

**City of Fayetteville Staff Review Form**

**2019-0508**

**Legistar File ID**

**10/15/2019**

City Council Meeting Date - Agenda Item Only  
N/A for Non-Agenda Item

Tim Nyander

9/17/2019

WATER SEWER (720)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

Staff recommends the approval of a Professional Engineering Services Agreement with Jacobs Engineering Group Inc., pursuant to RFQ #19-01, in the amount of \$116,450.00 for the development of an Advanced Metering Infrastructure strategy for City water meters.

**Budget Impact:**

5400.720.1840-5314.00	Water and Sewer																														
Account Number	Fund																														
02065.1	Water Meters																														
Project Number	Project Title																														
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;"><b>Budgeted Item?</b></td> <td style="width: 10%; text-align: center;">Yes</td> <td style="width: 30%; border-bottom: 1px solid black;">Current Budget</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">883,324.00</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Funds Obligated</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">407,001.18</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Current Balance</td> <td style="text-align: right;"><b>\$</b></td> <td style="text-align: right;"><b>476,322.82</b></td> </tr> </table>	<b>Budgeted Item?</b>	Yes	Current Budget	\$	883,324.00			Funds Obligated	\$	407,001.18			Current Balance	<b>\$</b>	<b>476,322.82</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;"></td> <td style="width: 10%;"></td> <td style="width: 30%; border-bottom: 1px solid black;">Item Cost</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">116,450.00</td> </tr> <tr> <td style="border-bottom: 1px solid black;"><b>Does item have a cost?</b></td> <td style="text-align: center; border-bottom: 1px solid black;">Yes</td> <td style="border-bottom: 1px solid black;">Budget Adjustment</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="border-bottom: 1px solid black;"><b>Budget Adjustment Attached?</b></td> <td style="text-align: center; border-bottom: 1px solid black;">No</td> <td style="border-bottom: 1px solid black;">Remaining Budget</td> <td style="text-align: right;"><b>\$</b></td> <td style="text-align: right;"><b>359,872.82</b></td> </tr> </table>			Item Cost	\$	116,450.00	<b>Does item have a cost?</b>	Yes	Budget Adjustment	\$	-	<b>Budget Adjustment Attached?</b>	No	Remaining Budget	<b>\$</b>	<b>359,872.82</b>
<b>Budgeted Item?</b>	Yes	Current Budget	\$	883,324.00																											
		Funds Obligated	\$	407,001.18																											
		Current Balance	<b>\$</b>	<b>476,322.82</b>																											
		Item Cost	\$	116,450.00																											
<b>Does item have a cost?</b>	Yes	Budget Adjustment	\$	-																											
<b>Budget Adjustment Attached?</b>	No	Remaining Budget	<b>\$</b>	<b>359,872.82</b>																											

V20180321

**Purchase Order Number:** \_\_\_\_\_

**Previous Ordinance or Resolution #** \_\_\_\_\_

**Change Order Number:** \_\_\_\_\_

**Approval Date:** \_\_\_\_\_

**Original Contract Number:** \_\_\_\_\_

**Comments:** RFQ #19-01, Selection #4



**MEETING OF OCTOBER 15, 2019**

**TO:** Mayor and City Council

**THRU:** Don Marr, Chief of Staff  
Water & Sewer Committee

**FROM:** Tim Nyander, Utilities Director

**DATE:** September 16, 2019

**SUBJECT: RFQ #19-01, Selection #4 – Jacobs Engineering Group Inc.  
Advanced Metering Infrastructure Strategy Development**

---

**RECOMMENDATION:**

Staff recommends the approval of a Professional Engineering Services Agreement with Jacobs Engineering Group Inc., pursuant to RFQ #19-01, in the amount of \$116,450.00 for the development of an Advanced Metering Infrastructure strategy for City water meters.

**BACKGROUND:**

Advanced Metering Infrastructure (AMI) is an integrated system of smart meters, communications networks, and data management systems that enable two-way communication over a fixed network between the utility system and the metering endpoints. This smart meter infrastructure sends metering data over the network in much shorter time periods than our existing system, which provides insight to utility managers so valuable data and information about the water system can be obtained. This information is used to manage customer water usage to plan for future growth, as well as tracking and addressing issues with non-revenue water (water loss). AMI also eliminates the need for driving to every house in the community to get meter reads and minimizes re-reads and misreads.

With the valuable data AMI provides, utilities can better engage with customers by delivering information to them in near real time, leading to better control over water bills. This customer information can be delivered via smartphone apps, adding convenience and greater understanding of their water usage.

**DISCUSSION:**

Jacobs Engineering Group Inc. was formally selected per RFQ #19-01, Selection #4 to provide engineering services for the project. Their assessment would begin with an initial data request to develop a meter register and understand the existing processes. Following analysis of the initial data, Jacobs will work with City staff to identify the City's goals and ambitions, and to develop functional objectives for an AMI system. During this phase of the project, potential AMI technologies will be discussed, and a deployment strategy will be developed. Staff recommends the approval of an engineering services agreement with Jacobs Engineering for Task 1 on Attachment A – Scope of Services in an amount not to exceed \$116,450.00.

**BUDGET/STAFF IMPACT:**

Funds are available in the Water Meters account within the Water and Sewer fund.

**Attachments:**

Engineering Services Agreement  
Attachment A – Scope of Services

AGREEMENT  
For  
PROFESSIONAL ENGINEERING SERVICES  
Between  
CITY OF FAYETTEVILLE, ARKANSAS  
And  
JACOBS ENGINEERING GROUP INC.

THIS AGREEMENT is made as of \_\_\_\_\_, 2019, by and between City of Fayetteville, Arkansas, acting by and through its Mayor (hereinafter called CITY OF FAYETTEVILLE) and Jacobs Engineering Group Inc. (hereinafter called ENGINEER).

CITY OF FAYETTEVILLE from time to time requires professional engineering services in connection with the evaluation, design, and/or construction supervision of capital improvement projects. Therefore, CITY OF FAYETTEVILLE and ENGINEER in consideration of their mutual covenants agree as follows:

ENGINEER shall serve as CITY OF FAYETTEVILLE's professional engineering consultant in those assignments to which this Agreement applies and shall give consultation and advice to CITY OF FAYETTEVILLE during the performance of ENGINEER's services. All services shall be performed under the direction of a professional engineer registered in the State of Arkansas and qualified in the particular field.

**SECTION 1 - AUTHORIZATION OF SERVICES**

- 1.1 Services on any assignment shall be undertaken only upon written Authorization of CITY OF FAYETTEVILLE and agreement of ENGINEER.
- 1.2 Assignments may include services described hereafter as Basic Services or as Additional Services of ENGINEER.
- 1.3 Changes, modifications or amendments in scope, price or fees to this contract shall **not** be allowed without a formal contract amendment approved by the Mayor and the City Council **in advance** of the change in scope, costs, fees, or delivery schedule.

**SECTION 2 - BASIC SERVICES OF ENGINEER**

- 2.1 Perform professional services in connection with the Project as hereinafter stated.
  - 2.1.1 The Scope of Services to be furnished by ENGINEER during the Project is included in Appendix A attached hereto and made part of this Agreement.
- 2.2 ENGINEER shall coordinate their activities and services with the CITY OF FAYETTEVILLE. ENGINEER and CITY OF FAYETTEVILLE agree that ENGINEER has full responsibility for the engineering services.

**SECTION 3 - RESPONSIBILITIES OF CITY OF FAYETTEVILLE**

- 3.1 CITY OF FAYETTEVILLE shall, within a reasonable time, so as not to delay the services of ENGINEER.
- 3.1.1 Provide full information as to CITY OF FAYETTEVILLE's requirements for the Project.
- 3.1.2 Assist ENGINEER by placing at ENGINEER's disposal all available information pertinent to the assignment including previous reports and any other data relative thereto.
- 3.1.3 Assist ENGINEER in obtaining access to property reasonably necessary for ENGINEER to perform its services under this Agreement.
- 3.1.4 Examine all studies, reports, sketches, cost opinions, proposals, and other documents presented by ENGINEER and render in writing decisions pertaining thereto.
- 3.1.5 The Utilities Director is the CITY OF FAYETTEVILLE's project representative with respect to the services to be performed under this Agreement. The Utilities Director shall have complete authority to transmit instructions, receive information, interpret and define CITY OF FAYETTEVILLE's policies and decisions with respect to materials, equipment, elements and systems to be used in the Project, and other matters pertinent to the services covered by this Agreement.
- 3.1.6 CITY OF FAYETTEVILLE and/or its representative will review all documents and provide written comments to ENGINEER in a timely manner.

**SECTION 4 - PERIOD OF SERVICE**

- 4.1 This Agreement will become effective upon the first written notice by CITY OF FAYETTEVILLE authorizing services hereunder.
- 4.2 The provisions of this Agreement have been agreed to in anticipation of the orderly progress of the Project through completion of the services stated in the Agreement. ENGINEER will proceed with providing the authorized services immediately upon receipt of written authorization from CITY OF FAYETTEVILLE. Said authorization shall include the scope of the services authorized and the time in which the services are to be completed. The anticipated schedule for this project is included as Appendix A.

**SECTION 5 - PAYMENTS TO ENGINEER**

- 5.1 The maximum not-to-exceed amount authorized for this Agreement is **\$116,450.00**. The CITY OF FAYETTEVILLE shall compensate ENGINEER based on a Not to Exceed basis as described in Appendix A.
- 5.2 Statements
  - 5.2.1 Monthly statements for each calendar month shall be submitted to CITY OF FAYETTEVILLE or such parties as CITY OF FAYETTEVILLE may designate for professional services consistent with ENGINEER's normal billing schedule. Once established, the billing schedule shall be maintained throughout the duration of the Project.

Applications for payment shall be made in accordance with a format to be developed by ENGINEER and approved by CITY OF FAYETTEVILLE. Applications for payment shall be accompanied each month by the updated project schedule as the basis for determining the value earned as the work is accomplished. Final payment for professional services shall be made upon CITY OF FAYETTEVILLE's approval and acceptance with the satisfactory completion of the study and report for the Project.

5.3 Payments

5.3.1 All statements are payable upon receipt and due within thirty (30) days. If a portion of ENGINEER's statement is disputed by CITY OF FAYETTEVILLE, the undisputed portion shall be paid by CITY OF FAYETTEVILLE by the due date. CITY OF FAYETTEVILLE shall advise ENGINEER in writing of the basis for any disputed portion of any statement. CITY OF FAYETTEVILLE will make reasonable effort to pay invoices within 30 days of date the invoice is approved, however, payment within 30 days is not guaranteed.

5.4 Final Payment

5.4.1 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, ENGINEER shall execute and deliver to CITY OF FAYETTEVILLE a release of all claims against CITY OF FAYETTEVILLE arising under or by virtue of this Agreement, except claims which are specifically exempted by 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 CITY OF FAYETTEVILLE's claims against ENGINEER or his sureties under this Agreement or applicable performance and payment bonds, if any.

**SECTION 6 - GENERAL CONSIDERATIONS**

6.1 Insurance

6.1.1 During the course of performance of these services, ENGINEER will maintain (in United States Dollars) the following minimum insurance coverages:

<u>Type of Coverage</u>	<u>Limits of Liability</u>
Workers' Compensation Employers' Liability	Statutory \$500,000 Each Accident
Commercial General Liability Bodily Injury and Property Damage	\$1,000,000 Combined Single Limit
Automobile Liability: Bodily Injury and Property Damage	\$1,000,000 Combined Single Limit

Professional Liability Insurance                      \$1,000,000 aggregate

ENGINEER will provide to CITY OF FAYETTEVILLE certificates as evidence of the specified insurance within ten days of the date of this Agreement and upon each renewal of coverage.

6.1.2            CITY OF FAYETTEVILLE and ENGINEER waive all rights against each other and their officers, directors, agents, or employees for damage covered by property insurance during and after the completion of ENGINEER's services.

## 6.2      Professional Responsibility

6.2.1      ENGINEER will exercise reasonable skill, care, and diligence in accordance with standard of care recognized for professionals performing the same or similar services in the performance of ENGINEER's services and will carry out its responsibilities in accordance with customarily accepted professional engineering practices. CITY OF FAYETTEVILLE will promptly report to ENGINEER any defects or suspected defects in ENGINEER's services of which CITY OF FAYETTEVILLE becomes aware, so that ENGINEER can take measures to minimize the consequences of such a defect. CITY OF FAYETTEVILLE retains all remedies to recover for its damages caused by any negligence of ENGINEER or ENGINEER'S failure to exercise reasonable skill, care, and diligence in performing contractual services. JACOBS makes no warranty, expressed or implied, beyond its professional responsibilities as set forth in this subsection.

## 6.3      Cost Opinions and Projections

6.3.1            Cost opinions and projections prepared by ENGINEER relating to construction costs and schedules, operation and maintenance costs, equipment characteristics and performance, and operating results are based on ENGINEER's experience, qualifications, and judgment as a design professional. Since ENGINEER has no control over weather, cost and availability of labor, material and equipment, labor productivity, construction Contractors' procedures and methods, unavoidable delays, construction Contractors' methods of determining prices, economic conditions, competitive bidding or market conditions, and other factors affecting such cost opinions or projections, ENGINEER does not guarantee that actual rates, costs, performance, schedules, and related items will not vary from cost opinions and projections prepared by ENGINEER.

## 6.4      Changes

6.4.1            CITY OF FAYETTEVILLE shall have the right to make changes within the general scope of ENGINEER's services, with an appropriate change in compensation and schedule only after Fayetteville City Council approval of such proposed changes and, upon execution of a mutually acceptable amendment or change order signed by the Mayor of the CITY OF FAYETTEVILLE and the duly authorized officer of ENGINEER.

## 6.5      Termination

6.5.1            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:

- 6.5.1.1 Not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate,
- 6.5.1.2 An opportunity for consultation with the terminating party prior to termination.
- 6.5.2 This Agreement may be terminated in whole or in part in writing by CITY OF FAYETTEVILLE for its convenience, provided that ENGINEER is given:
  - 6.5.2.1 Not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate,
  - 6.5.2.2 An opportunity for consultation with the terminating party prior to termination.
- 6.5.3 If termination for default is effected by CITY OF FAYETTEVILLE, an equitable adjustment in the price provided for in this Agreement shall be made, but
  - 6.5.3.1 No amount shall be allowed for anticipated profit on unperformed services or other work,
  - 6.5.3.2 Any payment due to ENGINEER at the time of termination may be adjusted to cover any additional costs to CITY OF FAYETTEVILLE because of ENGINEER's default.
- 6.5.4 If termination for default is effected by ENGINEER, or if termination for convenience is effected by CITY OF FAYETTEVILLE, 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 ENGINEER for services rendered and expenses incurred prior to the termination, in addition to termination settlement costs reasonably incurred by ENGINEER relating to commitments which had become firm prior to the termination.
- 6.5.5 Upon receipt of a termination action under Paragraphs 6.5.1 or 6.5.2 above, ENGINEER shall:
  - 6.5.5.1 Promptly discontinue all affected work (unless the notice directs otherwise),
  - 6.5.5.2 Deliver or otherwise make available to CITY OF FAYETTEVILLE all data, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by ENGINEER in performing this Agreement, whether completed or in process.
- 6.5.6 Upon termination under Paragraphs 6.5.1 or 6.5.2 above CITY OF FAYETTEVILLE may take over the work and may award another party an agreement to complete the work under this Agreement.
- 6.5.7 If, after termination for failure of ENGINEER to fulfill contractual obligations, it is determined that ENGINEER had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of CITY OF FAYETTEVILLE. In such



event, adjustments of the agreement price shall be made as provided in Paragraph 6.5.4 of this clause.

## 6.6 Delays

6.6.1 In the event the services of ENGINEER are suspended or delayed by CITY OF FAYETTEVILLE or by other events beyond ENGINEER's reasonable control, ENGINEER shall be entitled to additional compensation and time for reasonable costs incurred by ENGINEER in temporarily closing down or delaying the Project.

## 6.7 Rights and Benefits

6.7.1 ENGINEER's services will be performed solely for the benefit of CITY OF FAYETTEVILLE and not for the benefit of any other persons or entities.

## 6.8 Dispute Resolution

6.8.1 Scope of Paragraph: The procedures of this Paragraph shall apply to any and all disputes between CITY OF FAYETTEVILLE and ENGINEER which arise from, or in any way are related to, this Agreement, including, but not limited to the interpretation of this Agreement, the enforcement of its terms, any acts, errors, or omissions of CITY OF FAYETTEVILLE or ENGINEER in the performance of this Agreement, and disputes concerning payment.

6.8.2 Exhaustion of Remedies Required: No action may be filed unless the parties first negotiate. If timely Notice is given under Paragraph 6.8.3, but an action is initiated prior to exhaustion of these procedures, such action shall be stayed, upon application by either party to a court of proper jurisdiction, until the procedures in Paragraphs 6.8.3 and 6.8.4 have been complied with.

### 6.8.3 Notice of Dispute

6.8.3.1 For disputes arising prior to the making of final payment promptly after the occurrence of any incident, action, or failure to act upon which a claim is based, the party seeking relief shall serve the other party with a written Notice.

6.8.3.2 For disputes arising within one year after the making of final payment, CITY OF FAYETTEVILLE shall give ENGINEER written Notice at the address listed in Paragraph 6.14 within thirty (30) days after occurrence of any incident, accident, or first observance of defect or damage. In both instances, the Notice shall specify the nature and amount of relief sought, the reason relief should be granted, and the appropriate portions of this Agreement that authorize the relief requested.

6.8.4 Negotiation: Within seven days of receipt of the Notice, the Project Managers for CITY OF FAYETTEVILLE and ENGINEER shall confer in an effort to resolve the dispute. If the dispute cannot be resolved at that level, then, upon written request of either side, the matter shall be referred to the President of ENGINEER and the Mayor of CITY OF FAYETTEVILLE or his designee. These officers shall meet at the Project Site or such other location as is agreed upon within 30 days of the written request to resolve the dispute.

- 6.9 CITY OF FAYETTEVILLE represents that it has sufficient funds or the means of obtaining funds to remit payment to ENGINEER for services rendered by ENGINEER.
- 6.10 Publications
- 6.10.1 Recognizing the importance of professional development on the part of ENGINEER's employees and the importance of ENGINEER's public relations, ENGINEER may prepare publications, such as technical papers, articles for periodicals, and press releases, pertaining to ENGINEER's services for the Project. Such publications will be provided to CITY OF FAYETTEVILLE in draft form for CITY OF FAYETTEVILLE's advance review. CITY OF FAYETTEVILLE shall review such drafts promptly and provide CITY OF FAYETTEVILLE's comments to ENGINEER. CITY OF FAYETTEVILLE may require deletion of proprietary data or confidential information from such publications, but otherwise CITY OF FAYETTEVILLE will not unreasonably withhold approval. The cost of ENGINEER's activities pertaining to any such publication shall be for ENGINEER's account.
- 6.11 Indemnification
- 6.11.1 CITY OF FAYETTEVILLE agrees that it will require all construction Contractors to indemnify, defend, and hold harmless CITY OF FAYETTEVILLE and ENGINEER from and against any and all loss where loss is caused or incurred or alleged to be caused or incurred in whole or in part as a result of the negligence or other actionable fault of the Contractors, or their employees, agents, Subcontractors, and Suppliers.
- 6.12 Ownership of Documents
- 6.12.1 All documents provided by CITY OF FAYETTEVILLE including original drawings, CAD drawings, estimates, field notes, and project data are and remain the property of CITY OF FAYETTEVILLE. ENGINEER may retain reproduced copies of drawings and copies of other documents.
- 6.12.2 Engineering documents, computer models, drawings, specifications and other hard copy or electronic media prepared by ENGINEER as part of the Services shall become the property of CITY OF FAYETTEVILLE when ENGINEER has been compensated for all Services rendered, provided, however, that ENGINEER shall have the unrestricted right to their use. ENGINEER shall, however, retain its rights in its standard drawings details, specifications, databases, computer software, and other proprietary property. Rights to intellectual property developed, utilized, or modified in the performance of the Services shall remain the property of ENGINEER.
- 6.12.3 Any files delivered in electronic medium may not work on systems and software different than those with which they were originally produced. ENGINEER makes no warranty as to the compatibility of these files with any other system or software. Because of the potential degradation of electronic medium over time, in the event of a conflict between the sealed original drawings/hard copies and the electronic files, the sealed drawings/hard copies will govern.

6.13 Notices

- 6.13.1 Any Notice required under this Agreement will be in writing, addressed to the appropriate party at the following addresses:

CITY OF FAYETTEVILLE's address:  
113 West Mountain Street  
Fayetteville, Arkansas 72701

ENGINEER's address:  
401 S Boston Ave.  
Suite 330  
Tulsa, OK 74103

6.14 Successor and Assigns

- 6.14.1 CITY OF FAYETTEVILLE and ENGINEER each binds himself and his successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators, and assigns of such other party, in respect to all covenants of this Agreement; except as above, neither CITY OF FAYETTEVILLE nor ENGINEER shall assign, sublet, or transfer his interest in the Agreement without the written consent of the other.

6.15 Controlling Law

- 6.15.1 This Agreement shall be subject to, interpreted and enforced according to the laws of the State of Arkansas without regard to any conflicts of law provisions.

6.16 Entire Agreement

- 6.16.1 This Agreement represents the entire Agreement between ENGINEER and CITY OF FAYETTEVILLE relative to the Scope of Services herein. Since terms contained in purchase orders do not generally apply to professional services, in the event CITY OF FAYETTEVILLE issues to ENGINEER a purchase order, no preprinted terms thereon shall become a part of this Agreement. Said purchase order document, whether or not signed by ENGINEER, shall be considered as a document for CITY OF FAYETTEVILLE's internal management of its operations.

**SECTION 7 - SPECIAL CONDITIONS**

7.1 Additional Responsibilities of ENGINEER

- 7.1.1 CITY OF FAYETTEVILLE's review, approval, or acceptance of design drawings, specifications, reports and other services furnished hereunder shall not in any way relieve ENGINEER of responsibility for the technical adequacy of the work. Neither CITY OF FAYETTEVILLE'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.

7.1.2 ENGINEER shall be and shall remain liable, in accordance with this Agreement and applicable law, for all damages to CITY OF FAYETTEVILLE caused by ENGINEER's negligent performance of any of the services furnished under this Agreement except for errors, omissions or other deficiencies to the extent attributable to CITY OF FAYETTEVILLE or CITY OF FAYETTEVILLE-furnished data.

7.1.3 ENGINEER's obligations under this clause are in addition to ENGINEER's other express or implied assurances under this Agreement or State law and in no way diminish any other rights that CITY OF FAYETTEVILLE may have against ENGINEER for faulty materials, equipment, or work.

## 7.2 Remedies

7.2.1 Except as may be otherwise provided in this Agreement, all claims, counter-claims, disputes and other matters in question between CITY OF FAYETTEVILLE and ENGINEER arising out of or relating to this Agreement or the breach thereof will be decided in a court of competent jurisdiction within Arkansas.

## 7.3 Audit: Access to Records

7.3.1 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. ENGINEER shall also maintain the financial information and data used by ENGINEER in the preparation of support of the cost submission required for any negotiated agreement or change order and send to CITY OF FAYETTEVILLE a copy of the cost summary submitted. CITY OF FAYETTEVILLE, the State 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. ENGINEER will provide proper facilities for such access and inspection.

7.3.2 Records under Paragraph 7.3.1 above, shall be maintained and made available during performance on assisted work under this Agreement and until three years from the date of final payment for the project. In addition, those records which relate to any controversy 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 three years after the date of resolution of such appeal, litigation, claim or exception.

7.3.3 This right of access clause (with respect to financial records) applies to:

7.3.3.1 Negotiated prime agreements:

7.3.3.2 Negotiated change orders or agreement amendments in excess of \$10,000 affecting the price of any formally advertised, competitively awarded, fixed price agreement:

7.3.3.3 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 subagreement or purchase order awarded after effective price competition, except:

- 7.3.3.3.1 With respect to record pertaining directly to subagreement performance, excluding any financial records of ENGINEER;
- 7.3.3.3.2 If there is any indication that fraud, gross abuse or corrupt practices may be involved;
- 7.3.3.3.3 If the subagreement is terminated for default or for convenience.

#### 7.4 Covenant Against Contingent Fees

- 7.4.1 ENGINEER warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage or continent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by ENGINEER for the purpose of securing business. For breach or violation of this warranty, CITY OF FAYETTEVILLE shall have the right to 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.

#### 7.5 Gratuities

- 7.5.1 If CITY OF FAYETTEVILLE finds after a notice and hearing that ENGINEER or any of ENGINEER's agents or representatives, offered or gave gratuities (in the form of entertainment, gifts or otherwise) to any official, employee or agent of CITY OF FAYETTEVILLE, in an attempt to secure an agreement or favorable treatment in awarding, amending or making any determinations related to the performance of this Agreement, CITY OF FAYETTEVILLE may, by written notice to ENGINEER terminate this Agreement. CITY OF FAYETTEVILLE may also pursue other rights and remedies that the law or this Agreement provides. However, the existence of the facts on which CITY OF FAYETTEVILLE bases such finding shall be in issue and may be reviewed in proceedings under the Remedies clause of this Agreement.
- 7.5.2 In the event this Agreement is terminated as provided in Paragraph 7.5.1, CITY OF FAYETTEVILLE may pursue the same remedies against ENGINEER as it could pursue in the event of a breach of the Agreement by ENGINEER. As a penalty, in addition to any other damages to which it may be entitled by law, CITY OF FAYETTEVILLE may pursue exemplary damages in an amount (as determined by CITY OF FAYETTEVILLE) which shall be not less than three nor more than ten times the costs ENGINEER incurs in providing any such gratuities to any such officer or employee.

#### 7.6 Arkansas Freedom of Information Act

- 7.6.1 City contracts and documents, including internal documents and documents of subcontractors and sub-consultants, prepared while performing City contractual work are subject to the Arkansas Freedom of Information Act (FOIA). If a Freedom of Information Act request is presented to the CITY OF FAYETTEVILLE, ENGINEER will do everything possible to provide the documents in a prompt and timely manner as prescribed in the Arkansas Freedom of Information Act (A.C.A. §25-19-101 et seq.). Only legally authorized photocopying costs pursuant to the FOIA may be assessed for this compliance.

7.7 LIMITATION OF LIABILITY.

7.7.1 Notwithstanding any other provision of this Agreement, neither party shall have liability to the other for contingent, consequential or other indirect damages including, without limitation, damages for loss of use, revenue or profit; operating costs and facility downtime; or other similar business interruption losses, however the same may be caused. The limitations and exclusions of liability set forth in this Article shall apply regardless of the fault, breach of contract, tort (including negligence), strict liability or otherwise of either party or their respective employees, or subconsultants.

IN WITNESS WHEREOF, CITY OF FAYETTEVILLE, ARKANSAS by and through its Mayor, and Jacobs Engineering Group Inc., by its authorized officer have made and executed this Agreement as of the day and year first above written.

CITY OF FAYETTEVILLE, ARKANSAS

JACOBS ENGINEERING GROUP INC.

By : \_\_\_\_\_

  
By: Robert Frear, Manager of Projects

\_\_\_\_\_  
Mayor, Lioneld Jordan

PRINTED NAME & TITLE OF PERSON SIGNING

ATTEST:

By: \_\_\_\_\_  
City Clerk

Title: \_\_\_\_\_

END OF AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES

## Qualifications and experience

### Smart Metering Solutions at Jacobs

Jacobs has extensive experience developing business case evaluations, conducting water meter evaluations, overseeing the implementation of customized AMI solutions, as well as operating and maintaining water meter infrastructure.

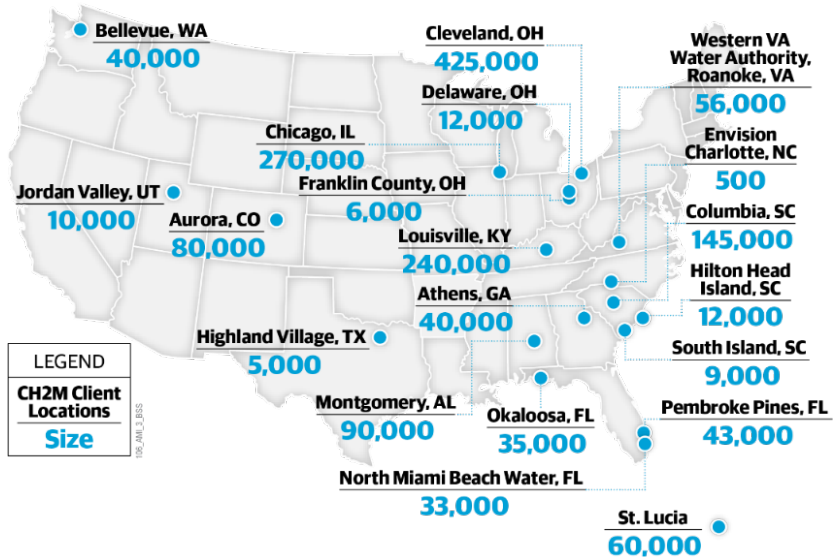
We understand that the City of Fayetteville is focused on delivering water service, not just a technology project, so we take a holistic approach to delivering proven AMI solutions that improve not just meter-to-cash, but overall utility operations.

- Our AMI technical team has expertise with all the top AMI systems and extensive hands-on experience implementing these systems for large water utilities.** Our knowledge will enable us to develop an accurate technology assessment and procurement strategy that is based on actual performance rather than on potentially unwarranted vendor claims. We will also ensure that the technology selection and implementation plan maximize the City’s opportunity for success.
- Jacobs manages and operates water systems.** From utility managers who have managed AMR/AMI system upgrades, to hands-on staff who have changed out meters, to specialists who manage customer service and billing activities, our folks have “been there and done that.” We can provide these resources for lessons learned discussions and ongoing dialogue with City staff throughout the project so you can be sure your expectations are clearly defined, met, and even exceeded.

### Jacobs’s Experience and References

Jacobs is excited about the opportunity to assist the City in developing an AMI program. Jacobs takes great pride in our business and technical expertise on water AMI systems and having managed and implemented the most aggressive water AMI projects and programs nationwide.

We firmly believe that an in-depth understanding of water utility operations is critical to these projects and that gas or electric experience doesn’t provide the full understanding necessary to excel in this space. The understanding of inaccuracies in water metering and the impact on non-revenue water (NRW); residential water metering technologies such as PD, ultrasonic, and magnetic; cross connection protection of potable water systems; and devices that support remote valve operation and other advanced on-the-edge technologies are key differentiators specific to the water industry.



Our team’s experience implementing and managing these systems sets us apart from our peers. Client focused tasks such as developing implementation plans where realistic deployment schedules and constraints are analyzed, to helping utilities identify the long-term work order management system impacts, helps us differentiate and provide our clients real value in both overseeing and actively managing AMI implementations.

Jacobs’s selected team members and customized approach also differs from other consultants in that we **start with the end in mind** to help you make strategic decisions and realize benefits at every step. The resources and experience that we bring will provide the City with the information it requires for a defensible decision on next-generation metering technologies. Our team is available to start immediately and carry the project to completion.

## Project Understanding and Proposed Scope of Work

### A. Project Understanding

Jacobs recognizes the initial need of the City is to identify functional requirements that will be used to select a potential new metering solution. Based on the information provided, Jacobs understands that the City is interested in evaluating implementation of a full AMI system to minimize re-reads, misreads and estimated bills, and provide detailed information to customers regarding their usage and potential leaks.

To help make the best decisions possible, the City is soliciting help to identify costs associated with implementing an AMI system, to identify the most appropriate technologies, and to provide protections during the procurement process to establish a strong 20-year partnership. We further understand that the City would like to understand how the implementation of an AMI system will enhance day-to-day operations, reduce costs, boost customer benefits, and better serve the residents.

Jacobs is proposing a 5-step roadmap for the City’s AMI program as demonstrated in the following diagram. This proposal represents the first three steps.

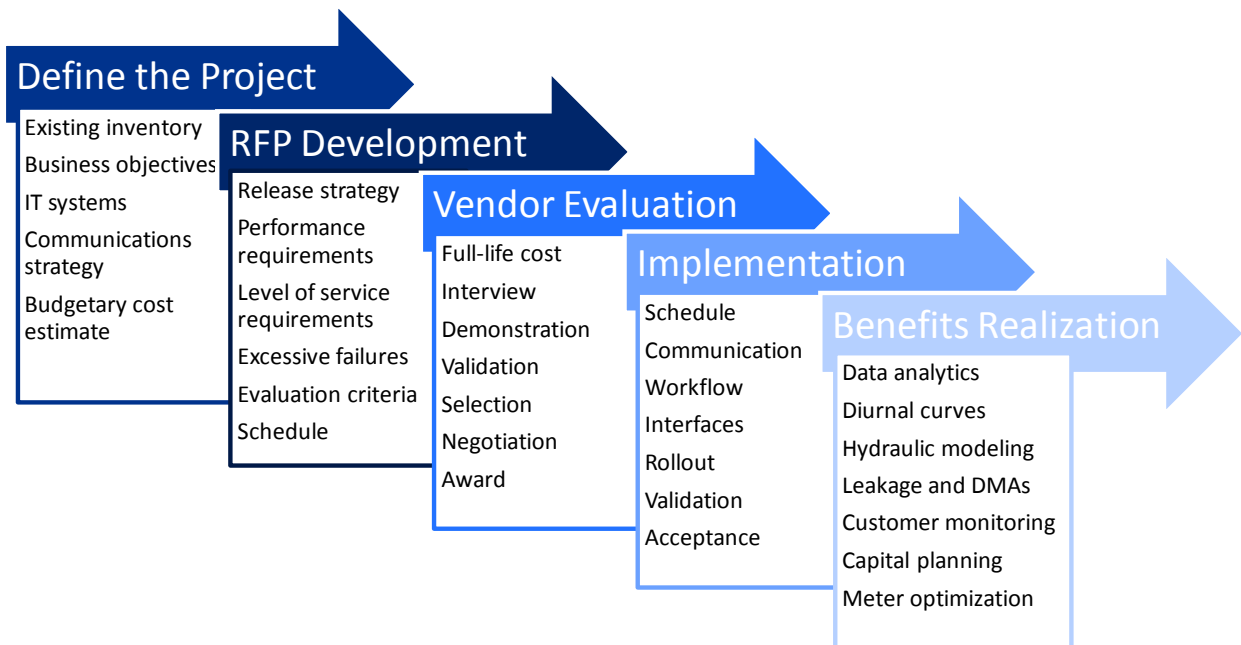


Figure 1: Jacobs' 5-Step Approach to AMI



## **B. Proposed Scope of Work**

This scope of work is limited to Step 1 of the AMI roadmap: defining the project. Additional steps will be included in future proposals. Jacobs's assessment will begin with an initial data request to develop a meter register and understand the existing processes. Following analysis of the initial data, Jacobs will work with City staff to identify the City's goals and ambitions, and to develop functional objectives for an AMI system. During this phase of the project, potential AMI technologies will be discussed, and a deployment strategy will be developed.

### **Task 1: Define the Project**

Understanding existing business and technical processes and anticipated improvements or changes to those processes is essential to successful deployment. Jacobs will work with process owners and subject matter experts to understand how the City intends to use the system and to identify key functional drivers.

#### **Task 1.1: Existing Metering Inventory**

Jacobs will begin this task by requesting an initial meter register from the City. This information will be used to assist City Staff in determining which assets should be replaced and/or migrated to the new system based on age, condition, and compatibility, with an interest in developing uniformity across the meter inventory.

#### **Task 1.2: Evaluation of Smart Metering Technologies**

As part of the metering needs assessment, Jacobs will develop functional objectives for a system that will support the goals and ambitions of the City; this is not a "one size fits all" technology. Developing the functional objectives for an AMI system is dependent upon the future processes that the City is willing and able to implement to leverage the interval data.

In our experience, to leverage the investment in this technology, and harness the value drivers, it is very important to understand current and future utility and service operations, not just meter reading and billing. A key differentiator in our approach is that we perform both an operational assessment to determine functional objectives as well as a cultural assessment to confirm that the operational changes required to leverage and disseminate interval data throughout the enterprise will be possible.

We will follow the meter inventory data request with a series of meetings with each functional area to discuss functional requirements. These discussions will address the City's vision for future communication architecture and explore fixed and mobile network technologies (RF, Cellular, LoRa, etc.) as well as one-way/two-way, licensed/unlicensed, mesh/star, etc. that meet the functional requirements that are identified. In addition, we will provide information on standards-based networks that could allow for third-party devices beyond meter reading to be 'heard' over the AMI network. We will not try to eliminate specific vendors but, rather, we will try to identify platform technologies that best fit the requirements of the City.

#### **Task 1.3: Budgetary Cost Estimate**

The outcome of Task 1.2 will be the identification of technology types (as opposed to specific vendors) that deliver key functional requirements (traditional AMI, cellular, and hybrid). Jacobs will develop cost estimates after identifying the specific type of technology that will support the requirements identified by the City.

Jacobs will develop a budgetary cost estimate (inclusive of Capital and O&M) using actual market pricing for recent proposals for system of similar size in the region. The capital cost will include meters, registers, radios, pit lids, network devices, installation, IT integration, and program management. The O&M cost will include maintenance, software licenses and other IT fees, and recurring asset refresh as needed.

#### **Assumptions:**

- One onsite kickoff meeting will be conducted to introduce the team and meet strategic stakeholders.

- We will conduct a series of workshop over 2 days to include meeting with each functional area.
- A review workshop will be conducted to present findings and discuss any comments/changes from the City's project team.
- Two additional conference calls with the project team for clarification on specific items has been included
- Data provided in response to requests is assumed to be accurate.

***Deliverables:***

- Findings from this task will be documented in a draft memorandum (PDF format provided electronically). One set of consolidated review comments will be provided by the City. Comments will be addressed as appropriate and the revised findings will be included in a final report.

**Project Management**

Project coordination and management will take place through a combination of status reporting and regular phone and email communications with key project personnel. The project team will discuss deliverables and the project schedule, and address project concerns throughout the project duration. Jacobs will be responsible for submitting invoices and accompanying status report.

**Proposed Fee by Task**

Table 1 summarizes the proposed fee by task for the services described herein. Compensation shall be on a not-to-exceed basis, and the total project compensation will not exceed \$116,450 without written authorization from the Client Project Manager.

