SUPPLEMENTAL BOARD AGENDA MEMORANDUM

SUBJECT: Expedited Purified Water Program

REASON FOR SUPPLEMENTAL MEMORANDUM:

This Supplemental Agenda Memorandum is required to transmit: (1) PowerPoint presentation for the Expedited Purified Water Program; and (2) Draft Standard Consultant Agreement between Santa Clara Valley Water District and HDR Engineering, Inc.

RECOMMENDATION:

A. Receive and discuss the Expedited Purified Water Program updates and provide direction to staff as needed.

B. Authorize the Chief Executive Officer (CEO) to negotiate and execute a consultant agreement with HDR Engineering, Inc., (HDR) of Walnut Creek, California, for project management services for the Expedited Purified Water Program for a fee up to $2,400,000.

C. Receive and discuss information regarding environmental review and permitting services.

D. Approve a budget reallocation/adjustment of $1,300,000 from the Indirect Potable Reuse Projects—Planning (IPR) to the Silicon Valley Advanced Water Purification Center (SVAWPC) Expansion Project, a program element, to allow staff to proceed with planning and design of the Expansion Project.

SUMMARY:

This Supplemental Agenda Memorandum is to provide the Board with the PowerPoint presentation and draft Standard Consultant Agreement, which was not available at the time of posting the regular agenda memorandum.

FINANCIAL IMPACT CHANGE:

No changes.

CEQA:

No changes.
SUBJECT:

ATTACHMENTS:

Attachment 1: PowerPoint Presentation on Expedited Purified Water Program
Attachment 2: Draft Standard Consultant Agreement
Organization of Presentation

- Staff Recommendation
- Program Background
- Program Updates
- HDR Project Management Contract
- Environmental review/permitting services
- Budget Reallocation/Adjustment
Recommendation

A. Receive and discuss Program updates and provide direction
B. Authorize CEO to negotiate and execute contract with HDR, up to $2.4M
C. Receive and discuss environmental review and permitting services
D. Approve budget reallocation/adjustment of $1.3M from IPR to SVAWPC Expansion Project
Program Background
Key Drivers of the Expedited Program

- California in fourth year of drought
- Urgent need to develop drought-proof, reliable, and locally controlled water supply
- Risk of subsidence and significant impact on infrastructure and economy of the county
- Environmental benefits of purified water use
Potential Groundwater Impacts Due to Extended Drought

Projected Continued Drought

- **NORMAL**: Above 300,000 AF
- **ALERT**: 250,000 – 300,000 AF
- **SEVERE**: 200,000 – 250,000 AF
- **CRITICAL**: 150,000 – 200,000 AF
- **EMERGENCY**: Below 150,000 AF

**20% Conservation** (with 25,000 AF additional imported water)

 Increased Subsidence Risk

 Scenarios of Different Water Use Reductions

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
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<tr>
<td>%</td>
<td>0%</td>
<td>13%</td>
<td>0%</td>
<td>20%</td>
<td>0%</td>
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IPR could raise groundwater storage by 35,000 AF each year.
March 12, 2015: Board receives information on the opportunity for an Expedited Purified Water Program

April 28, 2015: Board authorizes single source contracts and contract amendments to expedite Program

June 22, 2015: Program updates and presentation on the Project Delivery Method Evaluation

July 28, 2015: Board approved Dual Track strategy for P3 and continuing planning and design of the SVAWPC expansion project
The Program

Deliver up to 45,000 acre-feet purified water for potable reuse by 2020

Planned Potable Water Reuse Projects
## Estimated Cost

### Proposed IPR Projects - *Estimated Costs*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Ford Recharge Ponds IPR</td>
<td>4,200</td>
<td>$60-$140</td>
<td>$70</td>
<td>$4.0</td>
</tr>
<tr>
<td>Mid-Basin Injection Wells IPR</td>
<td>5,600</td>
<td>$120-$280</td>
<td>$140</td>
<td>$3.5</td>
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<tr>
<td>Los Gatos Recharge Ponds IPR</td>
<td>20,200</td>
<td>$210-$520</td>
<td>$260</td>
<td>$10.0</td>
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<tr>
<td>Westside Injection Wells IPR</td>
<td>5,000</td>
<td>$100-$240</td>
<td>$120</td>
<td>$4.0</td>
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<tr>
<td>Sunnyvale IPR</td>
<td>10,000</td>
<td>$170-$420</td>
<td>$210</td>
<td>$2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45,000</strong></td>
<td><strong>$640-$1600</strong></td>
<td><strong>$800</strong></td>
<td><strong>$23.5</strong></td>
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</table>

*Source: South Bay Recycling Water Recycling aster Plan. Association for the Advancement of Cost Engineering (AACE) expected cost accuracy for project initiation (Class 5) ranges from -20 to -50 percent on the low end and +30 to +100 in the high end.*
<table>
<thead>
<tr>
<th>Strategic Planning</th>
<th>Operations &amp; Capital Program</th>
<th>Board Support &amp; Outreach</th>
<th>Administrative and Financial Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Promote &amp; conduct research to support potable reuse</td>
<td>6. Expedite purified water expansion program (Public Track)</td>
<td>9. Build community &amp; stakeholder support for potable reuse</td>
<td>12. Develop District workforce to support expanded program</td>
</tr>
<tr>
<td>3. Integrate with groundwater management</td>
<td>7. Develop public-private-partnership for the Program (P3 Track)</td>
<td>10. Promote legislation and regulations to advance potable reuse</td>
<td></td>
</tr>
<tr>
<td>4. Develop partnership strategy for countywide system</td>
<td></td>
<td></td>
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</table>
A. Program Updates
Dual Track - Financial Overview

- Public Delivery Method
  - District provides capital – rates & charges
    - Debt issuance
    - Pay-as-You-Go

- P3 Delivery Method
  - Private partner provides capital
    - Project financing
    - District repays thru rates & charges

- Hybrid Approaches
P3 Project Finance – Capitalization

Corporate Sponsor

---

Equity Contribution

---

Loan Proceeds

---

Single-Purpose Entity (SPE)

---

Construction Costs

---

EPC Contractor

---

The District

---
P3 Project Finance – Repayment

Corporate Sponsor

Equity Return

Single-Purpose Entity (SPE)

Debt Service

P3 Agmt Payments

Operator

O&M

The District
P3 Legal and Financial Threshold Issues

- Private activity issues for tax-exempt debt under IRS regulations
  - Mitigated by: Qualified Management Contract; federal legislative remedies; and IRS private letter ruling
- Availability of tax-exempt financing
- Legal issues with procurement/public contracting
- Availability of grants/low-interest loans
- Internal/external stakeholder interests
P3 RFQ/RFP Framework

- Managed in parallel with DB
- Shortlist min. three P3s to deliver all or parts of the Program
- RFQ criteria: P3 experience; capital strength; responsiveness; client references; etc.
- RFP criteria: proposed approach; allocation of risk; pricing; terms & conditions; compliance with District’s requirements; SBE
  - Stipend may be offered to encourage participation
## P3 & DB RFQ/RFP Target Schedule

### Calendar Year

<table>
<thead>
<tr>
<th>Activity</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sep-Dec</td>
<td>Jan-Mar</td>
</tr>
<tr>
<td>Technical Studies (Prelim. Eng.; Operations; Groundwater; Brine)</td>
<td>✈</td>
<td>Apr-Jun</td>
</tr>
<tr>
<td>1. Publish RFQ</td>
<td></td>
<td>Jul-Sep</td>
</tr>
<tr>
<td>2. Evaluate &amp; select P3/DB Teams</td>
<td></td>
<td>Oct-Dec</td>
</tr>
<tr>
<td>3. Pre-proposal conf. /technical updates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Publish RFP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Evaluate Proposals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Board decision: P3 or DB</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Attachment 1*

Page 19 of 28
B. Project Management Contract
Project Management Contract

- Project management services RFQ published on 6/18/15
- Five Statements of Qualification received
- HDR ranked highest
- Contract not to exceed $2.4 million

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Target Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fast-Start Activities</td>
<td>Dec. 2015</td>
</tr>
<tr>
<td>2</td>
<td>Core Project Management Activities</td>
<td>Mar. 2017</td>
</tr>
<tr>
<td>4</td>
<td>Environmental/Permit Planning</td>
<td>Mar. 2017</td>
</tr>
<tr>
<td>5</td>
<td>Assistance with Public-Private Partnership</td>
<td>Mar. 2017</td>
</tr>
<tr>
<td>6</td>
<td>Support Workforce Development</td>
<td>Mar. 2017</td>
</tr>
<tr>
<td>7</td>
<td>Supplemental Services</td>
<td>Mar. 2017</td>
</tr>
</tbody>
</table>
Program Management Structure

COO
Water Utility Enterprise

DOO
Water Utility Capital

DOO
Water Supply

HDR Inc.

P3 Process Manager
(report to CFO)

ENGINEERING CONTRACTS

Preliminary Assessment
Preliminary Engineering
SVAWPC Expansion D/B
CEQA/Permitting

PLANNING CONTRACTS

Regional Brine Studies
Ground Water Studies
Operations Studies
Grant Funding
C. Environmental Review and Permitting Services
- CEQA exemption available for certain recycled water elements
- CEQA consultant selection process initiated
- Pursuing federal legislation for NEPA exemption
D. Budget Reallocation/Adjustment
Board approved $16.5M for the Indirect Potable Reuse Projects – Planning (IPR) in FY 2016 Budget

- Reallocating $1.3M to the SVAWPC Expansion Project for FY 2016

- No change to FY 2016 Program cost
Summary
Summary

- Urgency in expediting Program due to ongoing drought, risk of subsidence and impacts to infrastructure and economy of county.
- Approval of staff Recommendations B and D will allow Program work to continue.
STANDARD CONSULTANT AGREEMENT

C0323 (05-09-14)

THIS AGREEMENT “Agreement” is entered into on __Sep 22, 2015__, by and between SANTA CLARA VALLEY WATER DISTRICT, (“District”), and HDR Engineering, Inc., (“Consultant”), collectively the Parties.

WHEREAS District desires certain services hereinafter described and Consultant is capable of providing and desires to provide such services,

NOW, THEREFORE, District and Consultant for the consideration and upon the terms and conditions specified agree as follows:

SECTION I

SCOPE OF SERVICES

The services to be performed under this Agreement are as described in Appendix One, attached hereto and incorporated herein by this reference.

SECTION II

DUTIES OF CONSULTANT

All work performed by Consultant or under its direction must be sufficient to meet the purposes specified in this Agreement, and must be rendered in accordance with the accepted practices and standards of Consultant’s profession.

Consultant must stay informed of and observe any and all statutes, laws, ordinances, and regulations pertaining to Consultant’s contractual performance. To the extent that any copyrighted materials are used or reproduced for use in such performance, Consultant must secure, at its sole cost and expense, any and all necessary permission to utilize or reproduce such materials in the manner proposed or suggested by the scope of services.

Consultant must not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance in writing by District. The cost of such additional work will be reimbursed to Consultant by District on the same basis as provided in Section IV unless otherwise specified.

If in the performance of the services hereunder, it is necessary to conduct investigations or other operations in the field, security and safety of the area of such field operations under the control of the Consultant will be the responsibility of Consultant.

Where services hereunder include preparation of drawings and other contract documents by Consultant and where, notwithstanding acceptance and approval by District thereof, in the
opinion of the District, drawings and other contract documents so prepared are found during the course of construction to require modification due to the oversight, inadvertence or negligent omissions of, errors by, or lack of detail provided by Consultant, such modifications must be made by Consultant without additional compensation. Where such contract documents are used in letting a contract for construction, Consultant will assume responsibility for any direct or actual damages suffered or incurred by the District, including, but not limited to, any increase in compensation due to a construction contractor, which increase is directly attributable to the required changes in the Drawings or other contract documents to the extent caused by Consultant’s negligent acts, omissions, or errors.

Consultant is required, at District’s request, to meet with District staff regarding performance of the Scope of Services.

In accordance with the provisions of Section 3700 of the California Labor Code, Consultant is required to secure Workers’ Compensation insurance for its employees. Consultant must obtain and keep in full force and effect Workers’ Compensation insurance necessary in connection with the performance of this Agreement to protect Consultant and its employees under the Workers’ Compensation Insurance and Safety Act, including coverage under United States Longshoremen’s and Harbor Worker Act, when applicable. Such insurance must be in a standard form and relieve the District of all responsibility therefore. Consultant must, prior to undertaking the work contemplated herein, supply District with a certificate of insurance evidencing that said requirements are fully in effect.

The Santa Clara Valley Water District is an equal opportunity employer and requires its consultants to have and adhere to a policy of equal opportunity and non-discrimination. In the performance of the Agreement, the Consultant will comply with all applicable federal, state, local laws and regulations, and will not discriminate against any subconsultant, employee, or applicant for employment, in the recruitment, hiring, employment, utilization, promotion, classification or reclassification, transfer, recruitment, recruitment advertising, evaluation, treatment, demotion, layoff, termination, rates of pay or other forms of compensation, and selection for professional development training (including apprenticeship), or against any other person, on the basis of sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), race, religion, color, national origin (including language use restrictions), ancestry, religious creed (including religious dress and grooming practices, political affiliation, disability (mental and physical, including HIV or AIDS), medical condition (cancer and genetic characteristics), genetic information, marital status, parental status, gender, age (40 and over), pregnancy, military and veteran status, sexual orientation, gender identity and gender expression, the exercise of family and medical care leave, the exercise of pregnancy disability leave, or the request, exercise, or need for reasonable accommodation. The Consultant’s policy must conform with applicable state and federal guidelines including the Federal Equal Opportunity Clause, “Section 60-1.4 of Title 41, Part 60 of the Code of Federal Regulations,” Title VII of the Civil Rights Act of 1964 as amended; the American’s with Disabilities Act of 1990; the Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code Section 12900 et. Seq.); California Labor Code Sections 1101 and 1102.

Consultant is responsible for designating a specific person responsible for assuring nondiscrimination and non-harassment as provided in the Agreement. That named individual must investigate all complaints directed to them by District. District will refer complaints in writing, and investigations will be deemed concluded only upon submission of a written
investigation report from the Consultant to the District. The scope of such investigations must include not only officers, employees, and agents of the Consultant, but also all subcontractors, subconsultants, materialmen, and suppliers of the Consultant. In cases where such investigation results in a finding of discrimination, harassment, or hostile work environment, Consultant must take prompt, effective disciplinary action against the offender. Failure to take appropriate action is a material breach of the Agreement.

SECTION III

DUTIES OF DISTRICT

District agrees to make available to Consultant all data and information in the possession of District which District deems necessary to the preparation of the work, and District will actively aid and assist Consultant in obtaining such information deemed necessary from other agencies and individuals.

The District will authorize a staff person as the District representative to confer with Consultant relative to Consultant services hereunder. The work in progress hereunder will be reviewed by District at each milestone or at the discretion of District. If the District determines that the work is satisfactory and meets the requirements of the Agreement, it will be approved. If the work is not satisfactory, District will inform Consultant of the changes of revisions necessary to secure approval. However, none of the proposed changes or revisions or anything else in this Agreement should be construed to relieve the Consultant of professional or legal responsibility for the performance of any services. Corrections to the work as a result of errors or omissions of Consultant will not result in additional costs or expenses to District.

SECTION IV

FEES AND PAYMENT

District will pay for the services described in this Agreement according to the fee schedule set forth in Appendix Two attached hereto and incorporated herein by this reference. Payment for services and any other expenses related to this Agreement must not exceed the limit or limits shown in Appendix Two. Such payment is considered as full compensation for all labor, materials, supplies, equipment, and other items used in carrying out the services described in this Agreement.

Consultant must send all invoices to:

Santa Clara Valley Water District
Attention: Accounts Payable
P.O. Box 20670
San Jose, CA 95160-0670

Consultant must invoice for services on a monthly basis against the schedule of payments outlined in Appendix Two. Each monthly invoice must include a progress statement indicating whether or not the services are on schedule to be completed in accordance with Appendix Three. If completion of the services is not on schedule to be completed per
Appendix Three, the progress statement must specify the anticipated length of the delay, the cause of the delay, the measures taken or proposed to mitigate the delay, and the timetable to implement those measures. In addition to ensuring that each invoice is accompanied with a progress statement, Consultant must also ensure that each invoice contains the following information:

- Agreement Number
- Full Legal Name of Consultant/Firm
- Payment Remit-to Address
- Invoice Number
- Invoice Date (the date invoice is mailed)
- Beginning and end date for billing period that services were provided

If a progress statement is not attached to the invoice, or if the invoice does not contain the bulleted items above, that invoice will not be processed for payment.

Consultant must maintain records detailing the time worked by each employee and the rate at which the employee’s time is being charged. When applicable, invoices must detail the time worked by each class of employee, and the rate at which the class of employee’s time is being charged. In order to obtain reimbursement for allowable expenses, the statements must include an itemization of the actual expenses incurred.

Unless otherwise specified, when the total compensation payable under this Agreement exceeds twenty thousand dollars ($20,000), five (5) percent of each statement will be withheld by District and not paid to Consultant until thirty (30) calendar days after the assigned District representative has signed off the final approval for the entire work for Task One through Task Six and any additional Supplemental Services that were authorized through a Task Order as stated in Appendix One. If this Agreement is amended to add additional Tasks, the District will negotiate the payment/retention terms at that time.

SECTION V

TIME OF BEGINNING AND SCHEDULE FOR COMPLETION

Consultant must begin work by the date indicated in the written Notice to Proceed from District. The notice will not be issued until after this Agreement has been approved and authorized by District.

The schedule for completion of the work is detailed in Appendix Three attached hereto and incorporated herein by this reference.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)
SECTION VI

CHANGES IN WORK

District may order, via a written amendment signed by each party's authorized representative, changes in scope or character of work, either decreasing or increasing the amount of Consultant’s services.

This Agreement may be terminated for cause by either party for failure to comply with any terms and conditions of this Agreement, provided, however, that the party in breach has five (5) business days or such period as the parties may otherwise agree in writing to cure such breach following written notification. Additionally, this Agreement may be terminated for convenience by the District upon five (5) business days prior written notice to Consultant. In the event of termination of this Agreement, (i) the District’s sole obligation will be to pay Consultant for any authorized work performed through the date of the termination, subject to the not-to-exceed fee for each task; and (ii) Consultant must provide the District with all deliverables and other tangible data created through the date of termination. This paragraph will not be deemed to waive, prejudice, or diminish any rights which the District or Consultant may have at law or in equity for an unlawful termination or other breach of this Agreement by the other party.

SECTION VII

DELAYS AND EXTENSIONS

In the event Consultant is delayed in performance of its services by circumstances beyond its control, District may in its discretion grant a reasonable adjustment in the Schedule of Completion. All claims for adjustments in Schedule of Completion must be submitted to the District representative by Consultant within thirty (30) calendar days of the time of occurrence of circumstances necessitating the adjustment.

SECTION VIII

RESOLUTION OF DISPUTES

In the event of a dispute regarding performance of any of the terms of this Agreement, the parties agree to proceed as follows:

Internal Review: If Consultant wants to dispute an interpretation or requirement, Consultant must invoke this provision and submit the particulars of Consultant’s position in writing to the identified District Representative. District Representative must reply in writing to the Consultant. If Consultant is not satisfied by the response of the District Representative, Consultant may appeal to the District’s Contract Administrator, or designee. To exercise this administrative remedy the Consultant must submit their written position, the District Representative’s response and any other additional reply information the Consultant deems relevant to the decision, to the District’s Contract Administrator, or designee, with a copy to the District Representative. The Contract Administrator may at his/her discretion hold a meeting, ask for additional written information, and/or issue a decision based on the information submitted. If after following the

Expedited Purified Water Program
Project Management Services
Ver. (09/18/15)
C13238.docx
Internal Review Process the Consultant is still not satisfied, Consultant may seek external review.

External Review: Consultant, only after proceeding through the Internal Review Process, or District may seek external review where there is a dispute regarding an interpretation or requirement under the Agreement. The intent of this provision is to provide an informal dispute resolution measure which is alternative to a court action. The parties agree that they will submit the controversy to mediation before a mediator. The selection of the mediator and the ground rules for the mediation must be agreed upon by the parties. If agreement cannot be reached to pursue binding mediation or another acceptable alternative dispute resolution procedure, the matter may be submitted to Court for traditional resolution.

SECTION IX
MISCELLANEOUS PROVISIONS

District reserves the right to approve the project manager assigned by Consultant to said work.

Consultant may not assign this Agreement without the express written consent of the District.

Consultant is employed to render a professional service only and any payments made to Consultant are compensation solely for such services as Consultant may render.

Any discretion or right to approve given to any party herein must be exercised in a reasonable manner.

All deliverables and other materials prepared by Consultant, including computer programs developed by the Consultant and media, to provide the services, during the term of this Agreement, will be and remain the property of the District following payment in full to Consultant for each task or portion of a completed task. In the event the work is not completed, the completed portions thereof will become the property of the District. Consultant will provide the District with such deliverables and material at appropriate times during this Agreement. Consultant may retain a copy for its records. Notwithstanding the foregoing, Consultant is not limited in its ability or right to develop, design or provide services on other projects of or for its other clients.

If the District desires to re-use the completed plans, specifications, or other deliverables, in total or in part, on project sites associated with this Agreement, or any other site, or to complete any incomplete portion of construction documentation which the District has already paid Consultant, the District will release the Consultant from any liability incurred by the District from re-using said deliverables.

Any and all original correspondence, memoranda, reports, designs, plans, specifications, data compilations, computer programs, or drawings delivered to the District by Consultant under terms of this Agreement, in or by any medium is deemed to belong to the District.

Consultant represents and warrants that neither it or its Parent or Subsidiary Company is currently acting as consultant or expert for any party in support of a claim, potential claim, or active or potential legal action against the District by such party. Consultant agrees that it or its...
Parent or Subsidiary Company will not so act as such consultant or expert for the duration of this Agreement without first obtaining the written consent of District.

Consultant hereby acknowledges that District policy prohibits the acceptance by District personnel of gifts of any kind from vendors or contractors. Consultant must honor this policy by not sending or bringing gifts to the District.

Consultant agrees that District, or its agent, has the right to review, obtain, and copy all records pertaining to performance of this Agreement. Consultant agrees to provide District, or its agent, with any relevant information requested and will permit District, or its agent, access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting or copying books, records, accounts, computerized records, and other materials that may be relevant to the matter under investigation for the purpose of determining compliance with this Agreement. Consultant further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

It is understood and agreed that the District does not wish to receive from Consultant any confidential information of Consultant or of any third party. Consultant represents and warrants that any information provided to the District in the course of entering into and performing work under this Agreement is not confidential or proprietary to Consultant or any third party. Consultant must maintain confidential all District information which may be disclosed to Consultant where such information by its nature would construe as being confidential by a reasonable person. Consultant will use its best efforts to prohibit any use or disclosure of the District's confidential information, except as absolutely necessary to perform work under this Agreement.

Consultant must notify the District in writing of each completed deliverable described in Appendix One. Within thirty (30) calendar days of Consultant's notice, the District must either (i) notify Consultant that the District accepts the deliverable, or (ii) notify the Consultant of any deficiencies in such deliverable. If the District advises Consultant of deficiencies in the deliverable, Consultant must correct, at no cost to the District, those deficiencies as soon as possible and must again notify the District upon completion. The District must then respond to Consultant's notice within thirty (30) calendar days of receipt, and Consultant must correct at no cost to the District any further deficiencies noted. This process will continue until Consultant has corrected all deficiencies.

This Agreement, which includes the terms and conditions, Appendix One, Appendix Two, Appendix Three, and Appendix Four, represents the entire understanding between the parties hereto relating to the services described in this Agreement and supersedes any and all prior proposals or agreements, whether written or oral, that may exist between the parties. This Agreement may not be modified or amended except in writing signed by a duly authorized representative of the party against whom enforcement is sought.

SECTION X

INDEMNIFICATION

Notwithstanding any other provision of this Agreement, Consultant agrees to indemnify, defend and hold harmless the District, its agents, officers, directors, and employees from and against
any and all demands, claims, damages, losses and reasonable expenses, including but not limited to liabilities, obligations, claims, costs, reasonable expenses (including without limitation interest, penalties and reasonable attorney’s fees), fines, taxes, levies, imposts, assessment, demands, damages or judgments of any kind or nature, whether in law or equity (including without limitation, death or injury to any person, property damage, administrative and judicial orders and consents, or any other loss) to the extent they arise out of, pertain to, or relate to the Consultant’s negligence, recklessness, or willful misconduct. The foregoing does not limit any strict liability imposed onto the Consultant by law. The rights, duties, and obligations of the Parties as set forth above in this Section X Indemnification, survive termination, expiration, and suspension of this Agreement.

SECTION XI

INSURANCE

Consultant’s insurance requirements, if any, are set forth in Appendix Four attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, the parties have executed this Agreement the day first hereinabove written.

SANTA CLARA VALLEY WATER DISTRICT  
“District”

By:  
Beau Goldie  
Chief Executive  
9/22/15  
Date

HDR ENGINEERING, INC.  
“Consultant”

By:  
Holly Kennedy, PE  
Vice President  
9/22/15  
Date

Firm Address:  
100 Pringle Ave., Suite 400  
Walnut Creek, CA 94596

“The official signing for Consultant certifies, to the best of his or her knowledge and belief, that neither Consultant nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.”

NOTE: “No representative may obligate the District to pay fees in excess of the amount in Appendix Two without written authorization from the Board of Directors or appropriate Executive Officer, in accordance with Board Governance Policies.”
APPENDIX ONE
SCOPE OF SERVICES

This Appendix describes the tasks to be undertaken by the Consultant to perform Project Management Services for the development of an Expedited Recycled and Purified Water Program (Program).

I. PROJECT OVERVIEW

In response to the extended drought, declining groundwater levels and the long-term water resources strategy, the District is accelerating potable reuse implementation. The Expedited Purified Water Program will supply up to 45,000 acre-feet per year of highly purified water that will be conveyed to percolation ponds and injection wells.

Major components of the Program may include:

1. Advanced water treatment facilities, including an expanded Silicon Valley Advanced Water Purification Center (SVAWPC), and Ford Ponds and Sunnyvale IPR;

2. Conveyance pipelines and pump stations;

3. Injection wells, including Mid-Basin and Westside;

4. Percolation ponds, including Los Gatos and Ford; and

5. Residuals handling, including reverse osmosis concentrate.

Independently of this Agreement, the District has initiated a series of efforts to develop critical path information on groundwater modeling, operations evaluations, grant funding, preliminary program assessment, and preliminary engineering services. Furthermore, the District plans to initiate the procurement of design/build services for SVAWPC expansion. Finally, the District is exploring an evaluation of the benefits of delivering elements of the Program through a Public-Private Partnership (P3) mechanism.

To continue developing the Program, the District identified a variety of tasks for a Program Manager to conduct in this initial phase of work:

TASK 1—FAST START ACTIVITIES
TASK 2—CORE PROGRAM MANAGEMENT ACTIVITIES
TASK 3—EARLY VALUE-ENGINEERING
TASK 4—ENVIRONMENTAL AND PERMITTING PLANNING
TASK 5—PROGRAM MANAGEMENT PLAN UPDATE
TASK 6—SUPPORT WORKFORCE DEVELOPMENT
TASK 7—SUPPLEMENTAL SERVICES

Each of these tasks is described in detail below. This initial scope of services is expected to carry the Program through its initial phase to define the actual Program that will be implemented. Pending successful completion of the initial scope of services, the District may elect to amend this scope of services to continue provision of program management services through the design, construction and start-up phases of the Program elements.
APPENDIX ONE
SCOPE OF SERVICES

II. GENERAL ASSUMPTIONS

A. Consultant Scope Assumptions

1. The Consultant will provide procedures for project management—including but not limited to planning, program implementation, procurement—that are well developed and only require limited modifications.

2. The Consultant will provide deliverables solely in electronic format (native format and pdf), unless an alternative is specifically identified in scope of work, below.

B. District Responsibilities

1. The District will establish a Project Management Office (PMO) with physical space located at the District’s facilities to enable improved integration of Project Manager Consultant and District personnel.

2. The District will keep Consultant fully informed of critical communications and scheduled meetings relevant to the Program.

3. The District will make key staff available for consultation as requested by Consultant.

4. The District will provide project management services for current consulting contracts pertaining to the Program including monitoring progress, approval of invoices, and review of deliverables.

5. The District will provide logistical support for the Consultant including office space, meeting rooms, phone and computer equipment, and clerical assistance, as needed.

6. The District will provide document reproduction services as needed.

III. PROGRAM DEVELOPMENT SCOPE OF SERVICES

The description of tasks below and their associated level of effort and cost are based on current understanding of work. Given the dynamic nature of the Program development, the tasks may undergo scope changes to reflect changing Program needs. Therefore, allocations in the Agreement Not-to-Exceed Fee for discrete tasks are estimates only.

Task 1—Fast Start Activities

Following an initial kick-off meeting to review planned activities with all key District stakeholders and establish communication protocols, the Project Management Team will initiate Task 1. Through the Fast Start Activities, an integrated team and organizational framework will be formed to accelerate Program development. The overall organization, procedures, and program
APPENDIX ONE
SCOPE OF SERVICES

controls will be developed during the first 60 days and subsequently utilized throughout the Program development phase.

1.1—Conduct Preliminary Assessment of the District’s “Infrastructure”

Review and assess the District’s organization, decision-making processes, project controls and tools, communications strategy, and other items to initially identify any gaps that must be addressed in the Project Management Plan.

Deliverable:
1. Draft and final memorandum identifying potential gaps.

1.2—Review Existing Program Information

The Consultant will review District-furnished scopes of services for preliminary program assessment, preliminary engineering, groundwater modeling, operations analysis, and grant funding for:

a. Appropriateness and consistency of assumptions used in analysis;
b. Potential gaps in proposed mode of analysis;
c. Critical control points in the work, i.e., where inputs can be received to guide the analysis without causing re-work;
d. Schedule risks;
e. Clarity of deliverables;
f. Soundness of the projects’ consultant internal Quality Assurance/Quality Control (QA/QC) procedures;
g. Assumptions, data, and analyses that require coordination among other consultant teams, District efforts, and the work of others; and
h. Items that can be extracted from work prior to final reports that may be useful for work of other consultants, public communication, development of procurement documents, cost updating, and other activities.

Deliverable:
1. Draft and final memorandum identifying potential gaps

1.3—Develop the Program Charter

The Program Charter is the document that will present a common understanding of the Program’s scope, goals, and definition of success. The team will develop the Charter through a facilitated workshop, attended by the District’s Program staff and the Consultant.
can be updated as needed and referenced at any time. The Charter will orient new team members and provide guidance to the team for the duration of the Program.

Deliverables:

1. Agenda and pre-workshop materials;
2. Summary for each meeting; and
3. Draft and final Program Charter.

1.4—Develop the Project Management Organizational Structure

Develop a draft functional organizational chart for this first phase of Program development, perform assessment of District staff, and identify a strategy to fully leverage the experience, talent, and availability of key District staff. Define organizational structure and identify project team staffing requirements. Develop a functional organizational chart to support the Program development, including roles and responsibilities based on District resource and staffing requirements and Consultant resource utilization. Develop an Organizational Work Breakdown Structure (WBS) that shows the reporting hierarchy. Document this structure in the Project Management Plan (PMP).

Deliverables:

1. Assessment of available District staff, capabilities and preferred roles
2. Functional organizational chart and positional roles and responsibilities

1.5—Develop the Project Management Plan (PMP)

Through a series of meetings, develop the PMP to integrate and consolidate all project management policies and procedures, including:

1.5.1—Internal Communication Plan

Establish communication procedures between the Consultant and District staff, and coordinate with District's Communication Unit to develop communications plans for the Board of Directors (Board) and external stakeholders.

1.5.2—Project Management Procedures

Validate, and modify as necessary, procedures for milestone criteria and review procedures, schedule and cost monitoring and reporting procedures, and project status reporting. Review project management, change control, QA/QC, performance monitoring and status reporting procedures for applicability to the Program development. Identify changes and/or enhancements to existing procedures for adoption by and use in the Program.

1.5.3—Change Management Plan

Validate, and modify as necessary, a plan that establishes change identification, communication, documentation, tracking and resolution procedures, delegated authority levels, and change escalation procedures.
APPENDIX ONE
SCOPE OF SERVICES

1.5.4—Decision-Making and Issue Resolution

Validate, and modify as necessary, decision-making and issue resolution procedures and guidelines, by defining the structure and procedure for decision making, establishing a decision escalation chart, and establishing escalation procedures. Document all major decisions and track using a Decision Log Process within the Project Management Information System (PMIS). Prepare the Level of Authority Matrix to outline District staff and Consultant authority in decision-making and change approvals. Develop processes that define issue identification, management, tracking, and resolution, along with designated District staff and consultant resolution authorities.

1.5.5—Stakeholder Outreach and Engagement Procedures

Confirm stakeholders and develop procedures for stakeholder outreach and engagement. Discuss need for stakeholder database.

1.5.6—Cost Management Procedures

Validate, and modify as necessary, cost estimating and budgeting preparation guidelines, cost tracking and reporting processes, and budget change management procedures.

1.5.7—Resource Management Plan

Develop PMO staff planning criteria, budgeting, and approval guidelines; resource monitoring procedures; and performance management.

1.5.8—Administrative Procedures

Develop correspondence formatting, tracking and logging procedures; filing system standards, meeting agenda and minutes preparation; and invoice preparation and review procedures.

1.5.9—Document Management

Research the District's existing document management (DM) system, establish Program DM system, identify DM software system, and create DM guidelines. Establish DM procedures including filing systems, information, and document management, records archives, and photography.

Deliverables:

1. Agenda and pre-meeting materials
2. Summary for each meeting
3. Draft and final PMP sections corresponding to the subtasks above

1.6—Develop the Risk Management/Mitigation Plan

Establish a framework for applying risk management principles that includes: descriptions of roles and responsibilities of key staff with respect to risk evaluation and decision making; processes of risk identification and assessment, mitigation strategies and contingency planning;
APPENDIX ONE
SCOPE OF SERVICES

distinctions between program- and project-level risk management activities; descriptions of tools for risk identification and tracking; and other operational topics of risk management. Incorporate the framework into a risk management plan, developed as a set of guidelines to become a reference document for Program staff. Conduct a one- or two-day workshop, as necessary, to develop an initial risk register related to Program risks to fully describe risks, evaluate each risk on likelihood and level of impact, and, if appropriate, develop initial mitigation and contingency plans.

Deliverables:

1. Agenda and pre-workshop materials
2. Summary for each meeting
3. Draft and final plan

1.7—Develop the Quality Assurance/Quality Control Plan

Develop a program-specific quality assurance/quality control (QA/QC) Plan. The QA/QC Plan will identify QA processes to monitor QC implementation and pre-scheduled and/or random QA audits, and will identify QC activities during the planning, design and construction phases of the Program. Conduct a meeting to review.

Deliverables:

1. Agenda and pre-meeting materials
2. Summary for each meeting
3. Draft and final plan

1.8—Conduct Program Validation

1.8.1—Program Review Workshop

The Consultant team will facilitate a workshop to conduct Program validation, attended by District and Program staff and Consultant team members who have expertise and knowledge of the projects' scopes and the Program's technical and management issues. The Program validation will review, validate, and update the Program components and each individual project's schedule, scope, preliminary budget, priority, phasing, contract packaging, alternative delivery options and high-level risks.

1.8.2—Program Validation Report

Document the results of the Program Review Workshop in a Validation Report. Conduct an abbreviated version of the validation process on an annual basis to confirm that the Program direction and status continues as planned and understood. Assess the impact of plant upgrades on the existing facilities to assure necessary modifications to existing plant features are fully considered for long term efficiency, operability, maintainability, and overall effectiveness of the integrated facilities.
APPENDIX ONE
SCOPE OF SERVICES

Deliverables:

1. Agenda and pre-meeting materials.
2. Summary for each meeting.
3. Draft and final Program validation report.
4. Annual Program validation report updates.

1.9—Develop Program Controls System

Establish a Project Management Information System (PMIS), utilizing the agreed upon platform. Review existing District project controls and procedures and develop Program controls structure and management strategy. The structure will include budgeting, accounting, scheduling, cost estimating, reporting, change management, risk management, and QA/QC strategy.

1.9.1—Tools and Master Schedule

With District staff input, develop a detailed Program schedule that will include the critical milestones in meeting permitting, environmental, and design dates. Once the baseline schedule is developed and accepted by the Program team, conduct periodic project reviews, updates, and monitoring of the schedule to measure against the accepted baseline schedule.

1.9.2—Work Breakdown Structure

Develop a workable Work Breakdown Structure (WBS) prior to developing the baseline Program schedule. The purpose of the WBS is to break down the scope of work into a series of executable tasks. Develop the WBS through the following procedure:

1. Identifying high-level elements of the work necessary to meet the Program development requirements.

2. Break down high-level elements into smaller deliverable-oriented components.

3. Continue to breakdown elements until the WBS reaches the lowest level of detail deemed necessary for the establishment of management visibility and control.

Through the WBS, the Expedited Purified Water Program schedule can be managed at stratified reporting levels. It is important to note that the WBS must reflect the agreed scopes of work for various consultants.

1.9.3—Program Schedule

Develop the Program Schedule to demonstrate all activities required to deliver the Program in accordance with its objectives, goals, and milestones. It will also show the critical path of the schedule, i.e., the longest path through the various projects, which determines the earliest date that the Program can be completed; available float, i.e., the time a project or an activity can be delayed before it affects the Program completion date; preceding and successor activities; activities remaining durations; percent complete; percent progressed; and responsibility codes. The responsibility code will help assign risk activities to the responsible party.
APPENDIX ONE
SCOPE OF SERVICES

The schedule will include all Program and project milestones from projects’ start to finish. These milestones will logically link to appropriate activities. The Consultant will apply all changes in forecast dates, reflected throughout the schedule.

Update the schedule on a regular basis, the frequency of which (generally agreed upon based on risk and visibility) will be at least monthly.

1.9.4—Program Cost

Develop the Program Cost using a level of effort based bottom-up approach:

1. Determine costs for each activity.
2. Distribute costs across activities in the schedule.
3. Following commencement of Program elements initiated before the full Program is developed; the Consultant will monitor the various projects’ schedule and cost performance.

1.9.5—Project Cash Flow

The Consultant will measure each project actual costs against planned costs spent each period for each project in the Program. Based on the preceding month’s work, the Consultant will generate an updated project earned value and forecast an updated project cost at completion of each project in the Program.

Deliverables:

1. Work Breakdown Structure (WBS)
2. Program Schedule and Cash Flow
3. Progress Reports and Progress Meetings
4. Schedule and Report Updates

Task 2—Core Project Management Activities

The goal of Task 2 is to coordinate and effectively monitor work being conducted by other Program consultants and identify potential gaps that have not been addressed. As needed, the sub-tasks below will begin in parallel with the Fast Start activities.

2.1—Review and Update the Risk Management Plan (RMP)

On a monthly basis, Consultant will conduct a formal review of the RMP. Most of these reviews will be in person at the District’s office supported by a risk analyst by phone. On a quarterly basis the risk analyst will facilitate the risk assessment meeting in-person to discuss issues in more detail. Monthly meetings and follow up assessments will focus on characterizing risks related to programmatic strategic decisions (to be defined). Use Program risk assessments to support decisions about procurement strategies and packaging, delivery mechanisms, third party discussions, and project planning. After two risk meetings, finalize procedures, roles and responsibilities, and initial risks from the draft RMP in the Final RMP. Develop a risk
APPENDIX ONE
SCOPE OF SERVICES

management planning tool (RMP Tool) to track information about risks. The risk management planning tool will include mitigation strategies and contingency planning. It is expected that the Program team will use the risk planning tool to develop and document contingency plans for high priority risks to a sufficient level of detail that they can be implemented within 7 business days of the risk being identified.

Deliverables:

1. Agenda and pre-meeting materials
2. Summary for each meeting
3. Final RMP
4. RMP Tool

2.2—Coordinate Oversight of Various Program Consultants’ Work

Coordinate oversight of various Program consultants’ work based on a close review of the contracted scopes of services (see Task 1.2). Tasks in the coordination oversight will include:

1. Updating integrated Program schedule and interconnections;
2. Checking critical control points for quality assurance of analysis;
3. Participating in technical review meetings;
4. Holding weekly meetings with the District-assigned project managers and the consultants’ staff; and
5. When indicated by risk management plan, aggressively pushing to meet deadlines based on interim milestones (tied to critical control points as established by our independent scope reviews).

Deliverable:

1. Documentation of all consultants’ contacts and key discussion points on a weekly basis.

2.3—Support Stakeholder Engagement

Provide support to engage with the Board, City of San Jose staff, water retailers, regulatory agencies, public groups and other stakeholders. Provide information, facilitate deliberation, and develop agreements.

Deliverable:

1. Documentation of all stakeholder contacts and key discussion points on a weekly basis

2.4—Coordinate Consultant Work for Other Activities

Coordinate work of other consultants’ activities including outputs for the expansion of the Silicon Valley Advanced Water Purification Center and public communication efforts.
APPENDIX ONE
SCOPE OF SERVICES

Deliverable

1. Documentation of all consultants' contacts and key discussion points on a weekly basis.

2.5—Implement Program Controls

Implement the program controls system developed under Task 1.9.

Deliverable:

1. Incorporated into monthly progress reports and other Program updates.

2.6—Manage Data

Generate data requests and track data, including date received, contents, and format. Maintain project files in electronic format according to structure defined by PMP.

Deliverable:

1. Report on activities in key discussion points on a weekly basis.

2.7—Attend District Meetings

Attend meetings and workshops as directed by District staff.

Deliverable:

1. Report on activities in key discussion points on a weekly basis.

2.8—Conduct Overall Program Monthly Progress Reporting

Consultant will prepare Monthly Program Progress Reports that document work completed by the District, Consultant, other Program consultants, and others; the Program budget status; risk (Top 5—schedule and cost), critical decisions for next period; issues, concerns, and potential actions; upcoming meetings, workshops, and events; and changes to the Program baseline schedule and Program budget.

Deliverable:

1. Monthly Program Progress Reports for all projects.

2.9—Conduct Status Reporting

Consultant shall hold monthly progress meetings at the District's Headquarters Office (5700 Almaden Expressway, San Jose, CA 95118) to inform the District of the Consultant's progress in completing the Scope of Services and the Consultant's future efforts in completing the Scope of Services. At least one week prior to the meetings, Consultant shall prepare and distribute the agenda to the District in electronic format. At each progress meeting, Consultant
APPENDIX ONE
SCOPE OF SERVICES

shall prepare and provide a Monthly Project Management Progress Report which focuses on
the Consultant’s project management work that coincides with the monthly invoice period.

Following each progress meeting, Consultant shall prepare and submit a draft electronic copy of
meeting summary notes to the District’s Project Manager for review and comment. Consultant
shall incorporate review comments and shall submit final meeting notes to the District’s Project
Manager.

Progress reports shall include all of the following:

1. **Progress Statement**—This shall confirm, in writing, whether or not the Scope of
   Services are on schedule and whether each task is on track to be completed within the
   not-to-exceed fee for that task. In the addition, the Progress Statement will summarize
   problems, if any, that may impact Consultant’s ability to satisfy the requirements of the
   Agreement.

2. **Fees Incurred vs. Services Completed**—For each task, the percentage of services
   performed versus the percentage of Agreement not-to-exceed fees incurred for such
   task, and explanation of any significant variances in percentage of services performed
   compared to percentage of fees incurred.

3. **Scope Update**—This shall be a narrative that summarizes overall progress in
   completing the Scope of Services, including accomplishments such as milestones and
   deliverables completed, the Tasks and Subtasks that were actively performed during the
   reporting period, anticipated work for the next month, issues encountered or anticipated,
   the Tasks that have not been started as planned or will be completed later than planned
   and proposed, explanations for any major variances to complete each Task within the
   not-to-exceed fee assigned to that task, and a plan for recovering any reported delay or
   bringing anticipated cost variances into alignment with the agreed upon not-to-exceed
   fee.

4. **Fee Update**—This report shall show the current period and accumulated fees to date on
   a Subtask and Task basis, the not-to-exceed fee for each Task, the Agreement total not-
   to-exceed fee, the estimated cost to complete the Scope of Services, and a comparison
   of the latter two to show any variation. The report shall identify cost issues and
   measures to be taken to remedy issues.

5. **Schedule Update**—This shall include a four-week look-ahead schedule that shall
   encompass work for the next reporting period and shall address any changes on the
   Schedule of Completion shown in Appendix Three. This update shall show comparison
   of the actual progress as compared to the adopted baseline schedule, include analysis
   of critical Tasks to identify potential delays, include methods to bring or accelerate these
   critical Tasks to bring the overall project in conformance with the Baseline Schedule,
   reconcile scope and cost changes that impact schedule. This update shall also include
   explanations for any changes and resulting impacts to the project schedule. This
   schedule update shall also include approved and forecasted milestone dates.
APPENDIX ONE
SCOPE OF SERVICES

6. **Decision Log**—Consultant shall maintain a record of all decisions made during the course of the Agreement. For each decision, the log shall include the date(s), key factors discussed, decision made, and impacts, if any, on scope, schedule, and fees. The Decision Log shall be updated by the Consultant prior to the progress meetings and shall be used for discussion purposes.

7. Any changes in Consultant’s key staff assigned to the Agreement to ensure the timely completion, execution and submission of Form 700 per Appendix One, Scope of Services, Section IV, Additional Terms and Conditions, Subsection G, CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION STATEMENT OF ECONOMIC INTEREST FORM 700 (“FORM 700”).

**Deliverables:**

1. Meeting Agenda
2. Monthly Project Management Progress Reports
3. Draft and final meeting summaries

**Task 3—Early Value-Engineering (VE)**

The purpose of this task is to provide critical input into the engineering analysis to maintain the expedited Program schedule and to control costs.

3.1—Identify timing and scope of analysis.

3.2—Develop candidate team members for District review.

3.3—Conduct two (2-day each) VE session(s); 3 outside experts at each session.

3.4—Deliver findings to project team and District.

**Deliverables:**

1. Agendas
2. Candidate team member lists
3. VE findings summary

**Task 4—Environmental and Permitting Planning**

The goal of Task 4 is to provide strategic assistance for maintaining the expedited Program schedule through CEQA/NEPA and the permitting process and to manage the work of the CEQA/Permitting consultant.

**4.1—Procurement and Management of Services for CEQA and Permitting**

Assist District staff with development of proposed scope of services and selection criteria for the environmental consultant selection process. Participate on the District’s Consultant Review Board (CRB) to evaluate both written proposals and oral interviews. Once environmental consultant is selected, assist District staff with negotiating Scope of Services, and provide interface between District’s Program staff, design consultants, and environmental consultant.
APPENDIX ONE
SCOPE OF SERVICES

Identify data requirements for environmental process and coordinate with team to obtain information and communicate information efficiently to the environmental consultant. Manage environmental consultant’s work through regular reviews, monthly progress meetings and monthly review of invoices.

Deliverables:

1. Input to Draft and Final RFP.
2. Evaluations of written proposals and oral interviews.
3. Monthly invoice analysis and recommendations (up to 18).
4. Information lists to environmental consultant for developing project description.
5. Input to monthly status reports (Task 2.9).

4.2—Review CEQA/NEPA Strategy

Consultant will review environmental consultant’s CEQA strategy to identify the anticipated level of California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) documentation required.

Deliverable:

1. Review of Draft and Final TM documenting CEQA/NEPA strategy prepared by environmental consultant.

4.3—Develop a Permitting Plan

Based on the recommended facilities, Consultant will develop a permitting plan that will identify the required Federal, State, and local permits required for the Program. For each required permit, the Consultant will identify the agency contact information, permit application requirements, and lead times.

Deliverables:

1. Draft and final Permitting Plan
2. Updated Permitting Plans

Task 5—Provide Support for Public-Private Partnership (P3) Procurement

The Consultant will assist the District by:

1. Attending internal meetings with District staff working on P3 procurement.
2. Providing District staff responsible for P3 procurement with any pertinent information from the single-source consultants currently working on various aspects of the Program.
3. Facilitating communications between District staff and P3 proposers in regards to exchange of technical data.
APPENDIX ONE
SCOPE OF SERVICES

4. Supporting District staff responsible for P3 procurement by attending RFQ/RFP meetings that will take place with P3 proposers.

Deliverables:

1. Agenda and pre-meeting materials.
2. Documentation of attendees and questions.
3. Provision of information to P3 proposers obtained by appropriate District staff or other Program consultants.

Task 6—Support Workforce Development

Support the District’s Workforce Development efforts by providing direct training on Project Management to District staff through day-to-day interactions with the Consultant team, noon-time seminars, workshop debriefs, and project management tool development and implementation.

Deliverable:

1. Agendas for noon-time seminars, workshop debriefs, and meetings on project management tool development and implementation.

Task 7—Supplemental Services

A. The District may require and Consultant shall perform Supplemental Services on an as-needed basis.

B. Prior to performing any Supplemental Service, the Consultant must obtain written authorization in the form of a Task Order (See Appendix One, Section IV. Additional Terms and Conditions, Subsection E) approved by the District’s Water Utility Capital Division Deputy Operating Officer. Written authorization will state the agreed upon scope of the services requested, the classifications of staff performing the Supplemental Services, associated not-to-exceed fees, and schedule.

C. Details of the specific scope, deliverable, schedule, and fees for any Supplemental Services will be developed with the District and submitted in writing prior to approval to begin work.

D. The Supplemental Services Task Order fees will not be exceeded by the Consultant without the prior written authorization from the District.

E. The Consultant shall perform additional services necessary to fulfill the project objectives stated herein. This may include but not be limited to the following:
APPENDIX ONE
SCOPES OF SERVICES

7.1—Transition from Project Management Plan to Program Management Plan

The outcome of Tasks 1, 2, and 3, in concert with the findings and determinations of the preliminary investigations and engineering work by other consultants, will result in a staff-proposed Purified Water Program. The purpose of Task 7.1 is to transition the Project Management Plan prepared as part of Task 1 to a Program Management Plan to deliver the Purified Water Program that is approved by the Board. This effort will be authorized if the District decides to amend this current Agreement to include Program Management Services. The transition work will be based on decisions made on delivery methods and staffing, and developing the mechanism for supporting Program implementation through the design, construction and start-up phases. It will include:

1. Based on procurement decisions on Program delivery, update organizational chart.

2. Update PMP from Task 1.5 to reflect any changes in District staff roles and availability.

3. Based on District direction, identify need for procuring services of other third party specialists.

4. Develop draft and final scope of Program Management services for District review.

 Deliverable:

1. Draft and Final PMP and scope of services for Program implementation.

7.2—Facilitate Rapid Response Mobilization to Emerging Issues

Convene experts to respond to and/or support discussions regarding regulatory changes, new technical issues, uncovered constraints, critical negotiations, etc.

 Deliverable:

1. To be determined

7.3—Provide On-Call Technical Assistance

Provide for special studies and investigations.

 Deliverable:

1. To be determined

7.4—Conduct Project-Level Risk Analysis of Cost and Schedules

As the scope of major projects becomes better defined, undertake more detailed risk analyses at the project level. These analyses will identify risks that have a specific
APPENDIX ONE
SCOPE OF SERVICES

impact on the cost and schedule of an individual project. The risks will be defined quantitatively using probability distributions. Implement analyses using Monte Carlo simulation methods to reveal the range of potential costs and project durations along with the risks which have the most significant impact on cost and schedule. After several major project-level analyses are conducted, expand the risk assessment to evaluate other project-level risks across the Program to obtain an overall range of likely cost and duration. Risk information will also feed back to the on-going risk management activities in Task 2.1.

Deliverables:

1. Agenda and pre-meeting workshop materials
2. Project-level Risk Analysis Report identifying likely cost and schedule, and key risks
3. Risk assessment updates
4. Program-level Risk Analysis Report (building on project-level analyses)

F. Consultant may provide additional services and deliverables beyond the quantities of services and deliverables stated in Tasks 1 through 5 to include but not be limited to:

1. Additional Meetings
2. Additional Reports
3. Additional Technical Workshops

IV. ADDITIONAL TERMS AND CONDITIONS

A. Consultant as Independent Contractor

1. Consultant will perform all services as an independent contractor and not an agent or employee of District.

2. The expertise and experience of Consultant are material considerations for District’s award and execution of this Agreement. Consultant will not assign or transfer any interest in this Agreement nor the performance of any of Consultant’s obligations hereunder, without prior written consent in the form of an amendment executed by both Parties, and any attempt to so assign this Agreement, or any rights, duties or obligations arising hereunder, will be void and of no effect. Any assignment of moneys due or to become due in accordance with this Agreement, will be to the extent permitted by law, and will be subject to all proper set-offs, deductions, and withholdings in favor of the District.
APPENDIX ONE
SCOPe OF SERVICES

B. Consultant’s General Responsibilities

1. Standard of Care

a. Consultant and its subconsultants must perform services in accordance with those standards of care that are generally recognized as being used by competent persons in Consultant’s area of specialty in the State of California.

b. Consultant and its subconsultants must perform services in compliance with all applicable written federal, state and local codes, statutes, laws, regulations and ordinances, including, but not limited to, environmental, energy conservation, and disabled access requirements.

2. Unless the requirements for this Scope of Services described in this Agreement are specifically modified by written amendment executed by both parties, Consultant must provide its services and deliverables as required.

C. Confidentiality

Due to the nature of the services Consultant will provide under the Agreement, there may be disclosure to the Consultant of detailed information about the District’s operations, including on a need-to-know basis information which may be protected from public disclosure by confidentiality laws, the attorney-client privilege, and/or other provisions of law which govern the nature and timing of disclosure of public information. Consultant understands and acknowledges that District staff members providing information to the Consultant do so with the understanding that such information will be handled appropriately. In the event the Consultant receives such restricted or confidential information, Consultant will limit access to the information to only those of the Consultant’s employees, its subcontractors, and its subconsultants authorized by the District to have the information. Consultant will notify the District’s Project Manager immediately of any request by any third party to have access to the information, and will not disclose the requested information without first receiving express written authorization from the District’s Project Manager. The requirements of this section will survive completion of the Agreement.

D. Project Management

1. The Project Manager for the District is Katherine Oven, Deputy Operating Officer.

2. The Project Manager for Consultant is as indicated in Attachment One of this Appendix One.
APPENDIX ONE
SCOPE OF SERVICES

3. The District’s Project Manager is the only person authorized to accept Consultant’s deliverables on behalf of the District.

E. Task Orders

1. Supplemental Services will be assigned to the Consultant through issuance of Task Orders. After Supplemental Services to be performed under this Agreement are identified and communicated to Consultant by the District Project Manager, Consultant will prepare a proposed Task Order (See Attachment Three to this Appendix One—Task Order Template.)

2. Consultant agrees that the not-to-exceed fee specified in a proposed Task Order will be the product of a good faith effort in exercising its professional judgment. After an agreement has been reached on the negotiable items, the finalized Task Order will be signed by both the District’s Water Utility Capital Division Deputy Operating Officer, and the Consultant’s Project Manager.

3. Consultant must not commence performance of work or services on a Task Order until it has been approved by the District’s Water Utility Capital Division Deputy Operating Officer and notice to proceed has been issued by the District’s Project Manager. No payment will be made for any services performed prior to approval or after the period of performance of the Task Order. The period of performance for Task Orders will be in accordance with dates specified in the Task Order. No Task Order will be written which extends beyond the expiration date of this Agreement. The total amount payable by the District for an individual Task Order will not exceed the amount agreed to in the Task Order.

F. Conflict of Interest

1. Consultant represents that there exists no actual or potential conflict of interest concerning the services to be performed under this Agreement.

2. Consultant represents that Consultant’s performance under the Agreement does not require the breach of any agreement or obligation to keep in confidence the proprietary information of another party.

3. Consultant will not bring to the District or use in the performance of Consultant’s duties under the Agreement any materials or documents of another party considered confidential or proprietary unless Consultant has obtained written authorization from such party, and the informed consent of the District, for the possession and use of such materials.
APPENDIX ONE
SCOPE OF SERVICES

4. Consultant also represents and warrants that during the term of the
Agreement, Consultant, Consultant's parent company, Consultant's
subsidiaries, or any affiliated entity sharing substantially similar ownership
of or control with Consultant shall not act as a Consultant or expert for
any party in support of any potential or active claim or legal action against
the District by such party.

5. Consultant and its subconsultants, their parent companies, their
subsidiaries, or any affiliated entity sharing substantially similar ownership
of or control with Consultant or its subconsultants shall not submit a
proposal or perform any services under a proposal:

(i) for any contract to be awarded for program management or
design, CEQA assessment/documentation, design-build bridging
document preparation, permitting, design-build, P3, construction
management or the construction of any of the following projects or
components thereof.

a. Ford and Coyote Valley Facilities
b. Conveyance Facilities
c. Los Gatos Recharge Ponds Facilities
d. Mid-Basin Injection Facilities
e. Westside injection Facilities
f. Lexington Pipeline;

(ii) in response to any request for proposal or District solicitation
developed or prepared by or with the assistance of Consultant,
and its subconsultants, their parent company, their subsidiaries, or
any affiliated entity sharing substantially similar ownership of or
control with Consultant or its subconsultants;

(iii) for any single or sole source products/services related to the
services under this Agreement, or have a financial stake in any
single or sole source products/services resulting from this
Agreement.

G. CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION STATEMENT OF
ECONOMIC INTEREST FORM 700 (“FORM 700”): Upon District’s request,
Consultant employees, officers, agents, subconsultants, and subcontractors shall
complete, execute, and submit a Form 700 as follows:

1. Consultant employees, officers, agents, subconsultants, and
subcontractors assigned to perform services under this Agreement shall
file with the District an Assuming Office Statement. The Assuming Office
Statement shall be filed:

a. Within thirty (30) calendar days of the effective date of this
Agreement; and
APPENDIX ONE
SCOPE OF SERVICES

b. Within thirty (30) calendar days of Consultant hiring, adding or promoting to a designated filer position employees, officers, agents, subconsultants, and subcontractors to perform services under this Agreement.

2. Consultant employees, officers, agents, subconsultants, and subcontractors assigned to perform services under this Agreement that filed an Assuming Office Statement shall file with the District an amendment to their Form 700 anytime there is a change to their disclosure information.

3. Consultant employees, officers, agents, subconsultants, and subcontractors assigned to perform services under this Agreement that filed an Assuming Office Statement shall file with the District Clerk of the Board an Annual Statement with the District during the District’s annual filing season as determined by the District Clerk of the Board;

4. Consultant employees, officers, agents, subconsultants, and subcontractors assigned to perform services under this Agreement that filed an Assuming Office Statement shall file with the District a Leaving Office Statement when one of the following occurs:
   a. Upon termination of this Agreement; and
   b. Within thirty (30) calendar days of Consultant employees, officers, agents, subconsultants, and subcontractors vacating a designated filing position (i.e., removed from the Project, promotion, demotion, transfer to non-designated position, end of employment, or as a result of changes in designated filer positions in the District's Conflict of Interest Code).

5. Consultant understands and agrees that its employees, officers, agents, subconsultants, and subcontractors may be disqualified from providing services to the District pursuant to the California Political Reform Act, Gov. Code Sections 81000 et. seq. and Government Code Section 1090. If Consultant’s employees, officers, agents, sub-consultants, and subcontractors are disqualified from providing services, on written notice from District’s Project Manager, Consultant will have fifteen (15) calendar days to remove that employees, officers, agents, subconsultants, and subcontractors person from the Project and provide a replacement acceptable to the District.

6. Further, the failure of Consultant’s employees, officers, agents, subconsultants, and subcontractors to file an Assuming Office, Annual, Amended, or Leaving Office Statement within the time prescribed herein or by the District is deemed a material breach and may result in termination of the Agreement for cause.
APPENDIX ONE
SCOPE OF SERVICES

H. Term & Termination

This paragraph H, Term & Termination and the following paragraph I, Consultant’s Compensation Upon Termination or Suspension, of Section IV, Additional Terms and Conditions, replaces the second paragraph stated in the Standard Consultant Agreement portion of this Agreement, at Section VI. Changes in the Work.

1. Term & Automatic Termination

This Agreement encompasses all services for which Consultant is responsible to provide within the time limits and not-to-exceed fee set forth herein. Consultant will not undertake to provide services where it reasonably appears that the services cannot be provided and expenses cannot be incurred within said total compensation limit and the applicable not-to-exceed fee of any Task Order.

2. District Rights

a. Suspension: District may, by written notice to Consultant, suspend any or all services pursuant to this Agreement or to any individual Task Order. District may subsequently terminate this Agreement or any Task Order for convenience, or determine to proceed. If a decision to proceed is not made within ninety (90) days from the date of the notice of suspension, any decision to proceed must be conditioned upon execution of a new Notice-To-Proceed or Task Order.

b. Termination for Convenience: District may, by written notice to Consultant, terminate all or part of this Agreement or any Task Order at any time for District’s convenience. Upon receipt of such notice, Consultant will immediately cease all work as specified in the notice. If this Agreement or any Task Order is so terminated, Consultant will be compensated as set forth in section H., Consultant’s Compensation Upon Termination or Suspension, referenced below.

c. Termination for Breach: If Consultant violates any of the covenants, agreements or stipulations of this Agreement or a Task Order, or if Consultant fails to fulfill in a timely and proper manner its obligations pursuant to this Agreement or any Task Order, and does not cure such failure or violation within thirty (30) days (or a reasonable extension thereof, if requested, which extension will not be unreasonably withheld) after receipt of written notice from District specifying such failure or violation, District will thereupon have the right to terminate this Agreement and any or all uncompleted Task Orders by giving written notice to Consultant of such termination. Such notice will specify the effective date
APPENDIX ONE
SCOPE OF SERVICES

d. If, after notice of termination for breach of this Agreement or any Task Order, it is determined that Consultant did not breach the Agreement or Task Order, the termination will be deemed to have been effected for District's convenience, and Consultant will receive payment that is allowed by this Agreement for a termination for convenience.

e. The rights and remedies provided herein to District are in addition to any other rights and remedies provided by law, this Agreement, or a Task Order.

I. Consultant's Compensation Upon Termination or Suspension

1. In the event of termination of this Agreement or any Task Order, or suspension of services by District, Consultant shall receive compensation based on satisfactory performance, accepted by the District Project Manager, as follows:

   a. For Direct Labor—Consultant shall be entitled to receive compensation for all authorized direct labor performed prior to termination pursuant to the provisions of this Agreement or Task Order and all authorized labor expenses incurred to demobilize from the Project after the date of termination.

   b. For Reimbursable Expenses—Consultant shall be entitled to receive compensation for all authorized Reimbursable Expenses incurred prior to termination and all authorized expenses incurred to demobilize from the Project after the date of termination.

   c. In no event shall the total compensation paid for any item of service exceed the payment specified in the applicable Task Order for that item of service.

J. District Quality And Environmental Management System (QEMS) Awareness

As an on-site provider of services that has the potential to result in significant environmental impacts, Consultant is required to review the Quality And Environmental Management System Fact Sheet, incorporated herein by this reference hereto, with any of the employee(s), sub-contractor(s), and/or subconsultant(s) ("Staff") performing services on behalf of the District, and make Staff aware of the District's Quality and Environmental Policy and their role and responsibility in achieving conformity with the expectations. (See Attachment Four to this Appendix One)
APPENDIX ONE
SCOPE OF SERVICES

K. Release of Information Prohibited

Consultant is not permitted to provide any information concerning the Project to the media nor anyone other than authorized District personnel. Consultant will not release any information pertinent to the project for publication, public disclosure, or in any other manner without first obtaining clearance and a release in writing from the District's Project Manager. Any media inquiry at any time to Consultant relating to any matter concerning services provided or requested to be provided under this Agreement will be referred immediately to the District Project Manager. Consultant will not communicate with the media regarding any such matter.

L. The District's Contractual Obligations Contingent on Accomplishment of Certain Conditions

The District's obligations under this Agreement, including its payment obligation, are contingent upon accomplishment of the following: (1) execution of the Agreement by Consultant; (2) submission by the Consultant, and acceptance by the District, of evidence of all required insurance coverages and documents; (3) submission by the Consultant, and acceptance by the District, of evidence of all required Form 700 documents, if applicable, within thirty (30) calendar days from execution of this Agreement by the Parties; (4) submission by the Consultant, and acceptance by the District, of evidence of the QEMS Awareness; (5) submission by the Consultant, and acceptance by the District, of all required Non-Disclosure Agreements ("NDA"), if applicable; (6) submission by the Consultant, and acceptance by the District, of a Health and Safety Plan, if applicable; (7) any other requirements that are deemed necessary by the District, and (8) execution of the Agreement by the District. No contract between the Parties is formed until all eight actions items have been accomplished to the satisfaction of the District. Except for item (3), the District Project Manager will not issue a Notice-to-Proceed until all required documents have been submitted and accepted by the District, if applicable.

M. Notices

All notices shall be deemed to have been given when made in writing and delivered or mailed to the representatives of District and Consultant at their respective addresses as follows:

District:

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118–3638
Attention: Ms. Katherine Oven, Deputy Operating Officer
Water Utility Capital Division
APPENDIX ONE
SCOPE OF SERVICES

Telephone: (408) 630–3126
E-mail: KOven@valleywater.org

Consultant:

HDR Engineering, Inc.
100 Pringle Ave., Suite 400
Walnut Creek, CA 94596
Attention: Ms. Holly Kennedy, PE, Vice President
Telephone: (925) 974-2500
E-mail: Holly.Kennedy@hdrinc.com

N. Good Neighbor

The District always strives to be a good neighbor to the community adjacent to its facility. The Consultant will ensure that disturbance to neighbors is minimized. The Consultant, its staff, and subconsultants will always interact with the members of the public in a polite and professional manner.

O. Appendix One Attachments

The following listed Attachments referred to herein are incorporated in this Appendix One Scope of Services as though set forth in full:

Attachment One—Consultant’s Key Staff and Subconsultants
Attachment Two—Dispute Resolution
Attachment Three—Task Order Template
Attachment Four—Quality and Environmental Management System Fact Sheet

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ATTACHMENT ONE TO APPENDIX ONE
CONSULTANT’S KEY STAFF AND SUBCONSULTANTS

1. Consultant’s Key Staff assigned to the Project are as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>PROJECT ROLE</th>
<th>CONTACT INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillippe Daniel</td>
<td>Project Director</td>
<td><a href="mailto:phillippe.daniel@hdrinc.com">phillippe.daniel@hdrinc.com</a></td>
</tr>
<tr>
<td>Dave Ludwin</td>
<td>Fast Start</td>
<td><a href="mailto:dave.ludwin@hdrinc.com">dave.ludwin@hdrinc.com</a></td>
</tr>
<tr>
<td>Ali Hasan</td>
<td>Project Controls</td>
<td><a href="mailto:ali.hasan@hdrinc.com">ali.hasan@hdrinc.com</a></td>
</tr>
<tr>
<td>Betty Dehoney</td>
<td>Sr. Environmental Lead</td>
<td><a href="mailto:betty.dehoney@hdrinc.com">betty.dehoney@hdrinc.com</a></td>
</tr>
<tr>
<td>Christopher Behr</td>
<td>Risk Management</td>
<td><a href="mailto:christopher.behr@hdrinc.com">christopher.behr@hdrinc.com</a></td>
</tr>
<tr>
<td>Zuraile Wilson</td>
<td>Controls</td>
<td><a href="mailto:zuraile.wilson@hdrinc.com">zuraile.wilson@hdrinc.com</a></td>
</tr>
</tbody>
</table>

2. Consultant may employ subconsultants it deems appropriate to the complexity and nature of the required services and said subconsultants must, if their specialty is licensable, be licensed by the State of California to perform their specific services. Consultant must obtain District’s approval of all subconsultants. Upon District’s request, Consultant must provide copies of all subconsultant contract agreements.

3. Subconsultants cannot be replaced without the approval of the District’s Project Manager. If Consultant’s Project Manager or any other designated key staff person, or subconsultant fails to perform to the satisfaction of the District, on written notice from District’s Project Manager, Consultant will have fifteen (15) calendar days to remove that person from the project and provide a replacement acceptable to the District.

a. The Consultant shall not charge District the time it takes the Consultant’s replacement personnel to obtain the District specific project knowledge in the possession of the person or persons being replaced.

b. The project team organization chart and delegated responsibilities of each team member will be revised accordingly and submitted to the District for concurrence.

4. The District’s Project Manager may approve any revisions to Consultant’s key personnel staffing or designated subconsultant list or staffing as a written administrative modification to this Agreement.

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ATTACHMENT TWO TO APPENDIX ONE
DISPUTE RESOLUTION

I. THE CONSULTANT'S QUESTIONS AND CONCERNS

Questions regarding the terms, conditions and services relating to this Agreement will be decided by the District who will furnish the decisions to the Consultant in writing within thirty (30) Days after receiving a written request from the Consultant.

II. DISPUTE RESOLUTION

A. Alternate Dispute Resolution (ADR)
   1. The District intends to use ADR techniques including Partnering and Mediation to resolve disputes relating to the Agreement.

B. The Consultant and its subconsultants are expected to participate in all ADR efforts.

C. The cost of Partnering training facilities and facilitator will be borne by District.

III. NEGOTIATIONS BEFORE AND DURING MEDIATION

Negotiations to resolve disputes before and during Mediation are initiated for settlement purposes only and are not binding unless otherwise agreed by the District and the Consultant.

IV. MEDIATION

A. Voluntary Mediation
   1. In the event a dispute or issue is not resolved by the Internal Review process stated in the Standard Consultant Agreement, Section VIII. Resolution of Disputes, District and the Consultant agree to attempt to resolve the matter by Mediation. The External Review paragraph of Section VIII is hereby deleted.

   2. Said mediation is voluntary, non-binding, and intended to provide an opportunity for the parties to evaluate each other's cases and arrive at a mutually agreeable solution.

   3. These provisions relating to voluntary Mediation will not be construed or interpreted as mandatory arbitration.

B. Initiation of Mediation
   1. Any party to a dispute or claim may initiate Mediation by notifying the other party or parties in writing.
ATTACHMENT TWO TO APPENDIX ONE
DISPUTE RESOLUTION

C. Request for Mediation

1. A Request for Mediation must contain a brief statement of the nature of
   the dispute or claim, and the names, addresses, and phone numbers of
   all parties to the dispute or claim, and those who will represent them, if
   any, in the Mediation.

D. Selection of Mediator

1. Upon receipt of a Request for Mediation, within fourteen (14) Days, the
   parties will confer to select an appropriate Mediator agreeable to all
   parties.

2. If the parties cannot agree on a Mediator, they hereby agree to accept a
   Mediator appointed by a recognized association such as the American
   Arbitration Association.

E. Qualifications of a Mediator

1. Any Mediator selected must have expertise in the area of the dispute and
   be knowledgeable in the Mediation process.

2. No person will serve as a Mediator in any dispute in which that person
   has any financial or personal interest in the result of the Mediation.

3. Before accepting an appointment, the prospective Mediator must disclose
   any circumstances likely to create a presumption of bias or prevent a
   prompt meeting with the parties. Upon receipt of such information, the
   parties will confer and decide whether to select another Mediator.

F. Vacancies

1. If any Mediator becomes unwilling or unable to serve, another Mediator
   will be selected unless the parties agree otherwise.

G. Representation

1. Any party may be represented by person(s) of their choice who must
   have full authority to negotiate.

2. The names and addresses of such person(s) must be communicated in
   writing to all parties and to the Mediator.

H. Time and Place of Mediation

1. The Mediator will set the time of each Mediation session.

2. The Mediation will be held at a convenient location agreeable to the
   Mediator and the parties, as determined by the Mediator.
ATTACHMENT TWO TO APPENDIX ONE
DISPUTE RESOLUTION

3. All reasonable efforts will be made by the parties and the Mediator to schedule the first session within sixty (60) Days after selection of the Mediator.

I. Identification of Matters in Dispute

1. Unless a longer period of time is required by the Mediator, at least ten (10) Days before the first scheduled Mediation session, each party must provide the Mediator a brief memorandum setting forth its position with regard to the issues that need to be resolved. At the discretion of the Mediator, or otherwise agreed by the parties, the parties may mutually exchange such memoranda.

2. At the first session, the parties will be expected to produce all information reasonably required for the Mediator to understand the issue(s) presented. The Mediator may require each party to supplement such information.

J. Authority of Mediator

1. The Mediator does not have authority to impose a settlement on the parties but will attempt to assist the parties in reaching a satisfactory resolution of their dispute.

2. The Mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement.

3. Whenever necessary, the Mediator may also obtain expert advice concerning technical aspects of the dispute, provided the parties agree and assume the expenses of obtaining such advice. Arrangements for obtaining such advice will be made by the Mediator or the parties, as determined by the Mediator.

4. The Mediator is authorized to end the Mediation whenever, in the Mediator's judgment, further efforts at Mediation would not contribute to a resolution of the dispute between the parties.

K. Privacy

1. Mediation sessions are private.

2. The parties and their representatives may attend Mediation sessions.

3. Other persons may attend only with the permission of the parties and with the consent of the Mediator.
ATTACHMENT TWO TO APPENDIX ONE
DISPUTE RESOLUTION

L. Confidentiality

1. The Mediator will not divulge confidential information disclosed to a Mediator by the parties or by witnesses in the course of the Mediation.

2. All records, reports, or other documents received by a Mediator while serving as Mediator, are confidential.

3. The Mediator must not be compelled to divulge such records or to testify in regard to the Mediation in any adversary proceeding or judicial forum.

4. The parties must maintain the confidentiality of the Mediation and must not rely on, or introduce as evidence in any arbitration, judicial or other proceedings:
   a. Views expressed or suggestions made by the other party with respect to a possible settlement of the dispute;
   b. Statements made by the other party in the course of the Mediation proceedings;
   c. Proposals made or views expressed by the Mediator; and
   d. Whether the other party had or had not indicted willingness to accept a proposal for settlement made by the Mediator.

M. No Stenographic Record

1. There will be no stenographic record of the Mediation.

N. Termination of Mediation

1. The Mediation will be terminated:
   a. By the execution of a Settlement Agreement by the parties;
   b. By a written declaration of the Mediator to the effect that further efforts at Mediation are no longer worthwhile; or
   c. By a written declaration of a party or parties to the effect that the Mediation proceedings are terminated.

O. Exclusion of Liability

1. No Mediator will be a necessary party in judicial proceedings related to the Mediation.
P. Interpretation and Application of These Mediation Provisions

1. The Mediator will interpret and apply these Mediation provisions insofar as they relate to the Mediator's duties and responsibility.

Q. Expenses

1. The expenses of witnesses for each party must be paid by the party producing the witnesses.

2. All other expenses of the Mediation, including required traveling and other expenses of the Mediator, and the expenses of any witness called by the Mediator, or the cost of any proofs or expert advice produced at the direct request of the Mediator, will be apportioned as the Mediator finds appropriate or as otherwise agreed to by the parties.

V. COMPENSATION FOR PARTICIPATION IN MEDIATION

Neither the Consultant nor the District is entitled to compensation for time spent in or for negotiations or Mediation to resolve questions or disputes between the Consultant and District arising out of this Agreement.

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ATTACHMENT THREE TO APPENDIX ONE
TASK ORDER TEMPLATE

Task Order No. ________________

Agreement: Standard Consultant Agreement ________________ ("Agreement") Between the Santa Clara Valley Water District ("District") and ________________ ("Consultant"), dated ________________.

District Project Manager: ____________________________
Consultant Project Manager: ____________________________

Dollar Amount of Task Order: Not-to-exceed $ ________________

1. Upon full execution of this Task Order Number: ________________, as set forth in Appendix One, Section IV. Additional Terms and Conditions, E. Task Orders, and issuance of a notice to proceed by the District Project Manager, the Consultant is hereby authorized to perform the services described in Attachment A to this Task Order. Any costs incurred, services performed or expenditures by the Consultant before this Task Order is executed or before the issuance of the notice to proceed will be considered outside the contracted scope of services and will not be eligible for payment.

2. Both the scope of services to be performed and the deliverables to be provided under this Task Order are described in Attachment A which is attached hereto and incorporated by this reference. Attachment A identifies the following:
   a. The Consultant personnel to be assigned to perform the services, including resumes if not previously provided to the District Project Manager.
   b. The estimated number of hours required to perform the services assigned to each assigned Consultant personnel.
   c. Estimated cost of each reimbursable expense, including any applicable fees.
   d. Project schedule for completing the scope of services.

3. The Consultant shall be compensated at the hourly rates established in Appendix Two, Fees and Payments, of the Agreement. The Consultant agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted in the Attachment A.

4. This Task Order will become effective on the date of signature by the District Deputy Operating Officer and the Consultant Project Manager, and remain in effect until the earlier of: completion of the tasks set forth in Attachment A or (enter expected completion date).

5. Copies of applicable state and federal permits required to complete the services in Attachment A are attached to this Task Order, unless the Consultant Project Manager previously provided the appropriate permits to the District.

6. The Consultant shall perform all services described in Attachment A to this Task Order in accordance with the terms and conditions of the Agreement.

7. Signatures:

   Signature/Print Name: ____________________________
   PROJECT MANAGER
   ON BEHALF OF THE CONSULTANT

   Signature/Print Name: ____________________________
   SANTA CLARA VALLEY WATER DISTRICT
   DEPUTY OPERATING OFFICER

Expedited Purified Water Program
Project Management Services
Ver. (09/14/15)
C13238.docx

CAS File# 4662

Page 39 of 52
ATTACHMENT FOUR TO APPENDIX ONE
QUALITY AND ENVIRONMENTAL MANAGEMENT SYSTEM FACT SHEET

Quality and Environmental Management System (QEMS)

1. **What is ISO?**

   The International Organization for Standardization (ISO) is the world's largest developer of voluntary international standards, which are state of the art specifications for products, services, and good practices, helping make industry more efficient and effective. For the Santa Clara Valley Water District's (district) customers and public, this means greater confidence in consistent, high quality products and services the district provides.

   The district has extensive history of ISO commitment, having first been registered to ISO 9001 in 2002 for Quality Management Systems and to ISO 14001 in 2004 for Environmental Management Systems.

2. **Principles of ISO**

   - **Customer Focus:** take care of your customers
   - **Leadership on purpose and direction:** requires Management’s attention
   - **Involvement of people at all levels:** everyone is involved
   - **Process approach to resources and activities:** process consistency and stability
   - **Systems approach to management:** plan the work; work the plan
   - **Continual improvement as a permanent objective:** seek regular, constant improvement
   - **Factual approach to decision making:** ensure the facts before making decisions
   - **Mutually beneficial relationships:** if they fail, then the organization fails

3. **What are the Benefits of ISO?**

   - **Improves efficiency and productivity**
   - **Reduces variation, waste, inefficiencies, and defects**
   - **Facilitates continual improvement**
   - **Improves process consistency and stability**
   - **Improves employee motivation and participation**
   - **Improves customer confidence and satisfaction**
   - **Improves conformity to quality and environmental requirements**

**District’s Quality and Environmental Policy**

The Santa Clara Valley Water District is committed to organizational excellence and environmental stewardship, and as such, maintains an integrated Quality and Environmental Management System (QEMS) conforming to ISO standards. The QEMS supports the organization's continual improvement through the development of a robust employee knowledge base, which ensures continuity of daily operations and facilitates succession planning. Compliance with this policy is the responsibility of each individual working for or on behalf of the District.

**Purpose:**

- **Provide Silicon Valley safe, clean water for a healthy life, environment, and economy.**

**Customers:**

- **Meet customer requirements and enhance customer satisfaction.**

**Environmental Stewardship:**
• Provide environmental stewardship through prevention of pollution and minimizing and managing environmental impacts by setting and regularly reviewing quality and environmental objectives.

Continual Improvement:
• Ensure the QEMS is regularly monitored and improved in accordance with ISO requirements to ensure that all District products and services offer the highest level of quality while maximizing the District’s environmental stewardship efforts.

Compliance:
• Compliance with Board policies and statutory and regulatory requirements related to the District’s quality and environmental processes.

Policy, Objectives, and Targets:
• Ensure this policy is documented, maintained, and implemented, and, in addition to the District’s quality and environmental objectives and targets, reviewed for continuing suitability through periodic Management Reviews.

Awareness and Competence:
• Ensure, through workforce development, training, communication, and succession planning, that each individual working for and on behalf of the District has the awareness, skills, and knowledge to carry out this policy in a manner that maximizes effectiveness, ensures continuity of daily operations, promotes continual improvement, and contributes to environmental stewardship.

Public:
• Ensure this policy is available to the public.

4. District’s Significant Environmental Aspects

For each type of activity, product, or service, the district has identified its unique environmental aspects and determined the most significant environmental aspects that have or could have a significant environmental impact.

Management recognizes the following two major activities, within the scope of the QEMS, as having or could have a significant impact on the environment:

Bulk Chemical Storage

The district water treatment plants utilize several bulk chemicals in the water treatment process. The chemical of greatest concern, which could create a significant impact, is 19.5% aqueous ammonia. This chemical is regulated under the California Accidental Release Program. This chemical is singled out for greater control because accidental releases have the potential to create offsite consequences that could spread to residential neighborhoods adjacent to the water treatment plants.

Construction of water utility and flood protection capital projects

5. Construction of water utility infrastructure and flood protection projects can involve significant changes to riparian environments and other landforms. The district recognizes the impact of these changes by integrating projects into watersheds as a whole, ensuring that ecological functions and processes are supported, ensuring that the quality and availability of water are protected for ecological and water supply functions, and that environmental impacts of projects are avoided, minimized, or mitigated.
6. District’s Quality and Environmental Objectives

The district has identified operational objectives throughout the organization. Specifically, in support of ISO, the district analyzes and determines goals for meeting customer product requirements and overall environmental goals consistent with the environmental policy.

The following in-scope quality and environmental objectives act as a general framework for continual improvement in the organization.

Quality Objectives:
- Prepare and respond effectively to flood emergencies countywide to protect life and property
- Respond effectively to historic drought conditions
- Reliable high quality drinking water is delivered
- Maintain effective relationships with the retailer and other stakeholder to ensure high quality, reliable drinking water.
- Provide natural flood protection for residents, businesses, and visitors by removing parcels from flooding, applying an integrated watershed management approach that balances environmental quality and protection from flooding.

Environmental Objectives:
- Prepare for and respond to emergencies that threaten local waterways.
- Reduce greenhouse gas emissions to achieve carbon neutrality by 2020.

7. Environmental Impacts

Pollution prevention is the cornerstone of ISO’s environmental standard. ISO requires that every individual working for or on behalf of the District is responsible for being aware of how their work could impact or potentially impact the environment. ISO specifies that staff, vendors, and contractors are aware of the QEMS policy, the District’s significant environmental aspects, and the impacts of their work on the environment. Processes and programs are designed and implemented to help control environmental impacts resulting from District operations and therefore, deviating from these could have unintended adverse impacts on the environment.

8. Assessing the QEMS for Effectiveness

To ensure that the district is continually improving its QEMS and conforms to the ISO standards, regularly scheduled audits of the system are conducted by an external third-party. This organization, known as a registrar, audits the QEMS and makes findings based on interviews and review of district procedures and records. Any deviations from the ISO standards are captured as non-conformities and require the district to take the necessary corrective and preventive actions to prevent reoccurrence. If the district is found to be in conformance to the ISO standards of which it is registered, the registrar recommends certification.

For More Information:
Your District contact can provide more information or answer any questions.
APPENDIX TWO
FEES AND PAYMENTS

I. GENERAL

Payment for all services performed by Consultant to the satisfaction of the District as described in Appendix One—Scope of Services of this Agreement will be based on the hourly rates set forth in this Appendix Two, Section IV. B. subject to the not-to-exceed (NTE) fee allocated to each task as shown in Cost Breakdown Table in Section III. of this Appendix Two. Payments made by the District to the Consultant for services rendered will be considered full compensation for all personnel, overhead, materials, supplies, profits, subconsultant(s) if any, equipment, travel expenses, per diem expenses incurred by the Consultant to complete the services.

II. TOTAL AUTHORIZED FUNDING

Total payment for services performed, as described in Appendix One—Scope of Services, will not exceed a total fee of $2,311,515 during the term of this Agreement. Under no conditions will the total compensation to the Consultant exceed this $2,236,515 fee without prior written approval in the form of an amendment to this Agreement executed by the District’s Board of Directors ("Board"), or Chief Executive Officer as authorized by the Board. The Consultant guarantees that it will complete the contracted Scope of Services for the total NTE amount stated herein.

III. COST BREAKDOWN

The total NTE compensation of this Agreement consists of the following task fee breakdown. No services will be performed or fees paid by the District to the Consultant for Supplemental Services without prior written authorization by the District in the form of an issued Task Order as stated in Appendix One, Section IV. Additional Terms and Conditions, paragraph E. of this Agreement.

<table>
<thead>
<tr>
<th>Task #</th>
<th>Task Description</th>
<th>Not-to-Exceed Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fast Start Activities</td>
<td>347,312</td>
</tr>
<tr>
<td>2</td>
<td>Core Project Management Activities</td>
<td>1,025,130</td>
</tr>
<tr>
<td>3</td>
<td>Early Value Engineering</td>
<td>101,290</td>
</tr>
<tr>
<td>4</td>
<td>Environmental and Permit Planning</td>
<td>301,669</td>
</tr>
<tr>
<td>5</td>
<td>P3 Support</td>
<td>112,137</td>
</tr>
<tr>
<td>6</td>
<td>Support Workforce Development</td>
<td>44,861</td>
</tr>
<tr>
<td>7</td>
<td>Supplemental Services</td>
<td>304,116</td>
</tr>
<tr>
<td></td>
<td>Other Direct Expenses</td>
<td>75,000</td>
</tr>
<tr>
<td></td>
<td>Total Not-to-Exceed Amount</td>
<td>2,311,515</td>
</tr>
</tbody>
</table>
IV. TERMS AND CONDITIONS

Payments for work completed, as defined in Appendix One—Scope of Services, will be based on the following terms:

A. District will pay for services provided by the Consultant according to the schedule of rates for professional, technical, and administrative personnel as listed below in the Hourly Rate Schedule and unit rate, subject to the not-to-exceed fee assigned to each task.

B. The stated hourly and unit rates are effective for the term of this Agreement unless otherwise revised as indicated. After twelve (12) months from the date this Agreement is entered into by parties ("anniversary date"), these hourly and unit rates will be increased by 3.0%, provided Consultant submits written notice to District of Consultant’s request to revise the hourly and unit rates thirty (30) calendar days prior to the anniversary date of this Agreement. If this Agreement is amended to include Program Management Services, hourly and unit rates for these services may be negotiated between the Consultant and the District. Any subsequent adjustments to the hourly and unit rates will occur no sooner than twelve (12) months after the Amendment’s anniversary date, and will use as a benchmark, the percent change for the previous twelve (12) months of the "Employment Cost Index (ECI), for total compensation for private industry workers, for the San Francisco-Oakland-San Jose, CA CSA Census region and metropolitan area (not seasonally adjusted)" as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 3.0% whichever is less. A negative index will result in rates remaining the same. Such rate revisions are subject to written approval by the District’s Water Utility Capital Services Division Deputy Operating Officer.

HOURLY RATE SCHEDULES

HDR Engineering, Inc.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Officer (including Fast Track Manager, Dave Ludwin)</td>
<td>$309.00</td>
</tr>
<tr>
<td>Project Director, Phillippe Daniel</td>
<td>$308.41</td>
</tr>
<tr>
<td>P3 Lead</td>
<td>$299.00</td>
</tr>
<tr>
<td>Senior Technical Lead</td>
<td>$290.00</td>
</tr>
<tr>
<td>Senior Environmental Lead, Betty Dehoney</td>
<td>$288.17</td>
</tr>
<tr>
<td>Program Controls, Ali Hasan</td>
<td>$240.00</td>
</tr>
<tr>
<td>Technical Lead</td>
<td>$230.00</td>
</tr>
<tr>
<td>Risk Management, Christopher Behr</td>
<td>$222.68</td>
</tr>
<tr>
<td>Senior Project Engineer</td>
<td>$195.00</td>
</tr>
<tr>
<td>Environmental Lead,</td>
<td>$185.00</td>
</tr>
</tbody>
</table>
APPENDIX TWO
FEES AND PAYMENTS

<table>
<thead>
<tr>
<th>Classification</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Engineer</td>
<td>$165.00</td>
</tr>
<tr>
<td>GIS/CAD Lead</td>
<td>$160.00</td>
</tr>
<tr>
<td>Analyst</td>
<td>$150.00</td>
</tr>
<tr>
<td>Associate Engineer</td>
<td>$135.00</td>
</tr>
<tr>
<td>CAD Designer</td>
<td>$135.00</td>
</tr>
<tr>
<td>Controls, Zuralie Wilson</td>
<td>$138.50</td>
</tr>
<tr>
<td>Administration</td>
<td>$90.00</td>
</tr>
</tbody>
</table>

C. Upon the written approval of the District’s Water Utility Capital Deputy Operating Officer, unused fees from a completed or cancelled task may be reallocated to a future task provided that the Agreement Total Not-to-Exceed Fee is not exceeded.

D. Upon the written approval of the District’s Water Utility Capital Deputy Operating Officer, the scope of services described in a task may be reduced or eliminated. If the scope of services of a task is reduced or eliminated, the portion of the fees attributable to that reduced or eliminated task shall be transferred to Task 6.

E. Any authorized inter-task transfers will be clearly noted and described in the subsequent Monthly Progress Report to the District.

F. Not-to-exceed fees and services to be performed under Supplemental Services will commence only after written approval from the District’s Water Utility Capital Deputy Operating Officer.

G. Expenses incurred by the Consultant for subconsultants providing professional services will be reimbursed at actual cost plus 5.0%.

H. Reimbursement of Consultant and its subconsultant’s direct expenses not already covered in hourly rates shall be limited to outside printing, plotting, and workshop displays; and other expenses specifically provided for herein. These direct expenses will be billed at actual cost.

I. Automobile travel mileage expenses will be paid at the current IRS rate. District will not reimburse Consultant and its subconsultants for travel to and from District Headquarters and surrounding campus located at 5700 Almaden Expressway, San Jose, California. District will reimburse Consultant and its subconsultants for mileage incurred from District Headquarters or Consultant’s and subconsultants’ firm address, whichever is closer to the destination, to project site and to meeting locations with regulatory agencies and community meetings, and partnering meetings, if directed or authorized by the District.

J. Travel and overnight accommodations, including per diem, required for performance of this Agreement will be paid at reasonable cost not to exceed the
APPENDIX TWO
FEES AND PAYMENTS

U.S. General Services Agency Per Diem Rates for Sunnyvale/Palo Alto/San Jose, California area, provided prior District approval has been obtained from the District's Project Manager. For air travel, District will pay the cost of a coach class or equivalent ticket. Where air travel is required, district will pay the total cost of the rental car, which may include insurance, gas, car fee, and taxes and will be paid at the actual costs incurred. Vehicle rental is limited to a compact or economy model.

K. Consultant's monthly invoices will be prepared in accordance with the terms of this Appendix Two and the Standard Consultant Agreement Section IV, Fees and Payments, and represent services performed and reimbursable costs incurred during the identified billing period and will be consistent with Appendix One and include the following:

1. Personnel Category and employee name itemized with all labor charges by Scope of Service Subtask.

2. Direct charges by Scope of Service Subtask.

3. Consultant's summary of the amount Consultant has been billed by their subconsultants and further detailed by Scope of Service Subtask.

4. Direct charges must reflect actual fees versus the Agreement not-to-exceed fees in this Appendix Two.

L. Before submitting monthly invoices, a draft invoice (in Adobe PDF format) and the Monthly Progress Report will be provided by the Consultant for preliminary review by the District Project Manager. Upon preliminary approval by the District, the Consultant will mail the complete signed and dated hardcopy invoice, including all supporting documentation. District's preliminary review of the draft invoice does not represent final approval of the hardcopy invoice, but is intended to reduce potential for re-submittals of hardcopy invoice by Consultant.

M. Invoices will include a summary of labor expenditures, direct costs, and billed subconsultant charges. Billing statements, transmitted separately from the monthly progress reports, will be organized such that the billing categories correspond with the Scope of Services subtasks.

N. District's Project Manager will review hardcopy invoice within five (5) working days of receipt, address any questions with Consultant's Project Manager, and approve the undisputed amount of the invoice within ten (10) working days of receipt of the invoice. District will pay undisputed invoice amounts within thirty (30) calendar days from date invoice is received by District's Project Manager.

O. Consultant's services will be performed by its staff members and subconsultants' staff members at the lowest hourly rates commensurate with the complexity of the required services.
APPENDIX TWO
FEES AND PAYMENTS

P. Consultant's attention is directed to Section IV of the Standard Consultant Agreement regarding FEES AND PAYMENT and the corresponding retention clause.

Q. Prevailing Wages

1. The services to be performed pursuant to this Agreement may be considered "Public Works" subject to California Labor Code Section §1771, et. seq. and the applicable implementing regulations.

2. Labor Code Section §1720 includes "Inspection and Land Surveying" in its definition of "Public Works." If Consultant's Services includes such work, Consultant and its subconsultants must comply with all Labor Codes applicable to prevailing wages.

3. The Consultant and its subconsultants shall not engage in the performance of public work, as defined in California Labor Code Section 1771.1, unless currently registered and qualified to perform public work pursuant to California Labor Code Section 1725.5.

4. The General Prevailing Wage Rates issued by the California Department of Industrial Relations may be adjusted by the State throughout the term of this Agreement. Notwithstanding any other provision of this Agreement, Consultant will not be entitled to any adjustment in compensation rates in the event there are adjustments to the General Prevailing Wage Rates.

5. This Agreement is subject to compliance monitoring and enforcement by the State of California Department of Industrial Relations. The Consultant and subconsultants must furnish the records specified in Labor Code §1776 directly to the Labor Commissioner monthly, in a format prescribed by the Labor Commissioner.

6. All records or documents required to be kept to verify statutory compliance with the prevailing wage requirement must be made available for audit at no cost to the District, at any time during regular business hours, upon written request by the District.

R. Small Business Enterprise (SBE) Participation

Upon successful performance of the services described herein and at the sole discretion of the District, the Parties may amend this Agreement for additional Program Management Services. If an amendment to this Agreement is executed, the Consultant shall include California Department of General Services certified Small/Micro Businesses in the performance of the services, to be no less than 10% of the amended value of the Program Management Services Agreement; and Consultant agrees to use its best efforts to meet this goal.
APPENDIX FOUR
INSURANCE REQUIREMENTS

1. This Agreement commences on the date specified in the introductory paragraph of the Standard Consultant Agreement portion of this Agreement. This Agreement expires on March 31, 2017, unless, prior to its expiration, its term is modified by a written amendment hereto, signed by both Parties.

2. Consultant will commence Tasks listed in Appendix One of this Agreement upon receipt of the Notice-to-Proceed (NTP) issued by the District.

3. Consultant will perform and complete the Services described in Appendix One, Scope of Services, in accordance with the Project Schedule table as shown below. Consultant will coordinate services with the District to provide the timeline of all tasks and subtasks including the site visits, document review, meetings and Deliverables.

4. The approved Project Schedule will be monitored monthly. Changes to the schedule for performance of Tasks and Deliverables are subject to advance written approval by District. Consultant’s attention is directed to District’s Standard Consultant Agreement, Section VII. Delays and Extensions.

5. Project Delays—The Consultant will make all reasonable efforts to comply with the Project Schedule as shown here in Appendix Three. In the event the Project Schedule will be delayed, Consultant will notify the District as soon as possible, providing the reason why, the length of the delay, and a description of the actions being taken to address the delay. In the event Consultant is delayed in performance of its services by circumstances beyond its control, District may in its discretion grant a reasonable adjustment in the Project Schedule. This language will prevail should any conflict or discrepancy occur between this provision and Section VII. Delays and Extensions.

6. District’s Project Manager and Consultant may agree to modify the schedule specified for Consultant’s performance as an administrative modification to the Agreement confirmed in writing.

<table>
<thead>
<tr>
<th>Task #</th>
<th>Task Description</th>
<th>Duration from NTP (Weeks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fast Start Activities</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>Core Project Management Activities</td>
<td>78</td>
</tr>
<tr>
<td>3</td>
<td>Early Value Engineering</td>
<td>78</td>
</tr>
<tr>
<td>4</td>
<td>Environmental and Permit Planning</td>
<td>76</td>
</tr>
<tr>
<td>5</td>
<td>P3 Support</td>
<td>78</td>
</tr>
<tr>
<td>6</td>
<td>Support Workforce Development</td>
<td>78</td>
</tr>
<tr>
<td>7</td>
<td>Supplemental Services</td>
<td>78</td>
</tr>
</tbody>
</table>

Please refer to the insurance requirements listed below.

Expedited Purified Water Program
Project Management Services
Ver. (09/18/15)
C13238.docx

Page 48 of 52
APPENDIX FOUR
INSURANCE REQUIREMENTS

Without limiting the Consultant's indemnification of, or liability to, the Santa Clara Valley Water District ("District"), the Consultant must provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

Consultant must provide its insurance broker(s)/agent(s) with a copy of these requirements and warrants that these requirements have been reviewed by Consultant's insurance agent(s) and/or broker(s), who have been instructed by Consultant to procure the insurance coverage required herein. All Certificates of Insurance complete with copies of all required endorsements must be sent to: Katherine Oven, Deputy Operating Officer Water Utility Capital Division, Santa Clara Valley Water District, 5750 Almaden Expressway, San Jose, CA 95118.

In addition to certificates, Consultant must furnish District with copies of original endorsements affecting coverage required by this Appendix. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by District before work commences. In the event of a claim or dispute, District has the right to require Consultant's insurer to provide complete, certified copies of all required pertinent insurance policies, including endorsements affecting the coverage required by this Appendix.

Consultant must, at its sole cost and expense, procure and maintain during the entire period of this Agreement the following insurance coverage(s).

**Required Coverages**

1. **Commercial General/Business Liability Insurance** with coverage as indicated:

   $5,000,000 per occurrence / $5,000,000 aggregate limits for bodily injury and property damage

   General Liability insurance must include:

   a. Coverage at least as broad as found in standard ISO form CG 00 01.

   b. Contractual Liability expressly including liability assumed under this contract.

   c. If Consultant must be working within fifty (50) feet of a railroad or light rail operation, any exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, overpass, underpass, or crossway must be deleted, or a railroad protective policy in the above amounts provided.

   d. Severability of Interest

   e. Broad Form Property Damage liability

   f. If the standard ISO Form wording for "OTHER INSURANCE," or other comparable wording, is not contained in Consultant's liability insurance policy, an endorsement must be provided that said insurance will be primary insurance and
APPENDIX FOUR
INSURANCE REQUIREMENTS

any insurance or self-insurance maintained by District, its Directors, officers, employees, agents or volunteers must be in excess of Consultant's insurance and must not contribute to it.

2. Business Auto Liability Insurance with coverage as indicated:

$2,000,000 combined single limit for bodily injury and property damage per occurrence, covering all owned, non-owned and hired vehicles.

3. Professional/Errors and Omissions Liability with coverage as indicated:

$5,000,000 per claim/ $5,000,000 aggregate

Professional/Errors and Omission Liability appropriate to the Consultant's profession, and must include:

A. If coverage contains a deductible, or self-insured retention, it shall not be greater than one hundred thousand dollars ($100,000) per occurrence/event.

B. Coverage shall include contractual liability

C. If coverage is claims-made:

1. Certificate of Insurance shall clearly state that the coverage is claims-made

2. Policy retroactive date must coincide with or precede the Consultant's start of work (including subsequent policies purchased as renewals or replacements).

3. Policy must allow for reporting of circumstances or incidents that might give rise to future claims.

4. Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.

4. Workers' Compensation and Employer's Liability Insurance

Statutory California Workers' Compensation coverage covering all work to be performed for the District.

Employer Liability coverage for not less than $1,000,000 per occurrence.

General Requirements

With respect to all coverages noted above, the following additional requirements apply:
APPENDIX FOUR
INSURANCE REQUIREMENTS

1. **Additional Insured Endorsement(s)** Consultant must provide an additional insured endorsement for Commercial General/Business Liability and Business Automobile liability coverage naming the Santa Clara Valley Water District, its Directors, officers, employees, and agents, individually and collectively, as additional insureds, and must provide coverage for acts, omissions, etc. arising out of the named insureds' activities and work. Other public entities may also be added to the additional insured endorsement as applicable and the Consultant will be notified of such requirement(s) by the District.

   (NOTE: Additional insured language on the Certificate of Insurance is NOT acceptable without a separate endorsement such as Form CG 20 10, CG 2033, CG 2037. Note: Editions dated 07/04 are not acceptable)

2. **Primacy Clause:** Consultant’s insurance must be primary with respect to any other insurance which may be carried by the District, its officer, agents and employees, and the District’s coverage must not be called upon to contribute or share in the loss.

3. **Cancellation Clause Revision:** The Certificate of Insurance MUST provide 30 days notice of cancellation, (10 days notice for non-payment of premium). NOTE: The standard wording in the ISO Certificate of Insurance is not acceptable. The following words must be crossed out or deleted from the standard cancellation clause: "...endeavor to..." AND "...but failure to mail such notice must impose no obligation or liability of any kind upon the company, its agents or representatives."

4. **Acceptability of Insurers:** All coverages must be issued by companies admitted to conduct business in the State of California, which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the District's Risk Management Administrator.

5. **Self-Insured Retentions or Deductibles:** Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

6. **Subconsultants:** Should any of the work under this Agreement be sublet, the Consultant must require each of its subconsultants of any tier to carry the aforementioned coverages, or Consultants may insure subconsultants under its own policies.

7. **Amount of Liability not Limited to Amount of Insurance:** The insurance procured by Consultant for the benefit of the District must not be deemed to release or limit any liability of Consultant. Damages recoverable by the District for any liability of Consultant must, in any event, not be limited by the amount of the required insurance coverage.

8. **Coverage to be Occurrence Based:** With the exception of the Professional
APPENDIX FOUR
INSURANCE REQUIREMENTS

Liability/Errors and Omissions coverage mentioned above, all coverage must be occurrence-based coverage. Claims-made coverage is not allowed.

9. **Waiver of Subrogation:** Consultant agrees on to waive subrogation against the District to the extent any loss suffered by Consultant is covered by any Commercial General Liability policy, Automobile policy, Workers' Compensation policy, or Professional policy described in Required Coverages above. Consultant agrees to advise its broker/agent/insurer about this provision and obtain any endorsements, if needed, necessary to ensure the insurer agrees.

10. **Non-compliance:** The District reserves the right to withhold payments to the Consultant in the event of material noncompliance with the insurance requirements outlined above.

11. **Please mail the certificates and endorsements to:**

   Katherine Oven  
   Deputy Operating Officer Water Utility Capital Division  
   Santa Clara Valley Water District  
   5750 Almaden Expressway  
   San Jose, CA 95118

**IMPORTANT:** On the certificate of insurance, please note:
Katherine Oven, Deputy Operating Officer Water Utility Capital Division  
Expedited Purified Water Program Project Management Services,  
CAS File #4662

If your insurance broker has any questions, please advise him/her to call Mr. David Cahen, District Risk Management Administrator, at (408) 265-2607, extension 2213.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)
All projects over budget must complete this form within one month of overspending. Please fill out Budget Adjustment Form if this is a request to transfer funds.

**PROJECT MANAGER:** Nancy Pan

<table>
<thead>
<tr>
<th>PROJECT NO. AND DESCRIPTION</th>
<th>FISCAL YEAR</th>
<th>ADJUSTED BUDGET</th>
<th>ACTUAL EXPENDITURES</th>
<th>OVER/UNDER BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>91284009 Silicon Valley Advanced Water Purification Center (SVAWPC) Expansion Project</td>
<td>2016</td>
<td>$0</td>
<td>$809</td>
<td>$809</td>
</tr>
</tbody>
</table>

**JUSTIFICATION**

- Please provide justifications for over budget? (Rationale may include: additional milestones, unexpected/unbudgeted activities, change in scope or project plan, under estimation of budget needed, transaction error, etc.)

The SVAWPC expansion project had not yet begun when the FY 2016 budget was developed and approved. This project was one of a group of projects planned as part of the Indirect Potable Reuse Planning Project (#91304001) funded in the FY 2016 Adopted Budget.

- What were the previous year's actual expenditures?

  There were no FY 2015 expenses

**IMPACT OF NOT RECEIVING FUNDS**

- Please explain what would be the likely outcome? What task will not be accomplished?

  If not funded, the District will not be able to pay for labor costs and design-build legal and advisory service fees which will occur in FY 2016.

- Please explain impact on milestones:

  **Current Milestone:** none

  **Proposed Milestone:** FY 2016 milestones include: (1) execute design-build legal counsel services contract (October 2015), (2) execute design-build advisory services contract (November 2015), (3) complete RFQ process for design-build contract (January 2016), and (4) complete RFP process and begin Phase I contract negotiation for design-build contract (June 2016).

**MITIGATING ACTIONS** (Revise project plans or budgets to reflect change of circumstances. Please explain impact on the relinquishing project if you request funds from another project)

There should be no impact to the Indirect Potable Reuse Planning Project as a portion of the project funding was intended for the SVAWPC Expansion Project.

**REQUEST TO TRANSFER FUNDS**

- Yes [x] No [ ]

  If Yes, complete budget adjustment form

---

**BUDGET OVERRIDE APPROVAL**

<table>
<thead>
<tr>
<th>Override amount to allow expedited procurement</th>
<th>$1,300,000</th>
</tr>
</thead>
</table>

**Project Manager (Sign and Print Name)** Nancy Pan

**Oversight Manager (Sign and Print Name)** Katherine Owen

**Chief (Sign and Print Name)** James Fiedler

**Approved:** [x] Yes [ ] No

**Date:** 3/14/15

**Date:** 6/17/15
**Budget Deviation Justification and Budget Adjustment**

**Budget Control Override Instructions**

The COOs, CAO and CEO have the authority to override budget control in the financial system. An override allows a purchase or procurement to be made despite an exceeded budget. This is an exception based practice. A Budget Adjustment Form is to be processed concurrently with routing of this form.

When this form has an Approved Budget Control Override, the project manager must submit it to the Purchasing, Consultant Contracts and Warehouse Unit Manager for purchasing and contracting procurements, and to the General Accounting Unit Manager for accounting transactions.

Approved and unapproved Exceeded Budget Justification forms must continue the standard routing process, and be accompanied by a Budget Adjustment form if a budget adjustment is necessary to align the exceeded project's spending with its budget.

---

**Budget Adjustment Form**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>FY 2016</th>
<th>UNIT</th>
<th>ACCOUNT</th>
<th>Task</th>
<th>Increase</th>
<th>Decrease</th>
<th>First</th>
<th>Second</th>
<th>Third</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SVAWPC Expansion Project</td>
<td></td>
<td>5</td>
<td>376</td>
<td>31</td>
<td>0</td>
<td>-1,300,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Indirect Potable Reuse Planning Project</td>
<td>2016</td>
<td>51</td>
<td>416</td>
<td>512</td>
<td>0</td>
<td>-1,300,000</td>
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</tbody>
</table>

Budget Adjustment Routing: First Tier Adjustments < $50k; Second Tier >= $50k to $100k; Third Tier >= $100k

<table>
<thead>
<tr>
<th>Approvals and Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiator (Project manager) Nancy Pan</td>
<td>8/13/15</td>
</tr>
<tr>
<td>Requinsuing Project Manager Hossein Ashktorab</td>
<td>8/13/15</td>
</tr>
<tr>
<td>Requinsuing Project Manager Hossein Ashktorab</td>
<td>8/13/15</td>
</tr>
<tr>
<td>Deputy - Oversight Manager(s) Katherine Oven</td>
<td>8/13/15</td>
</tr>
<tr>
<td>Chief(s) James Fiedler</td>
<td>8/17/15</td>
</tr>
<tr>
<td>CEO</td>
<td>9/30/15</td>
</tr>
<tr>
<td>Clerk of The Board, Agenda date, Item No.</td>
<td>9/22/15</td>
</tr>
</tbody>
</table>

Submit final copy to appropriate Budget & Financial Control Unit Analyst

Cc. Legal if funding for legal services is required

Cc. Claims if projects includes external funding or capital reimbursements