers shall hold harmless, indemnify, defend and save the City and the District, their officers, employees, and agents, from any and all liability, claims, losses, expenses or damages arising or alleged to arise from the preparation and presentation of its proposal by reason of any act or omission of the City or District or any of their agents, employees or representatives. The indemnity applies to both active and passive acts or other conduct.

EMPLOYMENT STATUS – INDEPENDENT CONTRACTOR

The successful Proposer shall perform the work required by the contract as an independent contractor. The City and District reserve the right to determine and modify the delivery schedule for the work to be performed, to evaluate the quality of the completed performance and to specify the desired result but the City and District cannot and will not control the means or manner of the successful Proposer's performance. The successful Proposer ("Contractor") is responsible for determining the appropriate means and manner of performing the work.

Contractor represents and warrants that the Contractor is not an employee of the City of Coos Bay or the Charleston Sanitary District and, as a condition of entering into a contract for the work to be performed, meets the specific independent contractor standards of ORS 670.600, specifically:

1. Contractor has the authority to hire and fire its own employees;
2. Contractor is an independently established business for providing the services requested by this RFP;
3. Contractor is responsible for obtaining all assumed business registrations required by State law or local government ordinance in order to conduct its business.
4. Federal and state income tax returns in the name of the business, or a business schedule C, were filed for the previous year if Contractor performed labor or services as an independent contractor in the previous year.
5. Contractor has performed services for two or more different persons or businesses within a calendar year.
6. Contractor assumes financial responsibility for services provided through appropriate insurance coverage(s).

Contractor is not an officer, employee, or agent of the Owners as those terms are used in ORS 30.265.

Contractor shall be responsible for any federal or state taxes applicable to any compensation or payments paid to Contractor under this contract and, the Owners will not withhold from such compensation or payments any amounts to cover Contractor's federal or state tax obligations.

Contractor is not eligible for any Social Security, unemployment insurance, or Workers Compensation, from compensation paid to Contractor under this contract except as a self-employed individual.

INSURANCE

The successful proposer shall, at its expense, obtain and maintain during the period of the contract for the work described in this RFP, in a form and with companies satisfactory to City and District, the following insurance coverage:

1. Workers' Compensation insurance to meet fully the requirements of Oregon Workers' Compensation laws applicable in connection with the death, disability or injury of Contractor's officers, agents, servants or employees arising directly or indirectly out of the performance of this contract, with a waiver of subrogation against City and District;
2. Employers' Liability Insurance with Limits of not less than Five Hundred Thousand and 00/00 Dollars (\$500,000) each accident, Five Hundred Thousand Dollars (\$500,000) policy limit, and Five Hundred Thousand Dollars (\$500,000) each employee;
3. Commercial General Liability Insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence for injury to or death of persons and damage to or loss or destruction of property. In addition, said policies shall be endorsed to name the City and District, and their divisions, officers and employees as additional insured's and shall include a severability of interests' provision for each additional insured. The General Liability insurance shall be a per occurrence form and must cover the time for which the work is being performed;
4. Automobile Liability Insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) each occurrence for injury to or death of persons and damage to or loss or destruction of property. Said policy or policies shall be endorsed to name the City and District and their divisions, officers and employees as additional insured's and shall include a severability of interests provision for each additional insured;
5. Professional Liability Insurance, including errors and omissions coverage, with limits of not less than \$2,000,000.00 per occurrence;
6. An excess/umbrella policy with not less than One Million Dollars (\$1,000,000) each occurrence and aggregate that will provide excess limits of liability over the commercial general liability and automobile liability insurance described above. All excess/umbrella coverage shall be on an occurrence basis and not on a claim's made basis. This policy shall be endorsed to name the City and District as additional insured's.
7. The successful Proposer will be required to furnish certificates of insurance to City and District at the addresses as noted herein, certifying the existence of such insurance. The successful Proposer shall require all sub-contractors who are not covered by the insurance carried by successful Proposer to maintain the insurance coverage described in this Section. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or limits or not renewed without thirty (30) days advance written notice to City and District.
8. With respect to the Commercial General Liability, Automobile Liability, and Excess/Umbrella coverages Proposer agrees to waive all rights of subrogation against Owner and each additional insured identified herein, and all such insurance shall be primary and without right of contribution from any insurance maintained by City or District.
9. City and District reserve the right to review, investigate and reject insurance companies proposed to be used by the successful Proposer if they are determined inadequate to provide the necessary coverages as herein specified. All insurance required herein to be purchased and

maintained by Proposer shall be obtained from an insurance company licensed or authorized in the State of Oregon to issue the insurance policies for the limits and coverages required herein and carry a minimum Best's rating of "A-VI" or better.

10. If the City or District is required to use Federal or State insurance policy limits, or is subject to the Federal or State tort claim limits, the limits required through this directive shall be superseded by such limits.

11. Insurance policy limits as defined herein shall not be less than those listed in this RFP without the written consent of the City Manager, City Attorney, District Manager and District Attorney. Insurance policy limits may be waived at the discretion of the City and District. Insurance policy limits may be required to be higher based upon the City and District's review of the specific application for which the certificate is required.

12. Tail Coverage": If any of the required liability insurance is on a "claims made" basis, recipient shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of the Contract/Agreement, for a minimum of 24 months following the later of:

- a. Recipient's completion of all services and the City and District's acceptance of all services required under the Contract/Agreement, or
- b. The expiration of all warranty periods provided under the Contract/Agreement.
- c. Notwithstanding the foregoing 24-month requirement, if recipient elects to maintain "tail" coverage and the maximum time period "tail" coverage is reasonably available in the marketplace is less than the 24-month period described above, recipient shall maintain "tail" coverage for the maximum time period "tail" coverage is reasonably available in the marketplace for the coverage required.

13. Definitions:

Commercial General Liability: To cover bodily injury, death, and property damage. This insurance shall include contractual liability coverage for the indemnity provided under those listed in the Agreement/Contract, personal and advertising injury liability, products liability and completed operations liability. Coverage may be written in combination with Automobile Liability Insurance (with separate limits).

Professional Liability: To cover error, omission or negligent acts related to the professional services to be provided under the Agreement/Contract.

Automobile Liability: To cover each accident for bodily injury and property damage, including coverage for owned, hired, non-owned, leased, or rented vehicles as applicable. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits).

Umbrella Liability: To cover excess liability over several of the insured's primary liability policies. An excess liability policy may be what is called a following form policy, which means it is subject to the same terms as the underlying policies; it may be a self-contained policy, which means it is subject to its own terms only; or it may be a combination of these two types of excess policies. Umbrella policies provide three functions:

- (a) To provide additional limits above each occurrence limit of the insured's primary policies;
- (b) To take the place of primary insurance when primary aggregate limits are reduced or exhausted; and
- (c) To provide broader coverage for some claims that would not be covered by the insured's primary insurance policies, which would be subject to the policy retention.

Most umbrella liability policies contain one comprehensive insuring agreement. The agreement usually states it will pay the ultimate net loss, which is the total amount in excess of the primary limit for which the insured becomes legally obligated to pay for damages of bodily injury, property damage, personal injury, and advertising injury.

14. Should the Umbrella/Excess Insurance coverage combined with Commercial General Liability coverage not equal or exceed the minimum combined coverage shown, coverage must be increased to equal or exceed the minimum total coverage limits shown. If there is no Umbrella/Excess Insurance coverage, then the Commercial General Liability, Employers Liability, and Automobile Liability limits must be increased to equal or exceed the minimum total coverage limits shown.

15. Certificate(s) of insurance and endorsement(s) shall name the City and District as an additional insured for the commercial general liability, automobile liability, and umbrella liability policies. Copies of such endorsements or coverage enhancements shall be attached to the certificate. A waiver of subrogation under the workers' compensation, commercial general liability, automobile liability and Umbrella/Excess policies shall be provided. Thirty (30) days written notice shall be provided to the certificate holder prior to cancellation or significant modification of coverage. The Certificate of Insurance(s) and Endorsement(s) shall be provided to the City and District which will become a part of the Contract. Insurance Coverage provided must be underwritten by an insurance company deemed acceptable by the City/Agency. The City/Agency reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

PROFESSIONAL SERVICE AGREEMENT

**PROFESSIONAL SERVICES AGREEMENT
EXHIBIT A TO REQUEST FOR PROPOSAL FOR RATE STUDY**

This Professional Services Agreement is entered into effective the ____ day of _____, 2017, by and between the **CITY OF COOS BAY**, an Oregon municipal corporation (hereinafter referred to as "**City**"), the **CHARLESTON SANITARY DISTRICT**, a sanitary sewer district organized and operated pursuant to ORS Chapter 450 (hereinafter referred to a ("District")) and (enter name of successful Proposer), (hereinafter referred to as "____"). The purpose of this agreement is to establish the mutual and respective responsibilities, terms, and conditions under which (NAME OF CONTRACTOR) will prepare a study to determine the rate or charges the District will pay the City for treating the District's influent at the City's Wastewater Treatment Plant No. 2 ("WWTP #2).

RECITALS

1. The City of Coos Bay is an Oregon municipal corporation and is an Oregon public body and is qualified to enter into this Professional Services Agreement (hereinafter "PSA").
2. The Charleston Sanitary District is a sanitary sewer district organized and operated pursuant to ORS Chapter 450 and is qualified to enter into this PSA.
3. (NAME OF CONTRACTOR) is an Oregon corporation, experienced in providing the services requested to be performed by the City and District.
3. City and District wish to utilize (NAME OF CONTRACTOR) to prepare a rate study to determine the rate or charges the District will pay to the City for treating the District's influent at the City's Wastewater Treatment Plant No. 2., pursuant to the Scope of Work contained in the Request for Proposal (hereinafter "RFP") issued by City and District.

AGREEMENT

Therefore, the parties agree as follows:

1. RECITALS.

The above recitals are true and accurate and are incorporated herein by this reference.

2. DUTIES AND RESPONSIBILITIES.

2.1 (NAME OF CONTRACTOR) accepts employment with City and District on the terms and conditions set forth in this Agreement. (NAME OF CONTRACTOR) agrees to prepare a rate study to determine a fair, equitable, proportionate and efficient method and fee, or a per gallon rate, for the City to charge the District for providing wastewater treatment services at City's WWTP No. 2, including costs from operation of City's Wastewater Treatment Plant No. 1 for District sludge and/or biosolids management (only), pursuant to the Request for Proposal (RFP) issued by the City and District and the Proposal submitted by (NAME OF CONTRACTOR). The RFP issued by the City and District is identified as Exhibit "A" to this Agreement and is attached hereto and incorporated herein by this reference. The (NAME OF CONTRACTOR) Proposal is identified as Exhibit "B" to this Agreement and is attached hereto and incorporated herein by this reference. Exhibits "A" and "B" include and supplement the scope of work and tasks to be performed by (Name of Contractor) pursuant to this Agreement.

2.2 Any additional Work beyond that set out in the preceding paragraph may be undertaken only upon an amendment to this Agreement, in writing and a written notice to proceed issued by City and District.

2.3 (NAME OF CONTRACTOR) agrees to provide all tools or equipment necessary for the performance of the services agreed to herein.

2.4 The parties contemplate that this agreement will include regular communication between the (Name of Contractor) and the person(s) designated by City and District.

2.5 (NAME OF CONTRACTOR) agrees to have the rate study prepared not later than August 31, 2017, unless an extension of time is given, in writing, by the City and District.

3. COMPENSATION.

3.1 For services rendered pursuant to this Agreement City and District shall pay (NAME OF CONTRACTOR) a total fee not to exceed (Enter written amount of fee) AND 00/00 DOLLARS (\$00.00), payable to (NAME OF CONTRACTOR) on a monthly basis for the portions of work completed in the month. (NAME OF CONTRACTOR) agrees to perform the work pursuant to this Agreement at a cost not to exceed \$00.00. (NAME OF CONTRACTOR) billings shall be pursuant to its standard billing rates as identified in Exhibit "C", attached hereto and incorporated herein by this reference. Direct expenses will be charged as identified in Exhibit C and are included in the "not to exceed" fee amount. (NAME OF CONTRACTOR) shall invoice City and District monthly for services performed and, upon approval by the City and District, the City and

District shall make payment to (NAME OF CONTRACTOR) within 30 days of City and District's receipt of the monthly invoice.

3.2 Any adjustment in the amount of compensation to (NAME OF CONTRACTOR), that would exceed the amount stated in paragraph 3.1 herein shall only be in the form of a written amendment to this agreement and shall become a part of this agreement.

4. INDEPENDENT CONTRACTOR STATUS.

4.1 The Parties hereto mutually agree that (NAME OF CONTRACTOR) will be free from the direction and control of City and District over the means and manner of providing the services contracted for herein, subject only to the right of City and District to specify the desired results.

4.2 The Parties hereto mutually agree that (NAME OF CONTRACTOR) has the authority to hire and fire its own employees.

4.3 As a condition of entering into this Agreement, (NAME OF CONTRACTOR) represents to City and District as follows:

4.3.1 (NAME OF CONTRACTOR) is an independently established business providing similar services to others.

4.3.2 (NAME OF CONTRACTOR) is responsible for obtaining all assumed business registrations required by State law or local government ordinance in order to conduct its business.

4.3.3 Federal and state income tax returns in the name of the business, or a business schedule C, were filed for the previous year if (NAME OF CONTRACTOR) performed labor or services as an independent contractor in the previous year.

4.3.4 (NAME OF CONTRACTOR) has performed services for two or more different persons or businesses within a calendar year.

4.3.5 (NAME OF CONTRACTOR) assumes financial responsibility for services provided through appropriate insurance coverage(s).

5. INSURANCE.

(NAME OF CONTRACTOR) shall, at its expense, obtain and maintain during the period of this Agreement, in a form and with companies satisfactory to City and District, the following insurance coverage:

5.1 Workers' Compensation insurance to meet fully the requirements of Oregon Workers' Compensation laws applicable in connection with the death, disability or injury of (NAME OF CONTRACTOR)'s officers, agents, servants or employees arising directly or indirectly out of the performance of this Agreement, with a waiver of subrogation in favor of the City and the District.

5.2 Employers' Liability Insurance with Limits of not less than Five Hundred Thousand and 00/00 Dollars (\$500,000) each accident, Five Hundred Thousand and 00/00 Dollars (\$500,000) policy limit, and Five Hundred Thousand and 00/00 Dollars (\$500,000) each employee.

5.3 Commercial General Liability Insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence for injury to or death of persons and damage to or loss or destruction of property. In addition, said policies shall be endorsed to name the City and District, and their divisions, officers and employees as additional insured's and shall include a severability of interests' provision for each additional insured. The General Liability insurance shall be a per occurrence form and must cover the time for which the work is being performed.

5.4 Automobile Liability Insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) each occurrence for injury to or death of persons and damage to or loss or destruction of property. Said policy or policies shall be endorsed to name the City and District and their divisions, officers and employees as additional insured's and shall include a severability of interests provision for each additional insured.

5.5 Professional Liability Insurance, including errors and omissions coverage, with limits of not less than \$2,000,000.00 per occurrence.

5.6 An excess/umbrella policy with not less than One Million Dollars (\$1,000,000) each occurrence and aggregate that will provide excess limits of liability over the commercial general liability and automobile liability insurance described above. All excess/umbrella coverage shall be on an occurrence basis and not on a claim's made basis. This policy shall be endorsed to name the City and District as additional insured's.

5.7 If (NAME OF CONTRACTOR)'s policies lapse or are canceled at any time during the term of this Agreement, City and District shall have the right to immediately terminate all of (NAME OF CONTRACTOR)'s activities until such insurance requirements have been fully satisfied by (NAME OF CONTRACTOR).

5.8 (NAME OF CONTRACTOR) shall furnish certificates of insurance to City and District's authorized representatives certifying the existence of such insurance. (NAME OF CONTRACTOR) shall require all subcontractors, if any, who are not covered by the insurance carried by (NAME OF CONTRACTOR) to maintain the insurance coverage described in this Section.

5.9 No policy of insurance required by this Agreement shall be cancelled, suspended, voided, have coverage or limits of insurance reduced or be non-renewed without first giving thirty (30) days' notice to City and District.

5.10 With respect to the insurance required by Section 5.1, 5.3, and 5.4, (NAME OF CONTRACTOR) agrees to waive all rights of subrogation against City and District and each additional insured as identified herein. With respect to the insurance required by Sections 5.3 and 5.4 such insurance shall provide for the following: Insurance shall be primary and without right of contribution from any other insurance maintained by the City and District. This insurance shall be provided on an occurrence basis.

5.11 City and District reserves the right to review, investigate and reject insurance companies and policies proposed to be used by (NAME OF CONTRACTOR). If companies, coverage or policies are determined inadequate to provide the necessary coverages as herein specified, City and District reserves the right to suspend or terminate Work under this Agreement until remedies have been provided. All insurance required herein to be purchased and maintained by (NAME OF CONTRACTOR) shall be obtained from an insurance company licensed or authorized in the State of Oregon to issue the insurance policies for the limits and coverage's required herein.

5.12 The insurance coverage required herein shall in no way limit the (NAME OF CONTRACTOR)'s liability under this Agreement.

6. INDEMNIFICATION.

6.1 (NAME OF CONTRACTOR) shall comply with all Federal Government, State and local laws and ordinances applicable to the work to be performed under this Agreement. (NAME OF CONTRACTOR) shall indemnify, defend, save and hold harmless the Indemnified Parties (defined below) from and against any and all liability, demands, claims, losses, costs (including but not limited to attorneys' fees and, in the case of item (b) below, royalty payments) and expenses arising from or in connection with:

(a) claims for personal injury (including death) and/or property loss or damage to whomsoever or whatsoever occurring or arising in any manner out of any negligent act or omission of (NAME OF CONTRACTOR) or in connection with: this Agreement, the Work to be performed by (NAME OF CONTRACTOR) under this Agreement or any negligent act or omission of (NAME OF CONTRACTOR), its directors, officers, agents or employees, whether or not negligence on the part of any Indemnified Party may have caused or contributed to such injury, death, loss or damage; arising directly or indirectly out of or in connection with the negligent performance by (NAME OF CONTRACTOR) of any of its obligations, operations or activities under this Agreement, including, but not limited to any claims for injury to persons or property, nuisance, mechanics' and materialmens' liens, workers'

compensation and unemployment taxes, fines and penalties and environmental damage, provided, however, that if, under the law applicable to enforcement of this Agreement, an agreement to indemnify against the indemnitee's own negligence is invalid, then in that event (NAME OF CONTRACTOR)'s obligation to indemnify City and District under this section shall be reduced in proportion to the negligence of City and District, if any, which proximately contributed to such injury, death, loss or damage;

(b) any claim of infringement of patent rights arising from the use of any of the articles, materials, equipment or designs furnished in connection with the Work or named in this Agreement; and

(c) any claims, fines, penalties or other charge or loss arising from any alleged violation of any statute, code, or ordinance or regulation of the United States or of any state, county or municipal government that results in whole or in part, directly or indirectly, from the activities of (NAME OF CONTRACTOR)'s officers, agents, employees or subcontractors related in any way to this Agreement, or from any act or omission of (NAME OF CONTRACTOR), its officers, agents, employees or subcontractors contributing to such violation, regardless of whether such activities, acts or omissions are intentional or negligent, and regardless of any specification by City and District without actual knowledge that it might violate any such statute, code, ordinance or regulation (these laws, ordinances and regulations, include, without limitation, all laws, ordinances and regulations relating to air, water, noise, solid waste and other forms of environmental protection, contamination or pollution, as well as all laws, ordinances and regulations relating to discrimination on the basis of disability).

As used in this Section 8, the terms "Indemnified Parties" and "Indemnified Party" shall mean and include, collectively and singularly, (i) City and District, (ii) any direct or indirect subsidiary of City and District, (iii) any officer, director, Commissioner, employee, shareholder or agent of City and District or of any of its direct or indirect subsidiaries and their divisions, directors, officers and employees.

(NAME OF CONTRACTOR) further agrees to defend at its own expense any actions or proceeding brought against City and District, or its officers, agents, servants, and employees, or any of them, on account thereof and to pay all expenses to satisfy all judgments which may be rendered against them or any of them in connection therewith, except that (NAME OF CONTRACTOR) shall not be liable under this clause only if said liability of (NAME OF CONTRACTOR) shall arise by reason of negligence of the City and/or District, or any of its respective officers, agents, servants, or employees, and the negligence of the City and/or District was more than fifty percent (50%) of the cause of the loss.

6.2 For Claims made based solely on the professional negligence of (NAME OF CONTRACTOR), to the fullest extent permitted by law, (NAME OF CONTRACTOR) shall indemnify City and District, their officers, directors, employees and representatives from and against losses, damages and judgments arising from claims by third parties,

including reasonable attorney fees and expenses recoverable under applicable law, but only to the extent they are found to be caused by a negligent act, error, or omission of (NAME OF CONTRACTOR) or (NAME OF CONTRACTOR)'s officers, directors, members, partners, agents, employees or subcontractors in the performance of the services under this Agreement.

7. TERMINATION.

7.1 Reasons for Termination. (NAME OF CONTRACTOR) acknowledges that it is an at-will independent contractor and that the City and District may terminate (NAME OF CONTRACTOR)'s employment with the City and District at any time. The City and District reserves the right to terminate this Agreement at any time, by giving (NAME OF CONTRACTOR) not less than 15 days written notice of termination in advance of the effective date of termination. City and District shall be entitled to terminate this Agreement with or without cause and for any reason not prohibited by law.

7.2 Termination by (NAME OF CONTRACTOR). (NAME OF CONTRACTOR) shall be entitled to terminate this Agreement only in the case of a material breach by City and District, and upon failure of City and District to remedy said breach within fifteen days of said notice.

7.3 In the event that this Agreement is terminated before completion, (NAME OF CONTRACTOR) shall be paid for the services to date on the basis set forth in Section 3 of this Agreement.

8. NOTICES.

8.1 Any notice or other communication required or permitted to be given under this agreement shall be in writing and shall be mailed by Certified Mail, Return Receipt Requested, postage prepaid, addressed to the parties as follows:

City of Coos Bay (NAME OF CONTRACTOR AND ADDRESS)
Public Works & Development Department
Attn: Jim Hossley
500 Central Avenue
Coos Bay, OR 97420

with a copy to:

Charleston Sanitary District
Attn: Scott Perkins
PO Box 5522
Charleston, OR 97420

With a copy to:

James C. Coffey
Attorney at Law
P. O. Box 1006
North Bend, OR 97459

Nathan McClintock
Attorney at Law
936 Central Ave.
Coos Bay, OR 97420

8.2 Any notice or other communication shall be deemed to be given at the expiration of the second day after the date of deposit in the United States mail. The addresses to which notices or other communication shall be mailed may be changed from time to time by giving written notice to the other party.

9. ATTORNEY FEES.

In the event any action, suit, arbitration or other proceeding shall be instituted by either party to this Agreement to enforce any provision of this Agreement or any matter arising therefrom or to interpret any provision of this Agreement, including any proceeding to compel arbitration, the prevailing party shall be entitled to recover from the other a reasonable attorney fee to be determined by the Court or Arbitrator(s). In addition to recovery of a reasonable attorney fee, the prevailing party shall be entitled to recover from the other costs and disbursements, including all costs of Arbitration and the Arbitrator(s) fees, and expert witness fees, as fixed by the Court or tribunal in which the case is heard.

In the event any such action, suit, arbitration or other proceeding is appealed to any higher court or courts, the prevailing party shall recover from the other a reasonable attorney fee for prosecuting or defending such appeal or appeals, in addition to the reasonable attorney fees in the lower court, or courts, or arbitration proceeding, such fee to be determined by the appellate court or lower court or arbitrator, as the appellate court may determine. In addition to recovery of a reasonable attorney fee on appeal, the prevailing party shall be entitled to recover from the other costs and disbursements and expert witness fees as fixed by the appellate court. All costs and disbursements which may be awarded pursuant to this paragraph shall bear interest at the maximum legal rate from the date they are incurred until the date they are paid by the losing party.

10. AMENDMENTS.

This Agreement may be amended only by an instrument in writing executed by all the parties.

11. HEADINGS.

The headings used in this Agreement are solely for convenience of reference, are not part of this Agreement, and are not to be considered in construing or interpreting this Agreement.

12. ENTIRE AGREEMENT.

This Agreement sets forth the entire understanding of the parties with respect to the subject matter of this Agreement and supersedes any and all prior understandings and agreements, whether written or oral, between the parties with respect to such subject matter.

13. SEVERABILITY.

If any provision of this Agreement shall be invalid or unenforceable in respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this agreement shall not be in any way impaired.

14. WAIVER.

A provision of this Agreement may be waived only by a written instrument executed by the party waiving compliance. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of such provision or any other provision.

15. GOVERNING LAW.

This agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

16. ARBITRATION.

16.1 Any controversy or claim arising out of or relating to this Agreement, including, without limitation, the making, performance or interpretation of this Agreement, shall be settled by arbitration in Coos County, Oregon, and any Judgment on the arbitration award may be entered in any court having Jurisdiction over the subject matter of the controversy.

16.2 Any party asserting a claim arising out of or relating to this Agreement may make a written demand for arbitration. In this event, the parties shall agree to submit their controversy to binding arbitration before a single arbitrator. The arbitrator shall be an attorney licensed to practice law in the State of Oregon. If the parties cannot agree within 30 days to the selection of a single arbitrator after the election to arbitrate, either party may request that the selection of an arbitrator be made by a Judge of the Circuit Court of the State of Oregon for Coos County. The dispute shall be heard by the arbitrator selected within 90 days thereafter, unless the parties agree otherwise.

16.3 The parties will pay their own costs of arbitration, and each will be obligated for one-half of the arbitrator's fee. The provision of Section 9 shall also apply to arbitration, and in the event of arbitration under the provisions of this Agreement, the prevailing party shall be awarded reasonable attorney fees and related costs.

16.4 If arbitration is commenced, the parties agree to permit discovery proceedings of the type provided by the Oregon Rules of Civil Procedure both in advance of, and during recess of, the arbitration hearings. ORS 183.450(1) through (4), where applicable, shall control the admission of evidence at the hearing in any arbitration conducted hereunder, provided however no error by the arbitrator in application of the statute shall be grounds as such for vacating the arbitrator's award. Each party shall be entitled to present evidence and argument to the arbitrator. The arbitrator shall give written notice to the parties stating the arbitration determination and shall furnish to each party a signed copy of such determination and Judgment so the award may be entered in any court having Jurisdiction over the parties. The parties agree that all facts and other information relating to any arbitration arising under this Agreement shall be kept confidential to the fullest extent permitted by law.

16.5 The parties agree that the arbitrator shall have no Jurisdiction to render an award and/or Judgment for punitive damages. The parties agree that the decision of the arbitrator shall be final and binding on the parties and a Judgment may be entered on the arbitrator's award. Unless otherwise inconsistent herewith, the provisions of ORS Chapter 36 shall apply to any arbitration hereunder. The duty to arbitrate shall survive the cancellation or termination of this Agreement.

16.6 Service of process in connection therewith shall be made by certified mail. In any judicial proceeding to enforce this agreement to arbitrate, the only issues to be determined shall be the existence of the agreement to arbitrate and the failure of one Party to comply with that agreement, and those issues shall be determined summarily by the court without a jury. All other issues shall be decided by the arbitrator, whose decision thereon shall be final and binding. There may be no appeal of an order compelling arbitration except as part of an appeal concerning confirmation of the decision of the arbitrator.

16.7 Neither Party shall institute any legal proceeding against the other to enforce any right hereunder or for breach hereof, except that either Party may institute litigation (i) to enforce its rights of arbitration hereunder (ii) to confirm and have

judgment entered upon any arbitration award issued hereunder, and (iii) to stay the running of any statute of limitation or prevent any other occurrence (including, without limitation, the passage of time) which would constitute laches, estoppel, waiver or any other such legal consequence that suit is necessary to avoid, provided, however, that neither Party shall pursue litigation under item (iii) beyond such action as is necessary to prevent prejudice to its cause of action pending ultimate resolution by arbitration under this Section 18.

16.8 If any dispute between the Parties arises from or in connection with any claim of litigation initiated by any third party (either as claimant, plaintiff, counterclaimant, or defendant/third Party plaintiff), then, unless the Parties agree otherwise, the resolution of that dispute under the arbitration provisions of this Section may at the option of either Party be deferred until the resolution of that third-party claim or litigation, provided, however that in the event of any such dispute in connection with a claim or litigation so initiated by a third party, either Party may at any time initiate arbitration under this Section 16 to determine prospective liability between the Parties upon facts which are stipulated, admitted solely for the purpose of arbitrating prospective liability, or not reasonably in dispute. The issue of whether any fact is "reasonably in dispute" under the preceding sentence shall be subject to mandatory arbitration hereunder upon the demand of either Party. In the event City and District is made a party to such claim or litigation so initiated by a third party, City and District shall select its own counsel and have complete control over all claim or litigation decisions concerning its participation in that claim or litigation, regardless of whether City and District is required to, or in fact does, initiate a cross claim, counterclaim, or third-party claim under Subclause (iii) of Subsection 16.7 above, and regardless of (NAME OF CONTRACTOR)'s indemnity obligations under Section 6 above.

17. WORK PRODUCT.

The materials, computer programs, reports, calculations analyses, etc. generated by (NAME OF CONTRACTOR) under this Agreement specifically including the final report(s) shall be the property of City and District. Any use of these materials by (NAME OF CONTRACTOR) shall be only pursuant to the written permission of the City and District.

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IN WITNESS WHEREOF, the parties have signed duplicate originals of this Agreement to become effective on the date and year hereinabove mentioned.

CITY OF COOS BAY

(NAME OF CONTRACTOR)

By: _____
Joe Benetti - Mayor

By _____
(NAME OF CONTRACTOR)

CHARLESTON SANITARY DISTRICT

By: _____
Board Chair