

AGREEMENT FOR ENGINEERING SERVICES
WASTEWATER COLLECTION AND TREATMENT PROJECT
HOLIDAY ISLAND SUBURBAN IMPROVEMENT DISTRICT
HOLIDAY ISLAND, ARKANSAS

MWY Project No. HI-11

THIS AGREEMENT is entered into this _____ day of _____, 2013, by and between the Holiday Island Suburban Improvement District ("Owner"), and the engineering firm of McGoodwin, Williams and Yates, Inc. of Fayetteville, Arkansas ("Engineer"),

WITNESSETH THAT:

WHEREAS, the Owner owns and operates the wastewater treatment and collection system serving the residents and commercial users of the system; and

WHEREAS, the Owner desires a sewer system facilities study for the purpose of evaluating the facilities required to dewater sludge generated by the wastewater treatment facilities; and

WHEREAS, upon determination of facilities needed, the Owner desires the preliminary and final design and preparation of plans and specifications for the needed work; and

WHEREAS, the Owner desires the Engineer to perform the necessary engineering services during construction of the required wastewater facilities; and

WHEREAS, the Owner has completed construction of wastewater treatment facilities and deferred the construction of sludge dewatering facilities to a later time; and

WHEREAS, the owner desires to complete said sludge dewatering facilities and continue the engineering services of McGoodwin, Williams and Yates, Inc.;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Owner and the Engineer, the parties hereto, stipulate and agree that the Owner does hereby employ the Engineer to perform the required engineering services as hereinafter set out and the Engineer agrees to provide said services.

Section 1.0 Scope of the Project

The work covered by this agreement includes work found to be necessary to allow the Owner to continue to provide a high level of wastewater service to its residential and commercial customers. The work may include improvements to the wastewater treatment facilities. The facilities required to be constructed will be determined after the completion of the necessary studies.

Section 2.0 Scope of Engineering Services

The Engineer shall provide a suitable engineering staff to conduct the necessary studies and provide and prepare preliminary engineering reports, perform necessary field surveys, prepare detailed design, prepare plans and specifications for the authorized work, provide engineering services during construction, and other services as may be directed by the Owner. The staff shall consist of engineers, engineering technicians, surveyors, inspectors, and other assistants as may be necessary to carry on the work in an efficient and expeditious manner. The Engineer will provide the following services:

2.1 Preliminary Services

The Engineer agrees to provide the following services:

- A. Evaluate alternative scenarios for facilities and the “No Action” alternative and prepare an opinion of probable cost for each.
- B. Prepare preliminary engineering report setting out the Engineer’s findings.
- C. If the Owner’s Board of Commissioners decide that new sludge dewatering facilities are to be constructed to meet current and future flows, the following services will be provided:
 1. For the wastewater system, assist the Owner in evaluating whether to use the State’s Revolving Loan Fund (RLF) program for financing, or whether to issue commercial bonds.
 2. If the determination is made to utilize the RLF program funds, the Engineer shall prepare and submit to the Water and Wastewater Advisory Committee (WWAC) a Preliminary Engineering Report and RLF pre-application.

2.2 Facilities Plan

Following review and approval by the WWAC, and at the recommendation of the Owner, conduct the necessary studies and prepare reports to be submitted to Arkansas Natural Resources Commission (hereinafter referred to as ANRC) as follows:

- A. Prepare a Draft and Final Facilities Plan and submit to ANRC setting out the Engineer’s Evaluation of Alternatives and the Owner’s Selected Plan. The Facilities Plan will include the following supporting program documents:
 - Economic Evaluation of Alternatives
 - Description of Selected Alternative
 - Environmental Information Document
 - RLF Application

- Other Program Documents as required by the RLF Program
- B. Prepare rate studies and develop a User Charge System that may be necessary in the establishment for the funding of the project.
 - C. Assist the Owner in obtaining the necessary permits for the development of any authorized facilities. This would include working with the various State and Federal agencies, including the Arkansas Department of Environmental Quality, ANRC, the Arkansas Department of Health, the Corps of Engineers and others, as required.

2.3 Detailed Design and Preparation of Construction Plans and Specifications

For any authorized projects the Engineer will provide the following services:

- A. Perform any field surveys required to design the project and prepare construction plans and specifications.
- B. Prepare final detailed design for the project.
- C. Prepare detailed construction specifications and drawings.
- D. Prepare a Project Performance Workplan.
- E. Prepare opinion of probable costs of the authorized construction. It is understood and agreed that these opinions of cost will be prepared for planning and budgeting purposes only and that actual bids received for the construction work may exceed these opinions of probable cost.
- F. Establish the scope of any soil investigations, special surveys or testing which, in the Engineer's opinion, may be required for design and arrange with the Owner the conduct of such investigations and tests (costs of such tests to be borne by the Owner).

2.4 Bidding and Preconstruction Services

For any authorized projects, the Engineer will prepare and distribute advertisements for bids, communicate with bidders as required, provide technical interpretation of the plans and specifications, prepare addenda as required, attend the bid opening, tabulate bids, provide an engineering analysis of the bids received, make recommendations concerning award of construction contract(s) and assist in the preparation of contract documents. Bid tabulations and required supporting program documents will be prepared and submitted to the Owner and ANRC for review and approval.

2.5 Construction Services

- A. Attend a preconstruction conference scheduled by ANRC and Owner.
- B. Furnish professional engineers to make visits to the site (as distinguished from the services of a Resident Project Representative) as appropriate to observe the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the contract documents. In performing these services, the Engineer will endeavor to protect the Owner against defects and deficiencies in the work of the contractor; but he cannot guarantee the performance of the contractor, nor be responsible for the actual supervision of construction operations or for the safety measures that the contractor takes or should take.
- C. Furnish the services of Resident Project Representatives and other field personnel for on-the-site observation of construction and for the performance of required construction layout surveys. The authority and duties of such Resident Project Representatives are limited to examining the material furnished and observing the work done and to reporting their findings to the Engineer. The duties, responsibilities, and limitations of authority of Resident Project Representatives are further defined in an Attachment 1 to this Agreement. The Engineer will use the usual degree of care and prudent judgment in the selection of competent Resident Project Representatives, and the Engineer will use diligence to see that the Resident Project Representatives are on the job to perform their required duties.

The required construction layout surveys will include the establishment of horizontal and vertical control for locating the work.
- D. Consult with and advise the Owner; issue all instructions to the contractor requested by the Owner; and prepare routine change orders as required and submit Change Orders to ANRC for review and approval.
- E. Review samples, catalog data, schedules, shop drawings, laboratory, shop and mill tests of material and equipment and other data which the contractor submits. This review is for the benefit of the Owner to insure general conformance with the design concept of the project and general compliance by the contractor with the information given in the contract documents. It does not relieve the contractor of any responsibility such as dimensions to be confirmed and correlated at the job site, appropriate safety measures to protect workers and the public, or the necessity to construct a complete and workable facility in accordance with the contract documents.

- F. Prepare and verify monthly and final estimates for payments to the contractor and furnish to the Owner any necessary certifications as to payments to contractors and suppliers; assemble written guarantees which are required by the contract documents. Prepare Disbursement Requests on ANRC prescribed forms, a breakdown will be provided with each pay request showing work that is ineligible for loan participation. The Engineer will provide necessary backup documentation to support the breakdown.
- G. Attend, in company with the Owner's representative and ANRC, a final inspection of the project. This inspection will be for conformance with the design concept of the project and compliance with the contract documents. Approve in writing final payment to the contractor.
- H. Furnish to the Owner a reproducible copy of the record drawings for the project. Furnish a copy of the record drawing to ANRC.
- I. Prepare an Operation and Maintenance Manual for the project facilities in accordance with the ANRC guidelines. An Operation and Maintenance Manual will be submitted to ANRC for approval a minimum of two months prior to the initiation of operation of the completed project. Approval of the final Operation and Maintenance Manual will be obtained prior to the initiation of operation of the project.
- J. The Engineer will provide those services required by ANRC during the first year after initiation of operation of the project. These services will be in accordance with the ANRC approved workplan for project performance.

2.6 Additional Services

- A. As directed by the Owner, the Engineer will provide assistance in securing the necessary interest in lands and rights-of-way. This work may include securing property descriptions, surveys, easement preparation, and assistance in negotiations.
- B. The Engineer will provide other services not specifically set out under the above scope of work, if required, and as directed by the Owner and mutually agreed to by the Engineer.

2.7 Additional Responsibilities of the Engineer

- A. The Engineer shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all design drawings, specifications, reports, and other services furnished by the Engineer under this Agreement. The Engineer shall keep the

Owner informed of the performance of the Engineer's duties under this Agreement. The Engineer shall promptly and without additional compensation, correct or revise any errors, omissions, or other deficiencies in the design drawings, specifications, reports, and other services.

- B. The Engineer shall perform the professional services necessary to accomplish the work specified in this Agreement, and submit the following planning and design documents in accordance with the Memorandum of Agreement (MOA) as developed, reviewed and approved by the Owner, ANRC, and the Engineer, and all amendments thereto, between the Owner and the ANRC.

MOA Submittal Items

1. Final Engineering Report; First Application Submittal.
 2. Draft Environmental Information Document (EID) or Categorical Exclusion.
 3. Proposed User Charge Ordinance with Rate Structure Documentation (RLF-122) and Proposed Sewer Use Ordinance.
 4. Final EID with Public Participation Documents, if required.
 5. Enacted User Charge Ordinance with RLF-122 and Enacted Sewer Use Ordinance.
 6. First Submittal of Plans and Specifications (P&S) and Project Performance Workplan.
 7. Final P&S, Project Performance Workplan and Application.
- C. The Owner's or ANRC's review, approval, or acceptance of design drawings, specifications, reports, and other services furnished hereunder shall not in any way relieve the Engineer of responsibility for the technical adequacy of the work. Neither the Owner's or ANRC's review, approval or acceptance of, nor payment for any of the services shall be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.
- D. The Engineer shall be and shall remain liable, in accordance with applicable law, for all damages to the Owner caused by the Engineer's negligent performance of any of the services furnished under this Agreement and required by the ANRC Memorandum of

Agreement, except for errors, omissions or other deficiencies to the extent attributable to the Owner or Owner-furnished data.

- E. The Engineer's obligations under this clause are in addition to the Engineer's other express or implied assurances under this Agreement or State law and in no way diminish any other rights that the Owner may have against the Engineer for negligent services.

Section 3.0 Payment

In consideration of the performance of the foregoing services by the Engineer, the Owner shall pay to the Engineer compensation as follows:

- 3.1 For work set out under Section 2.1, Preliminary Services, compensation shall be a lump sum fee of \$8,000. Payment shall be made in one final payment of \$8,000 due and payable when the review of the Preliminary Engineering Report is sent to the ANRC by the WWAC.
- 3.2 For engineering services set out under Sections 2.2 through 2.5 (Facilities Plan through Construction Services), the method and amount of compensation will be established after the determination by the Owner to proceed with these further development steps. An amendment to this Agreement will be negotiated to provide for compensation for these services.
- 3.3 For engineering services performed under the Additional Services provisions of this Agreement (Section 2.6), compensation shall be paid to the Engineer on the basis of standard hourly rates in effect at the time the work is done, plus reimbursable expenses. Hourly rates for the various classifications of employees for 2013 are set out in the Attachment 2 to this Agreement. Rates are adjusted annually at the beginning of each calendar year.
- 3.4 The reimbursable expenses for which the Engineer will be reimbursed shall include travel expenses when traveling outside Northwest Arkansas in connection with the project, rental expenses for special equipment needed for completion of the work, purchase of material, and other expenses directly attributable to the project, including any work performed by subcontractors.
- 3.5 Payment for engineering services under this agreement shall be made within 30 days after claim submittal by the Engineer. If any of the work designed or specified is suspended for an extended period of time or abandoned as a result of orders from the Owner, the Engineer shall be paid for work actually completed; payment to be based insofar as possible upon the fees established herein.

Section 4.0 Owner's Responsibilities

In connection with the project, the Owner's responsibilities shall include, but not be limited to, the following:

- 4.1 Giving thorough consideration to all documents presented by the Engineer and informing the Engineer of all decisions within a reasonable time so as not to delay the work of the Engineer.
- 4.2 Making provision for the employees of the Engineer to enter public and private lands as required for the Engineer to perform necessary surveys and investigations.
- 4.3 Obtaining the necessary lands, easements and rights-of-way for the construction of the work. All costs associated with securing the necessary land interests, including easement preparation, surveys, appraisals and abstract work, shall be borne by the Owner.
- 4.4 Furnishing the Engineer such plans and records of construction and operation of existing facilities, or copies of same, bearing on the proposed work as may be in the possession of the Owner. Such documents or data will be returned upon completion of the work or at the request of the Owner.
- 4.5 Paying the costs of making necessary soundings, borings, analyses of materials and laboratory work, including geotechnical services.
- 4.6 Paying all plan review costs and all cost of advertising in connection with the project.
- 4.7 Providing legal, accounting and insurance counseling services necessary for the project, legal review of the construction contract documents and such auditing services as the Owner may require.
- 4.8 Furnishing and paying for the work required to obtain permits and approvals from all governmental authorities (including environmental regulatory permits) having jurisdiction over the project and others as may be necessary for completion of the project.
- 4.9 Giving prompt written notice to the Engineer whenever the Owner observes or otherwise becomes aware of any defect in the project or other events which may substantially alter the Engineer's performance under this Agreement.

Section 5.0 Standard of Care

Services provided by the Engineer under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

Section 6.0 Other Provisions

6.1 Ownership of Drawings

The Owner acknowledges the Engineer's plans and specifications, including all documents on electronic media ("delivered documents"), as instruments of professional service. Nevertheless, the delivered documents prepared under this Agreement shall be delivered to and become the property of the Owner upon completion of the services and payment in full of all monies due to the Engineer. Except for the Engineer's services provided for by this Agreement as related to the construction and completion of the Project, the Owner accepts full responsibility for any liability and agrees to defend, indemnify and hold harmless the Engineer from all claims, damages, and expenses, including attorneys' fees, and hereby waives any claim against the Engineer arising from any reuse of the delivered documents. This acceptance of responsibility and waiver of liability and indemnification shall not apply in the event the Engineer is retained by Owner to make modifications or otherwise reuse the delivered documents. Except where the Owner reuses the delivered documents subsequent to the completion of the Project, nothing contained in this paragraph shall alter the Engineer's responsibilities and obligations under this Agreement.

6.2 Changes

The Owner may, at any time, by written order, make changes within the general scope of this Agreement in the services or work to be performed. If such changes cause an increase or decrease in the Engineer's cost or time required to perform any services under this Agreement, whether or not changed by any order, an equitable adjustment shall be made and this Agreement shall be modified in writing. The Engineer must assert any claims for adjustment under this clause in writing within 90 days from the date of receipt by the Engineer of the notification of change unless the Owner grants additional time before the date of final payment.

No services for which an additional compensation will be charged by the Engineer shall be furnished without the approval of the Owner.

6.3 Termination

A. This Agreement may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party, provided that no termination may be effected unless the other party is given:

1. not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate,
 2. an opportunity for consultation with the terminating party prior to termination.
- B. This Agreement may be terminated in whole or in part in writing by the Owner for its convenience, provided that the Engineer is given:
1. not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate,
 2. an opportunity for consultation with the terminating party prior to termination.
- C. If termination for default is effected by the Owner, an equitable adjustment in the price provided for in this Agreement shall be made, but
1. no amount shall be allowed for anticipated profit on unperformed services or other work,
 2. any payment due to the Engineer at the time of termination may be adjusted to cover any additional costs to the recipient because of the Engineer's default.

If termination for default is effected by the Engineer, or if termination for convenience is effected by the Owner, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for any termination shall provide for payment to the Engineer for services rendered and expenses incurred prior to the termination, in addition to termination settlement costs reasonably incurred by the Engineer relating to commitments which had become firm prior to the termination.

- D. Upon receipt of a termination action under paragraphs A or B above, the Engineer shall:
1. promptly discontinue all affected work (unless the notice directs otherwise),
 2. deliver or otherwise make available to the recipient all data, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the Engineer in performing this Agreement, whether completed or in process.

- E. Upon termination under paragraphs A and B above, the Owner may take over the work and may award another party an agreement to complete the work under this Agreement.
- F. If, after termination for failure of the Engineer to fulfill contractual obligations, it is determined that the Engineer had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of the Owner. In such event, adjustments of the agreement price shall be made as provided in paragraph C of this clause.

6.4 Remedies

Except as may be otherwise provided in this Agreement, all claims, counter-claims, disputes and other matters in question between the Owner and the Engineer arising out of or relating to this Agreement or the breach thereof will be decided by mediation if the parties mutually agree, or in a court of competent jurisdiction within the state in which the Owner is located.

6.5 Audits: Access to Records

- A. The Engineer shall maintain books, records, documents and other evidence directly pertinent to performance on work under this Agreement in accordance with generally accepted accounting principles and practices consistently applied in effect on the date of execution of this Agreement. The Engineer shall also maintain the financial information and data used by the Engineer in the preparation of support of the cost submission required under Title XVI for any negotiated agreement or change order and send to the Owner a copy of the cost summary submitted. The United States Environmental Protection Agency, the Comptroller General of the United States, the United States Department of Labor, the Owner, the ANRC or any of their authorized representatives shall have access to all such books, records, documents and other evidence for the purpose of inspection, audit and copying during normal business hours. The Engineer will provide proper facilities for such access and inspection.
- B. Records under paragraph A above shall be maintained and made available during performance on assisted work under this Agreement and until five years from the date of final payment for the project. In addition, those records which relate to any controversy arising under an assistance agreement, to litigation, to the settlement of claims arising out of such performance, or to costs or items to which an audit exception has been taken, shall be maintained and made available until five years after the date of resolution of such appeal, litigation, claim or exception.
- C. This right of access clause (with respect to financial records) applies

to:

1. negotiated prime agreements,
2. negotiated change orders or agreement amendments in excess of \$10,000 affecting the price of any formally advertised, competitively awarded, fixed price agreement,
3. agreements or purchase orders under any agreement other than a formally advertised, competitively awarded, fixed price agreement. However, this right of access does not apply to a prime agreement, lower tier sub-agreement or purchase order awarded after effective price competition, except:
 - (a) with respect to record pertaining directly to sub-agreement performance, excluding any financial records of the Engineer,
 - (b) if there is any indication that fraud, gross abuse or corrupt practices may be involved,
 - (c) if the sub-agreement is terminated for default or for convenience.

6.6 Covenant Against Contingent Fee

The Engineer warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Engineer for the purpose of securing business. For breach or violation of this warranty the Owner shall have the right of annul this Agreement without liability or at its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

6.7 Gratuities

- A. If the Owner finds after a notice and hearing that the Engineer, or any of the Engineer's agents or representatives, offered or gave gratuities (in the form of entertainment, gifts or otherwise) to any official, employee or agent of the Owner, the State or EPA in an attempt to secure an agreement or favorable treatment in awarding, amending or making any determinations related to the performance of this Agreement, the Owner may, by written notice to the Engineer, terminate this Agreement. The Owner may also pursue other rights and remedies that the law or this Agreement provides. However, the existence of the facts on which the Owner bases such finding shall be in issue and may be reviewed in proceedings under the Remedies clause of the Agreement.
- B. In the event this Agreement is terminated as provided in

paragraph A, the Owner may pursue the same remedies against the Engineer as it could pursue in the event of a breach of the Agreement by the Engineer. As a penalty, in addition to any other damages to which it may be entitled by law, the Owner may pursue exemplary damages in an amount (as determined by the Owner) which shall be not less than three nor more than ten times the costs the Engineer incurs in providing any such gratuities to any such officer or employee.

6.8 Supersession

The Owner and the Engineer agree that this and other appropriate clauses in Title XVI or its equivalent apply to the project work to be performed under this Agreement and that these clauses supersede any conflicting provision of this Agreement.

6.9 Final Payment

Upon satisfactory completion of the work performed under this Agreement, as a condition before final payment under this Agreement, or as a termination settlement under this Agreement, the Engineer shall execute and deliver to the Owner a release of all claims against the Owner arising under or by virtue of this Agreement, except claims which are specifically exempted by the Engineer to be set forth therein. Unless otherwise provided in this Agreement or by State law or otherwise expressly agreed to by the parties to this Agreement, final payment under this Agreement or settlement upon termination of this Agreement shall not constitute a waiver of the Owner's claims against the Engineer or his sureties under this Agreement or applicable performance and payment bonds.

6.10 Insurance

The Engineer further agrees to obtain and maintain, at the Engineer's expense, such insurance as will protect the Engineer from claims under the Workman's Compensation Act and such comprehensive general liability insurance as will protect the Owner and the Engineer from all claims for bodily injury, death, or property damage which may arise from the performance by the Engineer or by the Engineer's employees of the Engineer's functions and services required under this Agreement.

THIS AGREEMENT shall be binding upon the parties hereto, their partners, heirs, successors, administrators and assigns; and neither party shall assign, sublet or transfer his interest in this agreement without the prior written consent of the other party hereto.

IN WITNESS WHEREOF, the Owner has caused these presents to be executed in its behalf by its duly authorized representatives, and the said Engineer by its duly

authorized representatives, and the parties hereto have set their hands and seals on the date heretofore set out.

HOLIDAY ISLAND SUBURBAN
IMPROVEMENT DISTRICT
HOLIDAY ISLAND, ARKANSAS

Attest:

Ken Brown, Secretary
Board of Commissioners

Ken Ames, Chairman
Board of Commissioners

McGOODWIN, WILLIAMS AND YATES, INC.

Attest:

James C. Ulmer, Chief Operating Officer

Brad B. Hammond, President

ATTACHMENT 1
Duties, Responsibilities and Limitations
of Authority of Resident Project Representative

1.0 General

The Resident Project Representative is the Engineer's Agent and shall act as directed by and under the supervision of the Engineer. He shall confer with the Engineer regarding his actions. His dealings in matters pertaining to the on-site work will in general be only with the Engineer and Contractor. His dealings with subcontractors will only be through or with the full knowledge of the Contractor or his superintendent. He shall generally communicate with the Owner only with the full knowledge of the Engineer.

2.0 Duties and Responsibilities

The Resident Project Representative shall:

- 2.1 Review the progress schedule, schedule of shop drawing submissions, schedule of values and other schedules prepared by the Contractor, and consult with the Engineer concerning their acceptability.
- 2.2 Attend preconstruction conference and inspections by funding agencies. He shall arrange a schedule of progress meetings and other job conferences as required, in consultation with the Engineer.
- 2.3 Maintain Liaison among Engineer, Contractor, and Owner
 - A. Serve as the Engineer's liaison with the Contractor, working principally through the Contractor's superintendent, and assist him in understanding the intent of the Contract Documents. Assist the Engineer in serving as the Owner's liaison with the Contractor when the Contractor's operations affect the Owner's on-site operation.
 - B. As requested by the Engineer, assist in obtaining from the Owner additional details or information when required at the job site for proper execution of the work.
 - C. In the interest of preserving the proper channels of communications, advise the Engineer of any direct communications between the Owner and the Contractor.
- 2.4 Coordinate Submittal of Shop Drawings and Supplies
 - A. Receive and record the date of receipt of every Shop Drawing and sample which has been accepted by the Engineer.
 - B. Receive samples which are furnished at the site by the Contractor for the Engineer's acceptance and notify the Engineer of their availability for his examination.
 - C. Advise the Engineer and the Contractor or his superintendent immediately of the commencement of any work requiring a Shop Drawing or sample submission if the Shop Drawing or submission has not been approved by the Engineer.
- 2.5 Observe and Report on Construction Activity
 - A. Conduct on-site observation of the work in progress to assist the Engineer in determining that the project is proceeding in general accordance with the Contract Documents.

- B. Review of Work, Rejection of Defective Work, Inspections and Tests - Conduct on-site observation of the work in progress to assist the Engineer in determining that the project is proceeding in accordance with the Contract Documents and that the completed work will conform to the Contract Documents.
- C. Report to the Engineer whenever he believes that any work is unsatisfactory, faulty, defective or does not conform to the Contract Documents, or has been damaged, or does not meet the requirements of any inspections, tests or approvals required to be made. Advise the Engineer when he believes the work should be corrected, rejected, should be uncovered for observation, or requires special testing or inspection.
- D. Verify that tests, equipment, system startup and operating and maintenance instructions are conducted as required by the Contract Documents and in the presence of the required personnel and that the Contractor maintains adequate records thereof. Observe, record, and report to the Engineer appropriate details relative to the test procedures and startups.
- E. Accompany the Owner and visiting inspectors representing public or other agencies having jurisdiction over the project. Record the outcome of these inspections and report to the Engineer.

2.6 Maintain Record of Construction Activity

- A. Daily Inspection Reports
 - 1. Date, project number, contractor, and inspection time.
 - 2. Weather conditions.
 - 3. Work performed by the Contractor.
 - 4. Deficiencies and corrective measures taken.
 - 5. Significant delays and their causes.
 - 6. Material and equipment deliveries to the site.
 - 7. Disputes.
 - 8. Instructions received or given.
 - 9. Description of any accidents.
 - 10. Details of extra work done by the Contractor outside the scope of the Contract Documents.
 - 11. Visitors.
 - 12. Record of the number of men and types of equipment used that day.
 - 13. Tests done and the results.
 - 14. List Subcontractors on-site and work being completed/performed.
- B. The Engineer or the Inspector will provide the Owner and the ANRC a summary of the daily logs once monthly.
- C. Shop Drawing submittals and a shop log (submittals by the Contractor of detailed data for equipment and/or materials to be used in the project).
- D. Change Order file.
- E. Records of construction deficiencies and resolutions.
- F. Log of the deviations from Contract Documents (list of all deviations from the design specifications and plans granted to the Contractor).
- G. Test results file with a clear indication of the need for retesting if necessary.

3.0 Limitations of Authority

The Resident Project Representative shall not:

- 3.1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items), unless authorized in writing by the Engineer.
- 3.2. Exceed limitations of Engineer's authority as set forth in the Agreement or the Contract Documents.
- 3.3. Undertake any of the responsibilities of Contractor, Subcontractors, Suppliers, or Contractor's superintendent.
- 3.4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences, or procedures of construction unless such advice or directions are specifically required by the Contract Documents.
- 3.5. Advise on, issue directions regarding, or assume control over safety precautions and programs in connection with the Work.
- 3.6. Accept shop drawings or sample submittals from anyone other than Contractor.
- 3.7. Authorize Owner to occupy the project in whole or in part.
- 3.8. Participate in specialized field or laboratory tests or inspections conducted by others except as specifically authorized by the Engineer.

**ATTACHMENT 2
TO AGREEMENT FOR ENGINEERING SERVICES**

SCHEDULE OF CLASSIFICATIONS AND RATES FOR 2013

<u>Classification</u>	<u>Hourly Rate</u>
Engineer 7	\$214.00
Engineer 6	172.00
Engineer 5	150.00
Engineer 4	120.00
Engineer 3	110.00
Engineer 2	98.00
Engineer 1	84.00
Architect 3.....	\$ 128.00
Architect 2.....	110.00
Architect 1.....	84.00
Technician 6	\$ 110.00
Technician 5	98.00
Technician 4	90.00
Technician 3	70.00
Technician 2	60.00
Technician 1	47.00
Admin 6.....	\$ 92.00
Admin 5.....	82.00
Admin 4.....	75.00
Admin 3.....	67.00
Admin 2.....	48.00
Admin 1.....	37.00
GPS Surveying Equipment (when utilized)	\$ 72.00

Hourly rate schedules will be adjusted annually each January 1.

McGoodwin, Williams and Yates, Inc.
Consulting Engineers
Fayetteville, Arkansas

January 1, 2013