

## AGREEMENT FOR ENGINEERING CONSULTING SERVICES

THIS AGREEMENT, entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the COUNTY OF SAN LUIS OBISPO, a political subdivision of the State of California, herein called "COUNTY," and Carollo Engineers, a corporation whose address is 2700 Ygnacio Valley Road, Walnut Creek, CA 95498, herein called 'ENGINEER.'

The COUNTY department responsible for administering this AGREEMENT is the Department of Public Works, and all written communications hereunder with the COUNTY shall be addressed to the Director of Public Works.

**WHEREAS**, the COUNTY has need for special services and advice with respect to the work described herein; and

**WHEREAS**, ENGINEER warrants that it is specially trained, experienced, expert and competent to perform such special services;

**NOW, THEREFORE, IT IS AGREED** by the parties hereto as follows:

1. **Scope of Work.** ENGINEER shall, at its own cost and expense, provide all the services, equipment and materials necessary to complete the work described in Exhibit A, which is attached hereto and incorporated herein by this reference. All work shall be performed in a professional manner.

2. **Time for Completion of Work.** No work shall be commenced prior to ENGINEER'S receipt of the COUNTY'S Notice to Proceed. All work shall be completed no later than March 25, 2011, provided, however, that extensions of time may be granted in writing by the Director of Public Works of San Luis Obispo County, which said extensions of time, if any, shall be granted only for reasons attributable to inclement weather, acts of God, or for other cause determined in the sole discretion of the Director of Public Works of San Luis Obispo County to be good and sufficient cause for such extensions.

3. **Payment for Services:**

a. **Compensation.** COUNTY shall pay to ENGINEER as compensation in full for all work required by this Agreement a sum not to exceed the total Agreement amount of

Five Hundred Thirty Five Thousand and Nine Hundred Dollars (\$535,900). ENGINEER'S compensation shall be based on actual services performed and costs incurred at the rates set forth for each task in the ENGINEER'S Cost Proposal attached hereto as Exhibit B, and incorporated herein by this reference. Progress payments will be made as set forth below based on compensable services provided and allowable costs incurred pursuant to this Agreement.

b. **Reports and Billing Invoices:** ENGINEER shall submit to the COUNTY, on a monthly basis, a detailed statement of services performed and work accomplished during that preceding period, including the number of hours of work performed and the personnel involved. Billing invoices shall be based upon the ENGINEER'S cost proposal attached hereto as Exhibit B. For the purpose of timely processing of invoices, the ENGINEER'S invoices are not regarded as received until the monthly report is submitted. Any anticipated problems in performing any future work shall be noted in the monthly reports. The ENGINEER shall also promptly notify the COUNTY of any perceived need for a change in the scope of work or services.

4. **Accounting Records:**

a. ENGINEER shall maintain accounting records in accordance with generally accepted accounting principles. ENGINEER shall obtain the services of a qualified bookkeeper or accountant to ensure that accounting records meet this requirement. ENGINEER shall maintain acceptable books of accounts which include, but are not limited to, a general ledger, cash receipts journal, cash disbursements journal, general journal and payroll journal.

b. ENGINEER shall record costs in a cost accounting system which clearly identifies the source of all costs. Agreement costs shall not be co-mingled with other project costs, but shall be directly traceable to contract billings to the COUNTY. The use of worksheets to produce billings shall be kept to a minimum. If worksheets are used to produce billings, all entries should be documented and clearly traceable to the ENGINEER'S cost accounting records.

c. All accounting records and supporting documentation shall be retained for a minimum of five (5) years or until any audit findings are resolved, whichever is later. ENGINEER shall safeguard the accounting records and supporting documentation.

d. ENGINEER shall make accounting records and supporting documentation available on demand to the COUNTY and its designated auditor for inspection and audit.

Disallowed costs shall be repaid to the COUNTY. The COUNTY may require having the ENGINEER'S accounting records audited, at ENGINEER'S expense, by an accountant licensed by the State of California. The audit shall be presented to the County Auditor-Controller within thirty (30) days after completion of the audit.

5. **Contingency Fund for Changes in Scope of Service.** No change in the character or extent of the work to be performed by ENGINEER shall be made except through a signed written amendment to this Agreement. The amendment shall set forth the proposed changes in work, adjustment of time, and adjustment of the sum to be paid by COUNTY to ENGINEER, if any. A contingency fund of \$ 50,000 is hereby created to address such changes to the scope of services and/or completion date. The COUNTY'S Board of Supervisors hereby delegates to the Director of Public Works and Transportation the authority to sign amendments to this Agreement that make reasonable modifications to the time of performance or the scope of services, provided that all such amendments do not cumulatively exceed the contingency fund. Any other amendments must be approved by the Board. These additional funds are intended to provide the COUNTY with flexibility to respond to unanticipated events or conditions, and the ENGINEER has no right to make any claim against these funds except as so expressly provided in a written amendment to this Agreement.

6. **Non-Assignment of Agreement.** Inasmuch as this Agreement is intended to secure the specialized services of the ENGINEER, ENGINEER may not assign, transfer, delegate or sublet any interest herein without the prior written consent of COUNTY and any such assignment, transfer, delegation, or sublease without the County's prior written consent shall be considered null and void. This includes revisions to the project team as described in the organization chart (See Exhibit C).

7. **Insurance.** ENGINEER, at its sole cost, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement. All of the insurance companies providing insurance for CONTRACTOR shall have, and provide evidence of, an A.M. Best & Co. rating of A:VII or above, unless exception is granted by Risk Manger. Further, all policies shall be maintained for the full term of this Agreement and related warranty period if applicable.

A. **MINIMUM SCOPE AND LIMITS OF REQUIRED INSURANCE POLICIES**

The following policies shall be maintained with insurers authorized to do business in the State of California and shall be issued under forms of policies satisfactory to the County:

1. **COMMERCIAL GENERAL LIABILITY INSURANCE POLICY (“CGL”)**

Policy shall include coverage at least as broad as set forth in Insurance Services Office Commercial General Liability Coverage (CG 00 01) with policy limits of not less than \$1 million dollars combined single limit per occurrence. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- a. The County of San Luis Obispo, its officers and employees, is named as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- b. The insurance provided herein shall be considered primary coverage to the County of San Luis Obispo with respect to any insurance or self insured retention maintained by the County. Further, the County's insurance shall be considered excess insurance only and shall not be called upon to contribute to this insurance.
- c. The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the County of San Luis Obispo, Department of Public Works.

2. **BUSINESS AUTOMOBILE LIABILITY POLICY (“BAL”)**

Policy shall include coverage at least as broad as set forth in Insurance Services Office Business Automobile Liability Coverage, Code 1 “Any Auto” (Form CA 0001). This policy shall include a minimum combined single limit of not less than One-million (\$1,000,000) dollars for each accident, for bodily injury and/or property damage. Such policy shall be applicable to vehicles used in pursuit of any of the activities associated with this Agreement. ENGINEER shall not provide a Comprehensive Automobile Liability policy which specifically lists scheduled vehicles without the express written consent of County.

3. **WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY ("WC / EL")**

This policy shall include at least the following coverages and policy limits:

- a. Workers' Compensation insurance as required by the laws of the laws of the State of California; and
- b. Employer's Liability Insurance Coverage B with coverage amount not less than one-million (\$1,000,000) dollars each accident / Bodily Injury (herein "BI"); one-million (\$1,000,000) dollars policy limit BI by disease; and, one-million (\$1,000,000) dollars each employee BI disease.

4. **PROFESSIONAL LIABILITY INSURANCE POLICY ("PL")**

This policy shall cover damages, liabilities, and costs incurred as a result of ENGINEER's professional errors and omissions or malpractice. This policy shall include a coverage limit of at least One-Million Dollars (\$1,000,000) per claim, including the annual aggregate for all claims (such coverage shall apply during the performance of the services under this Agreement and for two (2) years thereafter with respect to incidents which occur during the performance of this Agreement). ENGINEER shall notify the County if any annual aggregate is eroded by more than seventy-five percent (75%) in any given year.

B. **DEDUCTIBLES AND SELF-INSURANCE RETENTIONS**

Any deductibles and/or self-insured retentions which apply to any of the insurance policies referred to above shall be declared in writing by ENGINEER and approved by the County before work is begun pursuant to this Agreement. At the option of the County, ENGINEER shall either reduce or eliminate such deductibles or self-insured retentions as respect the County, its officers, employees, volunteers and agents, or shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and/or defense expenses.

C. **ENDORSEMENTS**

All of the following clauses and endorsements, or similar provisions, are required to be made a part of insurance policies indicated in parentheses below:

1. A "Cross Liability", "Severability of Interest" or "Separation of Insureds" clause (CGL & BAL);
2. The County of San Luis Obispo, its officers, employees, volunteers and agents are hereby added as additional insureds with respect to all liabilities arising out of ENGINEER's performance of work under this Agreement (CGL & BAL);
3. If the insurance policy covers an "accident" basis, it must be changed to "occurrence" (CGL & BAL)
4. This policy shall be considered primary insurance with respect to any other valid and collectible insurance County may possess, including any self-insured retention County may have, and any other insurance County does possess shall be considered excess insurance only and shall not be called upon to contribute to this insurance (CGL, BAL, & PL);
5. No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) days prior to the effective date of such reduction or cancellation to County at the address set forth below (CGL, BAL, WC /EL & PL);
6. ENGINEER and its insurers shall agree to waive all rights of subrogation against the County, its officers, employees, volunteers and agents for any loss arising under this Agreement (CGL); and
7. Deductibles and self-insured retentions must be declared (All Policies).

D. **ABSENCE OF INSURANCE COVERAGE**

County may direct ENGINEER to immediately cease all activities with respect to this Agreement if it determines that ENGINEER fails to carry, in full force and effect, all insurance policies with coverage's at or above the limits specified in this Agreement.

Any delays or expense caused due to stopping of work and change of insurance shall be considered ENGINEER's delay and expense. At the County's discretion, under conditions of lapse, the County may purchase appropriate insurance and charge all costs related to such policy to ENGINEER.

E. **PROOF OF INSURANCE COVERAGE AND COVERAGE VERIFICATION**

Prior to commencement of work under this Agreement, and annually thereafter for the term of this Agreement, ENGINEER, or each of ENGINEER's insurance brokers

or companies, shall provide County a current copy of a Certificate of Insurance, on an Accord or similar form, which includes complete policy coverage verification, as evidence of the stipulated coverage's. All of the insurance companies providing insurance for ENGINEER shall have, and provide evidence of, a Best Rating Service rate of A VI or above. The Certificate of Insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to:

Courtney Howard, Public Works Department  
Room 207, County Government Center  
San Luis Obispo CA 93408

**8. Indemnification:**

a. ENGINEER shall defend, indemnify and hold harmless the County, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, liabilities or other losses (hereafter, collectively "claims") that may be asserted by any person or entity, and that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the ENGINEER. The parties acknowledge that, in addition to whatever other acts or omissions may constitute negligence under applicable law, any act or omission of ENGINEER which constitutes a breach of any duty or obligation under, or pursuant to, this Agreement shall at a minimum constitute negligence, and may constitute recklessness or willful conduct if so warranted by the facts.

b. The preceding paragraph applies to any and all such claims, regardless of the nature of the claim or theory of recovery. For purposes of the paragraphs found in this section 8 of the AGREEMENT, "ENGINEER" shall include the ENGINEER, and/or its agents, employees, sub-contractors, or other independent contractors hired, by, or directly responsible to, ENGINEER.

c. It is the intent of the parties to provide the COUNTY the fullest indemnification, defense, and "hold harmless" rights allowed under the law. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be severed from this contract and the remaining language shall be given full force and effect. Nothing contained in the foregoing indemnity provisions shall be construed to require ENGINEER to indemnify COUNTY against any responsibility or liability in contravention of Civil Code 2782 or 2782.8.

**9. ENGINEER'S Responsibility For Its Work.**

a. ENGINEER has been hired by the COUNTY because of ENGINEER's specialized expertise in performing the work described in the attached Exhibit A. ENGINEER shall be solely responsible for such work. The COUNTY's review, approval and/or adoption of any designs, plans, specifications or any other work of the ENGINEER shall be in reliance on ENGINEER's specialized expertise and shall not relieve the ENGINEER of its sole responsibility for its work. The COUNTY is under no duty or obligation to review or verify the appropriateness, quality or accuracy of any designs, plans, specifications or any other work of the ENGINEER, including but not limited to, any methods, procedures, tests, calculations, drawings or other information used or created by ENGINEER in performing any work under this Agreement.

b. ENGINEER may rely on the accuracy of all information received from the COUNTY and other government sources without ENGINEER'S independent verification. However, ENGINEER shall exercise reasonable judgment and engineering expertise in the application of all information it receives. If any information received by ENGINEER from the COUNTY or any other source appears questionable or inconsistent with industry established standards or other information received by the ENGINEER (hereafter "questionable information"), ENGINEER shall promptly notify COUNTY of such questionable information, make a recommendation as to how to handle the information, and obtain a determination from the COUNTY regarding the use of such information before proceeding with subsequent work which would be significantly impacted by the use of the questionable information.

**10. Insurance and Indemnification as Material Provisions.** The parties expressly agree that the indemnification and insurance clauses in this Agreement are an integral part of the performance exchanged in this Agreement. The compensation stated in this Agreement includes compensation for the risks transferred to ENGINEER by the indemnification and insurance clauses.

**11. ENGINEER'S Endorsement on Reports, etc.** ENGINEER shall endorse all reports, maps, plans, documents, materials and other data in accordance with applicable provisions of the laws of the State of California.

**12. Documents, Information and Materials Ownership.** All documents, information and materials of any and every type prepared by the ENGINEER pursuant to this Agreement shall be the property of the COUNTY. Such documents shall include but



not be limited to data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the ENGINEER in performing work under this Agreement, whether completed or in process. The ENGINEER shall assume no responsibility for the unintended use by others of any such documents, information, or materials on project(s) which are not related to the scope of services described under this Agreement.

**13. Termination of Agreement Without Cause.** COUNTY may terminate this Agreement at any time by giving the ENGINEER 20 days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Other than payments for services satisfactorily rendered prior to the effective date of said termination, ENGINEER shall be entitled to no further compensation or payment of any type from the COUNTY.

**14. Termination of Agreement for Cause.** If ENGINEER fails to perform ENGINEER'S duties to the reasonable satisfaction of the COUNTY, or if ENGINEER fails to fulfill in a timely and professional manner ENGINEER'S obligations under this Agreement or if ENGINEER shall violate any of the terms or provisions of this Agreement or if ENGINEER, ENGINEER'S agents or employees fail to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the COUNTY, then COUNTY shall have the right to terminate this Agreement effective immediately upon the COUNTY giving written notice thereof to the ENGINEER. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. ENGINEER shall be paid for all work satisfactorily completed prior to the effective date of such termination. If COUNTY'S termination of the Agreement for cause is defective for any reason, including but not limited to COUNTY'S reliance on erroneous facts concerning ENGINEER'S performance, or any defect in notice thereof, this Agreement shall automatically terminate without cause on the twentieth day following the COUNTY'S written notice of termination for cause to the ENGINEER, and the COUNTY'S maximum liability shall not exceed the amount payable to ENGINEER under paragraph 13 above.

**15. Compliance with Laws:** ENGINEER shall comply with all Federal, State, and local laws and ordinances that are applicable to the performance of the work of this Agreement.

**16. Covenant Against Contingent Fees:** ENGINEER warrants that it has not employed or retained any company or person, other than a bona fide employee working for ENGINEER, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percent, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making this Agreement. For breach or violation of this warranty, COUNTY shall have the right to annul this Agreement without liability, or, in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

**17. Nondiscrimination:** ENGINEER shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.

**18. Disputes & Claims:**

a. Notice of Potential Claim. The ENGINEER shall not be entitled to the payment of any additional compensation for any act, or failure to act, by the COUNTY, or for the happening of any event, thing, occurrence, or other cause, unless ENGINEER has provided the COUNTY with timely written Notice of Potential Claim as hereinafter specified.

The written Notice of Potential Claim shall set forth the reasons for which the ENGINEER believes additional compensation will or may be due, the nature of the cost involved, and, insofar as possible, the amount of the potential claim. The said notice as above required must have been given to the COUNTY prior to the time that the ENGINEER shall have performed the work giving rise to the potential claim for additional compensation, if based on an act or failure to act by the COUNTY, or in all other cases within 15 days after the happening of the event, thing, occurrence, or other cause, giving rise to the potential claim.

It is the intention of this paragraph that differences between the parties relating to this Agreement be brought to the attention of the COUNTY at the earliest possible time in order that such matters may be settled, if possible, or other appropriate action promptly taken. The ENGINEER hereby agrees that it shall have no right to additional compensation for any claim that may be based on any such act, failure to act, event, thing, or occurrence for which no written Notice of Potential Claim as herein required was filed with the COUNTY Director of Public Works.

b. Processing of Actual Claim. In addition to the above requirements for Notice of Potential Claim, a detailed, Notice of Actual Claim must be submitted in writing to the COUNTY on or before the date of final payment under this Agreement. All such claims shall be governed by the procedures set forth in section 20104.2 and 20104.4 of the Public Contract Code, except that the word "claim" as used in said sections shall be construed as referring to any claim relating to this Agreement. The ENGINEER shall not be entitled to any additional compensation unless ENGINEER has (1) provided the COUNTY with a timely written Notice of Actual Claim and (2) followed the procedures set forth in Public Contract Code section 20104.2 and 20104.4.

c. Claim is No Excuse. Neither the filing of a Notice of Potential Claim or of a Notice of Actual Claim, nor the pendency of a dispute or claim, nor its consideration by the COUNTY, shall excuse the ENGINEER from full and timely performance in accordance with the terms of this Agreement.

**19. ENGINEER is an Independent Contractor.** It is expressly understood that in the performance of the services herein provided, ENGINEER shall be, and is, an independent contractor, and is not an agent or employee of COUNTY. ENGINEER has and shall retain the right to exercise full control over the employment, direction, compensation, and discharge of all persons assisting ENGINEER in the performance of the services rendered hereunder. ENGINEER shall be solely responsible for all matters relating to the payment of his employees, including compliance with Social Security, withholding, and all other regulations governing such matters.

**20. Entire Agreement and Modification.** This Agreement constitutes the entire understanding of the parties hereto. ENGINEER shall be entitled to no other compensation and/or benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. Any changes increasing ENGINEER'S compensation and/or benefits must be approved by the COUNTY'S Board of Supervisors; any other changes may be signed by the County Director of Public Works on behalf of the COUNTY. ENGINEER specifically acknowledges that in entering into and executing this Agreement, ENGINEER relies solely upon the provisions contained in this Agreement and no others.

**21. Enforceability.** If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder

of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

**22. Warranty of ENGINEER.** ENGINEER warrants that ENGINEER and each of the personnel employed or otherwise retained by ENGINEER for work under this Agreement are properly certified and licensed under the laws and regulations of the State of California to provide the special services herein agreed to.

**23. Subcontractors**

a. Other than work designated in Exhibits A and B to be performed by other persons, the ENGINEER shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted without written authorization by the COUNTY.

b. Any subcontract entered into by ENGINEER relating to this Agreement shall contain all the provisions contained in this Agreement.

c. Any substitution of subcontractors must be approved in writing by the COUNTY in advance of assigning work to a substitute subcontractor.

**24. Applicable Law and Venue.** This Contract has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Contract shall be determined and governed by the laws of the State of California. All duties and obligations of the parties created hereunder are performable in San Luis Obispo County and such County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Contract.

**25. Notices.** Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent by first class mail to the County at:

Mr. Paavo Ogren, Director  
San Luis Obispo County  
Department of Public Works  
County Government Center, Room 207  
San Luis Obispo, CA 93408

and to the ENGINEER:

Mr. Lou Carella  
Carollo Engineers  
2700 Ygnacio Valley Road  
Walnut Creek, CA 95498

**26. Cost Disclosure - Documents and Written Reports.** Pursuant to Government Code section 7550, if the total cost of this Agreement is over \$5,000, the ENGINEER shall include in all final documents and in all written reports submitted a written summary of costs, which shall set forth the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such documentation or written report. The Agreement and subagreement numbers and dollar amounts shall be contained in a separate section of such document or written report.

**27. Findings Confidential.** No reports, maps, information, documents, or any other materials given to or prepared by ENGINEER under this Contract which COUNTY requests in writing to be kept confidential, shall be made available to any individual or organization by ENGINEER without the prior written approval of COUNTY.

**28. Restrictive Covenant.** ENGINEER agrees that it will not, during the continuance of this Agreement, perform or otherwise exercise the services described in Exhibit A for any person or entity within the County, except for the COUNTY, unless and until said COUNTY waives this restriction.

**29. Quality Control and Quality Assurance.** ENGINEER shall provide a description of its Quality Control procedure. The process shall be implemented for all facets of work and a QC-QA statement and signature shall be placed on all submittals to the COUNTY.

**IN WITNESS THEREOF**, COUNTY and ENGINEER have executed this Agreement on the day and year first hereinabove set forth.

**IN WITNESS THEREOF**, the parties hereto have executed this Agreement, and this Agreement shall become effective on the date shown signed by the County of San Luis Obispo.

COUNTY OF SAN LUIS OBISPO

Date: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Chairperson of the Board  
County of San Luis Obispo  
State of California

**ATTEST:**

\_\_\_\_\_  
County Clerk and Ex-Officio Clerk of the  
Board of Supervisors, County of San Luis Obispo,  
State of California

Date: \_\_\_\_\_, 20\_\_

Date: \_\_\_\_\_, 20\_\_

ENGINEER

By: Tommy Carroll

Title: PARTNER

By: Robert J. Jensen

Title: Partner

**APPROVED AS TO FORM AND LEGAL EFFECT:**

WARREN R. JENSEN

County Counsel

By: Robert J. Jensen

Deputy County Counsel

Date: 3/13/09

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