

VENTURA REGIONAL SANITATION DISTRICT

1001 PARTRIDGE DRIVE, SUITE 150 • VENTURA, CA 93003-0704



September 29, 2011

Board of Directors
Ventura Regional Sanitation District
Ventura, CA 93003

FIRST AMENDMENT TO VRSD CONTRACT NO. 11-019, GROUNDS ENGINEERING GROUP

Summary:

Staff is requesting approval to amend existing VRSD Contract No. 11-019 to expand the Scope of Services and adjust the budget for a new not to exceed contract amount of \$100,000. The primary purpose of this contract is to provide Mechanical Engineering support for the operations at Toland Road Landfill, including the flare repair, improvement to the biosolids facility, the landfill potable water system and other technical systems such as gas collection, leachate and condensate collection.

Background:

On July 6, 2011, VRSD retained the services of Grounds Engineering Group, under the General Manager's \$25,000 contracting authority, to assist in resolving some of the more complex engineering issues associated with repairs to the flare, the biosolids equipment, and the potable water system at Toland Road Landfill. Since the initiation of this contract, it has become apparent that these problems are extensive and will require additional time and money to resolve.

Following an explosion to the Knock-out Pot (KOP) associated with the flare, and while restoring the flare to its original condition, it became evident that additional repairs and reconfiguration were required. Mr. Grounds will assist in the redesign, specification, and reconfiguration of KOP appurtenances.

As you are aware, the biosolids operation has had numerous problems operating consistently. Therefore, in an effort to truly resolve these issues, we require the expertise of a mechanical engineer who is intimately familiar with evaluating and improving systems of this complexity.

Additionally, our neighbor Jason Raley who owns the property on Toland Road where our potable water deep well is located and who has rights to a portion of this water, would like to exercise this option and begin using some of this water for a new grove. We would like Mr. Grounds to evaluate our existing system and to work with Mr. Raley to ensure that this connection is done properly.

Item 9-1

Finally, having a Mechanical Engineer available to assist in resolving periodic issues with the technical systems at Toland (leachate, condensate, gas collection) would be extremely valuable. These systems are heavily regulated elements of the landfill and their reliable operation is critical to our continued success at this site. Therefore, we are requesting approval of this contract amendment for an additional \$75,000 for a not to exceed amount of \$100,000.

Fiscal Impact:

Appropriations for these expenses are included in the adopted Fiscal Year 2011-2012 budget and will be adopted in the future Fiscal Years Landfill Operations and Biosolids/Electric Generation budgets.

Recommendation:

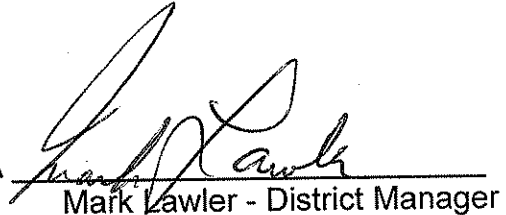
It is recommended the Board authorize the Chairman to sign VRSD Contract No. 11-019-1 amending VRSD Contract No. 11-019 with Grounds Engineering Group, Inc., to add to the scope of work and add an additional \$75,000 to the contract for a total authorized amount of \$100,000.



SALLY COLEMAN - DIRECTOR OF OPERATIONS

Enc.

APPROVED FOR THE OCTOBER 6, 2011 AGENDA



Mark Lawler - District Manager

92

**CONTRACT NO. 11-019-1
AMENDMENT NO. 1 TO CONTRACT NO. 11-019
AGREEMENT FOR CONSULTING SERVICES
BETWEEN
VENTURA REGIONAL SANITATION DISTRICT
AND
GROUNDS ENGINEERING GROUP, INC.**

THIS AGREEMENT is made and entered into this 6th day of October 2011 by and between the VENTURA REGIONAL SANITATION DISTRICT, a public agency formed pursuant to California Health & Safety Code Section 4700 et seq., ("DISTRICT") and GROUNDS ENGINEERING GROUP, INC., a California Corporation, hereinafter "CONTRACTOR."

AMENDMENT

A. On the 6th day of July 2011, a certain contract, hereinafter referred to as Contract No. 11-019, was executed between DISTRICT and CONTRACTOR to provide facility engineering support services at the Toland Road Landfill facility.

B. DISTRICT and CONTRACTOR have agreed that additions to the original scope of work and compensation are necessary to complete the work and can be accomplished by amending Contract No. 11-019 accordingly.

RECITALS

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth, it is agreed the aforesaid Contract No. 11-019, a copy of which is attached as Exhibit "I" and incorporated herein by reference, shall remain in full force and effect, except as otherwise hereinafter provided.

The parties agree the following language shall replace the original provisions of Article 1: Work Statement

"A. CONTRACTOR shall provide the engineering services described in the attached as Exhibit "A-1" to this Agreement and incorporated herein.

The parties agree the following language shall replace the original provisions of Article 5: Payment to Contractor

"A. In consideration of CONTRACTOR's performance of services as described herein, DISTRICT shall pay CONTRACTOR fees for its services at the hourly rate as prescribed in Exhibit "B-1" plus any expenses which are pre-approved by DISTRICT. CONTRACTOR shall submit weekly invoices in sufficient detail to show the total amount of work done. DISTRICT shall review and approve CONTRACTOR's invoice for accuracy and agree with CONTRACTOR on any adjustments that may be appropriate. Such approvals shall not be unreasonably withheld. DISTRICT shall pay CONTRACTOR for all approved work and materials within 15 days of submission of each invoice. In the event of disagreement with CONTRACTOR on adjustments or disallowances, said amounts and disputes shall be withheld until resolved. Upon resolution of the disagreements, payment of the approved amount shall be made immediately."

"B. Total fees to be paid by DISTRICT to CONTRACTOR for CONTRACTOR's services described herein shall be increased by \$75,000.00 and shall not exceed \$100,000.00 without written amendment hereto."

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

APPROVED AS TO FORM: ARNOLD, BLEUEL,
LaROCHELLE, MATHEWS, & ZIRBEL, LLP

VENTURA REGIONAL SANITATION DISTRICT

By _____
MARK A. ZIRBEL
Legal Counsel for DISTRICT

By _____
JAMES L. MONAHAN, Chairman Board of
Directors

ATTEST:

GROUNDS ENGINEERING GROUP, INC.

By _____
JOSIE GUZMAN, Clerk of the Board

By _____
RICHARD W. GROUNDS, P.E., President

Exhibit "A-1"

Grounds Engineering Group, Inc. Professional Engineers & Consultants

PO Box 1127
Huntington Beach, CA 92647
Phone: 714 719-3373
Fax: 714 846-2234
e-mail: r.grounds@earthlink.net

September 26, 2011

Ventura Regional Sanitation District
1001 Partridge Drive, Suite 150
Ventura, CA 93003
Attn: Mr. Mark Lawler

Proposal 11-0106-02 Rev 0 – Facility Engineering Support Services Project

Dear Mr. Lawler:

Per our earlier conversations, GEG would perform engineering services for the Ventura Regional Sanitation District to provide facility engineering support as directed by the VRSD representative(s), and coordinate with VRSD personnel and other parties as necessary for the Facility Engineering Support Services Project in accordance with this proposal and attachments.

Preliminary Project Elements:

We understand the preliminary Project Elements to include the following:

1. Flare system follow-up of ongoing repairs, re-start support, APCD flare variance support, system document support.
2. Water / irrigation system review; land owner proposed tie-in near Booster Pump #1.
3. Biosolids facility operation.

Preliminary Scope of Services:

1. Continue work with vendor(s) and VRSD personnel to complete repairs of skid mounted components; continue work with ICS, LFG, and VRSD personnel to revise / as-built applicable drawings; continue support for APCD flare variance.
2. Review water / irrigation system drawings, as available, and work with farmer(s) and VRSD personnel to review proposed tie-in near Booster Pump #1; work with VRSD personnel to revise / as-built applicable drawings.
3. Review Biosolids facility operation, and work with vendor(s) and VRSD personnel in problem identification, troubleshooting, and resolution.
4. Provide facility and field engineering support services as directed by VRSD personnel.

Preliminary Deliverables:

1. The specific deliverables for project elements would be developed and mutually agreed to by GEG and VRSD personnel during the element review process.

Clarifications:

1. Weekday over-time hours would be billed at the straight-time Engineering Services rate. Weekend or holiday hours would be billed in accordance with the attached GEG Schedule of Charges & Terms, which is adjusted periodically.
2. GEG would provide a part-time, on-site presence at the Toland Road Landfill facility during the project to facilitate communication and project execution. Initial estimate is one to two days at-site, with additional support via e-mail and teleconference as mutually scheduled, for an estimated twenty to twenty four hours per week. Two-day coverage at site would require one (1) overnight stay in the area by GEG personnel, and would be billed at a per

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9-5

September 26, 2011

- diem rate of \$145 USD. Other travel and direct expenses would be billed in accordance with the attached GEG Schedule of Charges & Terms, which is adjusted periodically.
3. Invoicing shall be submitted by GEG to VRSD weekly, with payment terms of Net 15.

These services would be provided on a time and material basis, in accordance with this proposal and attachments.

If you have any questions, or if we may be of further service, please let me know.

Again, thank you for the opportunity to be of service.

Respectfully,

Grounds Engineering Group, Inc.

By: Richard W. Grounds, P.E.
President

Proposal accepted by Client or
authorized representative of Client:

Signature

Date

Name & Title (please print)

RWG: rwg

Attachments:

GEG Schedule of Charges & Terms, current revision

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9-6

Exhibit "B-1"

Grounds Engineering Group, Inc.

Professional Engineers & Consultants

SCHEDULE OF CHARGES AND TERMS

The compensation and terms of payment to Grounds Engineering Group, Inc. (GEG), for professional services are as follows:

1. PERSONNEL CHARGES

GEG shall be paid for each hour spent performing work in accordance with the following rate schedule. Overtime billing, if required, would be reviewed with and authorized by the client in advance.

Table with 2 columns: TITLE and RATE. Rows include Project Management Services (140.00/hr), Engineering Services (125.00/hr), Forensic Engineering Services (various rates for file review, depositions, court testimony), Inspection/Evaluation/Expediting & Surveillance Services, and Administrative Assistant & Clerical (65.00/hr).

Notes: The listed rates apply to straight-time hours worked Monday through Friday, and do not apply to weekends and holidays. Hours worked on Saturdays would be billed at 1.5 times the hourly rate, up to the first twelve (12) hours, and at twice the hourly rate thereafter.

2. TRAVEL & DIRECT EXPENSES

GEG shall be paid for transportation expenses related to the work assignment which are incurred by our personnel. When travel to an offsite location (a location other than the GEG office) is requested by the client, or is required as part of our Professional Services, a minimum four (4) hour labor charge at the appropriate hourly rate would apply.

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Grounds Engineering Group, Inc.
PO Box 1127
Huntington Beach, CA 92647

Phone: 714 719-3373
Fax: 714 846-2234
r.grounds@earthlink.net
CA ME Lic #: M29138



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Grounds Engineering Group, Inc.

Professional Engineers & Consultants

of \$55.00 USD per day would be billed. Personal automobile mileage would be billed at \$0.65 USD per mile.

In-house reprographic expenses – copying, plotting, etc., related to the work assignment would be billed at the following rates:

- 8.5 x 11 - \$.45 / sheet

- 11 x 17 - \$.85 / sheet

All third party reprographic expenses - copying, plotting, photo-lab, blue-lines, demonstrative aids, etc., and lab / testing expenses related to the work assignment would be billed at cost plus 15%. Receipts of the incurred expenses will be submitted to the client upon presentation of the GEG invoice.

Rental expenses related to the work assignment would be billed at cost plus 15%. Receipts of the incurred expenses will be submitted to the client upon presentation of the GEG invoice.

3. BILLING

GEG shall present an invoice to the client upon completion of services. In the case of ongoing services, GEG shall present a bi-weekly progress invoice to the client. The invoice shall be paid upon receipt, unless prior arrangements have been made in advance between the client and GEG. Services for Depositions and Court Testimony shall be paid in advance. In some cases, a retainer shall be required prior to commencing work, which would be agreed upon between the client and GEG.

Fees and expenses incurred in currencies other than the U.S. Dollar (USD) will be converted to USD for invoicing purposes at the exchange rate listed in the *Wall Street Journal* on the date of the Invoice.

4. LATE CHARGES, PENALTIES, AND COLLECTION REMEDIES

Late charges of 1.5% per month on the unpaid balance will be charged for overdue invoices paid later than the terms agreed upon in this Schedule. Should disputes arise regarding billing, work, etc., the client and GEG agree to submit the dispute to binding arbitration under the rules of the American Arbitration Association. The venue of arbitration shall be Orange County, California. In the event of any dispute involving enforcement of this agreement resulting in arbitration, the prevailing party shall be entitled to reasonable pre-award / judgment of attorney's fees and costs, as well as reasonable attorney's fees and costs required to collect any award or judgment amount.

5. LIABILITY LIMITS

Client's sole and exclusive remedy for damages arising out of errors, omissions, or other professional negligence shall be limited to the total gross compensation received hereunder, without interest. GEG shall not be liable for Client's consequential or incidental damages for any breach of this agreement. The Client shall agree to the fullest extent permitted by law to limit the liability of GEG and its sub-consultants to the Client and to all construction contractors and subcontractors on the project for any and all claims, losses, costs, damages of any nature, or claims expenses from any cause or causes, so that the total aggregate liability of GEG and its agents, employees and consultants to all those named shall not exceed the total fee for the services rendered for this project or the activities carried out pursuant thereto. Such claims and causes include, but are not limited to, negligence, professional errors or omissions, strict liability, breach of contract or warranty.

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9-8

Grounds Engineering Group, Inc.

Professional Engineers & Consultants

6. TERMINATION

In the event of termination of Agreement for services, by either party, the Client shall pay GEG for all services rendered and reimbursable expenses incurred by GEG, billable to Client, to the date of said termination. Either Party may terminate an agreement for services upon giving the other Party not less than ten (10) days written notice at the address herein for any of the following reasons:

- a) Failure to perform services in accordance with the terms of the agreement for services through no fault of the terminating Party;
- b) Violation of the terms of the agreement for services;
- c) Suspension of the work assignment by the Client.

7. EFFECTIVE DATES

This Schedule of Charges and Terms is effective beginning June 01, 2011.

GEG quotations for work referencing this Schedule are effective for thirty (30) days from the date of quotation, unless otherwise specified, and are subject to revision at the discretion of GEG should they go unexcited by the client beyond that limit.

Grounds Engineering Group, Inc.
PO Box 1127
Huntington Beach, CA 92647

Service And Integrity You Can Depend On SM

Phone: 714 719-3373
Fax: 714 846-2234
r_grounds@earthlink.net
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9-9

Exhibit "I"

**CONTRACT NO. 11-019
AGREEMENT FOR CONSULTING SERVICES
BETWEEN
VENTURA REGIONAL SANITATION DISTRICT
AND
GROUNDS ENGINEERING GROUP, INC.**

THIS AGREEMENT is made and entered into this 6th day of July 2011 by and between the VENTURA REGIONAL SANITATION DISTRICT, a public agency formed pursuant to California Health & Safety Code Section 4700 et seq., ("DISTRICT") and GROUNDS ENGINEERING GROUP, INC., a California Corporation, hereinafter "CONTRACTOR."

RECITALS

- A. DISTRICT has a need to engage the specialized services of a CONTRACTOR to provide facility engineering support services at the Toland Road Landfill facility.
- B. DISTRICT has selected CONTRACTOR, as best qualified, based on unique expertise in relation to DISTRICT operations. The selection procedure is in conformance with Section 403 of DISTRICT Purchasing Resolution No. 89-13.
- C. CONTRACTOR represents it possesses the necessary skills and experience to perform the required services and is willing to contract with DISTRICT.
- D. The parties enter into this Agreement to set forth their respective rights and obligations.

AGREEMENT

ARTICLE 1: WORK STATEMENT

- A. CONTRACTOR shall provide the engineering services described in the attached as (Exhibit "A") to this Agreement and incorporated herein.
- B. CONTRACTOR shall designate a representative who shall represent CONTRACTOR and be its sole contact and agent in all consultations with DISTRICT during fulfillment of the terms of this Agreement. CONTRACTOR's representative shall be Richard W. Grounds, P.E., President. In the event Mr. Grounds becomes unavailable, CONTRACTOR shall immediately designate another representative satisfactory to DISTRICT. CONTRACTOR shall use its best efforts in providing services to DISTRICT and shall cooperate with DISTRICT and provide DISTRICT with all available information and assistance in relation to the Project.
- C. DISTRICT shall assign a Staff Coordinator to work directly with CONTRACTOR in connection with CONTRACTOR services to be performed under this Agreement.

ARTICLE 2: TERM OF CONTRACT

Unless otherwise earlier terminated, this Agreement shall continue in force until the services specified herein have been fully performed. Upon execution of this Agreement by both parties, CONTRACTOR shall diligently pursue work to assure completion on a timely basis. Unless otherwise extended in writing by both parties, this contract shall automatically terminate on June 30, 2012.

9-10

ARTICLE 3: INDEPENDENT CONTRACTOR RELATIONSHIP

A. It is expressly understood between the parties that no employee/employer relationship is intended, the relationship of CONTRACTOR to DISTRICT being that of an independent contractor. DISTRICT shall not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to CONTRACTOR.

B. CONTRACTOR is solely responsible for selecting the means, methods and procedures for performing its services hereunder as assigned by DISTRICT and for coordinating all portions of the work so the result will be satisfactory to the DISTRICT. CONTRACTOR will supply all tools and instrumentalities required to perform its services under this Agreement.

C. CONTRACTOR pursuant to this Agreement is rendering professional services only and any payments made to it are compensation solely for such services as it may render and recommendations it may make in the performance of services.

ARTICLE 4: CONFIDENTIAL RELATIONSHIP/TITLE TO DOCUMENTS

CONTRACTOR agrees that all dealings of the parties under this Agreement shall be confidential and no report, data, information or communication developed, prepared or assembled by CONTRACTOR under this Agreement, or any information made available to CONTRACTOR by DISTRICT, shall be revealed, disseminated or made available by CONTRACTOR to any person or entity other than DISTRICT without the prior written consent of DISTRICT. All data, calculations, drawings and other documents developed, prepared, completed or acquired by CONTRACTOR during the performance of its services hereunder shall be turned over to DISTRICT upon termination of this Agreement.

CONTRACTOR shall provide copies of original source electronic files (i.e. - Microsoft Word or Excel files, Autocad DWG files, etc.) of all work completed as part of this CONTRACT. Such files shall not be protected or otherwise restrict access.

ARTICLE 5: PAYMENT TO CONTRACTOR

A. In consideration of CONTRACTOR's performance of services as described herein, DISTRICT shall pay CONTRACTOR fees for its services at the hourly rate as prescribed in Exhibit "B" plus any expenses which are pre-approved by DISTRICT. CONTRACTOR shall submit weekly invoices in sufficient detail to show the total amount of work done. DISTRICT shall review and approve CONTRACTOR's invoice for accuracy and agree with CONTRACTOR on any adjustments that may be appropriate. Such approvals shall not be unreasonably withheld. DISTRICT shall pay CONTRACTOR for all approved work and materials within 15 days of submission of each invoice. In the event of disagreement with CONTRACTOR on adjustments or disallowances, said amounts and disputes shall be withheld until resolved. Upon resolution of the disagreements, payment of the approved amount shall be made immediately.

B. Total fees to be paid by DISTRICT to CONTRACTOR for CONTRACTOR's services described herein shall not exceed \$25,000 without written amendment hereto.

ARTICLE 6: TERMINATION OF CONTRACT

Either party may terminate this Agreement at any time with or without cause by giving ten (10) days written notice to the other party. In the event of such termination, CONTRACTOR shall have the right to expend additional time (not to exceed 10% of the total fees payable under this Agreement) to assemble the work in progress for the purpose of proper filing and closing the job. Such additional time shall not increase CONTRACTOR's total compensation beyond the maximum stated in Article 5.

ARTICLE 7: INDEMNIFICATION AND HOLD HARMLESS

CONTRACTOR agrees to indemnify and hold harmless DISTRICT, and its officers, agents and employees, from and against any liability, damages, costs, and/or expenses, resulting from or connected with CONTRACTOR's negligent performance of this Agreement (including, but not limited to such liability, cost, damage, and/or expense arising from the death of or injury to, or damage to property of CONTRACTOR, DISTRICT, or their respective employees or agents), except to the extent that such liability, damages, costs, and/or expenses are caused by the negligent or wrongful acts or omissions of DISTRICT or any of its agents or employees. Notwithstanding the preceding sentence, Contractor shall not, in any event, be liable to District for any legal fees or defense costs incurred by District arising out of any action based on allegations of Contractor's negligence performance under this Agreement.

ARTICLE 8: INSURANCE

CONTRACTOR shall provide and keep in effect during the term of this Agreement insurance as follows:

- A. Workers' Compensation and Employer's Liability in accordance with applicable laws.
- B. Comprehensive Commercial Liability policies with combined single limit coverage of \$1,000,000 for any personal injury, death, or property damage.
- C. Comprehensive Automobile Liability policies with combined single limit coverage of \$1,000,000 for personal injury, death, or property damage.

CONTRACTOR shall provide certificates of such insurance to DISTRICT prior to the start of work. Said certificates shall specifically provide that: (1) DISTRICT is an additional insured for the coverage in Items B and C above; (2) any other insurance coverage applicable to the loss shall be deemed excess coverage and CONTRACTOR's insurance shall be primary for the coverage in Items B and C above; and (3) such insurance shall not be terminated or canceled without thirty (30) days' prior written notice having been given DISTRICT at its address set forth in this Agreement, except that ten (10) days' written notice shall be acceptable in the case of cancellation for nonpayment.

ARTICLE 9: SUBCONTRACTORS

This Agreement is a personal service contract and the consulting work hereunder shall not be delegated or assigned by CONTRACTOR to any person or entity without the consent of DISTRICT. Breach of this provision shall be grounds for immediate termination of this Agreement.

ARTICLE 10: NOTICES

All notices or other official correspondence relating to contractual matters between the parties shall be made by depositing the same as first-class, postage paid mail addressed as follows:

To CONTRACTOR: Richard W. Grounds, P.E., president
GROUNDS ENGINEERING GROUP, INC.
P.O. Box 1127
Huntington Beach, CA 92647

To DISTRICT:

Finance & Administration
VENTURA REGIONAL SANITATION DISTRICT
1001 Partridge Drive, Suite 150
Ventura, California 93003-0704

or to such other address as either party may designate hereinafter in writing delivered to the other party. All notices shall be deemed to have been received three (3) days after mailing.

ARTICLE 11: NO WAIVER

No failure or delay by DISTRICT in asserting any of DISTRICT's rights and remedies as to any default of CONTRACTOR shall operate as a waiver of the default, of any subsequent or other default by CONTRACTOR, or of any of DISTRICT's rights or remedies. No such delay shall deprive DISTRICT of its right to institute and maintain any action or proceeding which may be necessary to protect, assert or enforce any rights or remedies arising out of this Agreement or the performance of this Agreement.

ARTICLE 12: PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement is found 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.

ARTICLE 13: TERMS

No alteration or amendment of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated herein shall be binding on any of the parties.


ARTICLE 14: CALIFORNIA LAW


This Agreement shall be interpreted and construed pursuant to the laws of the State of California. The parties agree that should litigation arising from this Agreement be commenced within California, such litigation shall occur within a court of competent jurisdiction within the County of Ventura.

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

APPROVED AS TO FORM: ARNOLD, BLEUEL,
LaROCHELLE, MATHEWS, & ZIRBEL, LLP

VENTURA REGIONAL SANITATION DISTRICT

By 
MARK A. ZIRBEL
Legal Counsel for DISTRICT

By 
JAMES L. MONAHAN, Chairman Board of
Directors - MARK LAWLER
General Manager

ATTEST:

GROUPS ENGINEERING GROUP, INC.

By 
JOSIE GUZMAN, Clerk of the Board

By 
RICHARD W. GROUNDS, P.E., President

9-13

Exhibit "A"

Proposal 11-0106-01 Rev 0 - Facility Engineering Support Services Project

Grounds Engineering Group, Inc. will perform engineering services of the Ventura Regional Sanitation District to provide facility engineering support as directed by the VRSD representative(s), and coordinate with VRSD personnel and other parties as necessary for the Facility Engineering Support Services Project in accordance with this proposal and attachments.

Preliminary Project Elements:

We understand the preliminary Project Elements to include the following:

1. Water / irrigation system review; land owner proposed tie-in near Booster Pump #1.
2. Flare system review, repair and improvement.
3. Biosolids facility operation.

Preliminary Scope of Services:

1. Review water / irrigation system drawings, as available, and work with farmer(s) and VRSD personnel to review proposed tie-in near Booster Pump #1; work with VRSD personnel to revise / as-built applicable drawings.
2. Review flare system, and work with vendor(s) and VRSD personnel to repair skid mounted components and improve the system; work with VRSD personnel to revise / as-built applicable drawings.
3. Review Biosolids facility operation, and work with vendor(s) and VRSD personnel in problem identification, troubleshooting, and resolution.
4. Provide facility and field engineering support services as directed by VRSD personnel.

Preliminary Deliverables:

1. The specific deliverables for project elements would be developed and mutually agreed to by GEG and VRSD personnel during the element review process.

Clarifications:

1. Weekday over-time hours would be billed at the straight-time Engineering Services rate. Weekend or holiday hours would be billed in accordance with the attached GEG Schedule of Charges & Terms, which is adjusted periodically.
2. GEG would provide a part-time, on-site presence at the Toland Road Landfill facility during the project to facilitate communication and project execution. Initial estimate is one to two days at-site, with additional support via e-mail and teleconference as mutually scheduled; for an estimated twenty to twenty four hours per week. Two-day coverage at site would require one (1) overnight stay in the area by GEG personnel, and would be billed at a per

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9-14

diem rate of \$145 USD. Other travel and direct expenses would be billed in accordance with the attached GEG Schedule of Charges & Terms, which is adjusted periodically.

3. Invoicing shall be submitted by GEG to VRSD weekly; with payment terms of Net 15.

These services would be provided on a time and material basis, in accordance with this proposal and attachments.

9-15

Exhibit "B"

Grounds Engineering Group, Inc.
Professional Engineers & Consultants

SCHEDULE OF CHARGES AND TERMS

The compensation and terms of payment to Grounds Engineering Group, Inc. (GEG), for professional services are as follows:

1. PERSONNEL CHARGES

GEG shall be paid for each hour spent performing work in accordance with the following rate schedule. Overtime billing, if required, would be reviewed with and authorized by the client in advance.

<u>TITLE</u>	<u>RATE</u>
Project Management Services	140.00 / hr
Engineering Services	125.00 / hr
Forensic Engineering Services	
- File Review & Prep	210.00 / hr
- Depositions (4 hour min)	245.00 / hr
- Depositions (Over 4 hours)	1960.00 / day
- Court Testimony	1960.00 / day
Inspection, Evaluation, Expediting & Surveillance Services (4 hour min; Over 4 hours up to 8 hours, 8 hour min)	115.00 / hr
Administrative Assistant & Clerical	65.00 / hr

Notes: The listed rates apply to straight-time hours worked Monday through Friday, and do not apply to weekends and holidays. Hours worked on Saturdays would be billed at 1.5 times the hourly rate, up to the first twelve (12) hours, and at twice the hourly rate thereafter. Hours worked on Sundays would be billed at 1.5 times the hourly rate, up to the first eight (8) hours, and at twice the hourly rate thereafter. Hours worked on Holidays (U.S. Holidays recognized by GEG) would be billed at twice the hourly rate starting from the first hour and thereafter.

2. TRAVEL & DIRECT EXPENSES

GEG shall be paid for transportation expenses related to the work assignment which are incurred by our personnel. When travel to an offsite location (a location other than the GEG office) is requested by the client, or is required as part of our Professional Services, a minimum four (4) hour labor charge at the appropriate hourly rate would apply. Personnel charges thereafter would be billed at the appropriate hourly rate for the professional services being provided. Travel labor charges would be billed portal-to-portal. International air travel, and domestic air travel of three hours or more, shall be via Business Class service. Air travel carrier shall be a member of the Star Alliance network. Accommodations, taxis, rental cars, and other travel expenses would be billed at cost. When traveling within a fifty (50) mile radius of the GEG office, meals would be billed at cost. Receipts of the incurred expenses will be submitted to the client upon presentation of the GEG invoice. When traveling beyond a fifty (50) mile radius, or if the assignment exceeds six (6) hours, a Meal per Diem

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9-16

Grounds Engineering Group, Inc.
Professional Engineers & Consultants

of \$55.00 USD per day would be billed. Personal automobile mileage would be billed at \$0.65 USD per mile.

In-house reprographic expenses – copying, plotting, etc., related to the work assignment would be billed at the following rates:

- 8.5 x 11 - \$.45 / sheet

- 11 x 17 - \$.85 / sheet

All third party reprographic expenses - copying, plotting, photo-lab, blue-lines, demonstrative aids, etc., and lab / testing expenses related to the work assignment would be billed at cost plus 15%. Receipts of the incurred expenses will be submitted to the client upon presentation of the GEG invoice.

Rental expenses related to the work assignment would be billed at cost plus 15%. Receipts of the incurred expenses will be submitted to the client upon presentation of the GEG invoice.