



The new identity of Teng & Associates, Inc.

November 15, 2012

Mr. Scott Koteski
Rochelle Municipal Utilities
333 Lincoln Highway
P.O. Box 456
Rochelle, IL 61068-0456

Re: 999-00025529-PP Fiber to the Premise Proposal

Dear Mr. Koteski:

Exp U.S. Services, Inc. (**exp**) is pleased to submit this proposal for Engineering Design Services in support of the proposed Fiber to the Premise project for Rochelle.

SCOPE OF THE PROJECT

Provide fiber-to-the-premise (FTTP) connectivity to residents and businesses within the Rochelle city limits, with estimated 3,600 households and businesses passed and estimated subscriber drop rate of 60-70% including future expansion. We have divided our scope into three phases, executable if and when Rochelle is ready.

SCOPE OF BASIC DESIGN SERVICES

Conceptual Communication Master Plan

- Define existing conditions and prepare a written Design Criteria.
 - Definition of project boundaries.
 - Preliminary site surveys of existing fiber optic cable plant.
 - Evaluation of existing communication/fiber network.
 - Review fiber availability.
 - Available space in existing ductwork.
 - Age and condition records.
 - Optimize existing infrastructure to the extent possible.
 - Coordinate with various utility agencies, in order to share infrastructure, coordinate location, and timing (especially with electrical agency), and to avoid conflicts.
- Define design standards.
- Coordination with proposed 12 kV electrical distribution upgrades to take advantage of savings from shared evacuation activities.
- Define access topology alternatives - Provisions for distributed active equipment and GPON overlay.
- Recommendations on equipment and vendor selection.
- Fiber recommendation. Our preliminary recommendation is zero water peak single mode fiber.
- Provide an Opinion of probable costs for construction.

- Provide a conceptual fiber-optic plan showing areas for installation.

Design Development

Design development deliverable will be drawings and supporting documentation to the 60% level. This will provide a refined estimate for construction as well as a developed document for review.

- Based on RMU requirements, provide communication infrastructure design.
- Calculations for optical loss budgets.
- Basis of fiber distribution design will be 1:32 splitters where possible.
- Route development – consideration of redundancies, loop system.
- Evaluation of distributed versus centralized splitter schemes.
- Define splitter locations.
- Power distribution to active equipment.
- Fiber calculations.
- Define number of stands required.
- Schematic layout oh hand holes/manholes.
- Optical loss budgets.
- Preliminary Splitter cabinet sizing.
- Provide a map of the proposed fiber-optic route.
- Provide civil plans detailing route and equipment locations.
 - Fiber location horizontal and vertical.
 - Minimize borings and crossings.
 - Define to home connection locations.
- Provide design to AHJ (RMU & others) for review.
- Provide a Design Opinion of probable cost.

Construction Documents

- Provide system specifications.
- Provide project specifications.
- Finalize design elements including splitter locations and strands required.
- Finalize design and specifications based on the Design Master Plan.
- Provide possible phasing in accordance with anticipated master plan execution.
- Detail hand hole, pull box and manhole locations.
- Crossing schedule for existing utilities.
- Boring Schedule with associated cross-sections.
- Secure permit and approval from AHJ (RMU & others) to construct the master communication system.

Construction Administration

- Weekly field visits in conjunction with weekly construction meetings.
- Pay request review.
- Schedule Management.
- Budget Management.
- RFI's

ADDITIONAL SERVICES

Any design services necessitated by and/or related to changes in the scope of the project, if requested by RMU, are examples of services which would be considered Additional Services.

COMPENSATION

BASIC DESIGN SERVICES: For the Basic Design Services as defined herein, exp U.S. Services, Inc. shall be compensated the total fees as per the below breakdown.

DIRECT COSTS: In addition to the amount stated above for services, all project reimbursable expenses, such as reproduction and travel will be billed at cost. We suggest that Rochelle budget the below stated allowance for these expenses. This amount is an estimate only; exp will request approval of additional reimbursable expense budget by Rochelle prior to spending reimbursable expenses over this amount.

Conceptual Communication Master Plan	\$35,000.00
Design Development	\$75,000.00
Construction Documents	\$75,000.00
Construction Administration	\$30,000.00
Total Design Fee	\$215,000.00
Reimbursable Expenses - Conceptual	\$700.00
Reimbursable Expenses – Design	\$1,000.00
Reimbursable Expenses – Construction Documents	\$1,000.00
Reimbursable Expenses –Construction Administration	\$600.00
Total Reimbursable Allowance	\$3,300.00

ASSUMPTIONS & CLARIFICATIONS

The following assumptions/clarifications shall apply to this proposal:

- Existing CAD files will be provided for the bounds of the project.
- Existing power distribution CAD plans will be provided.
- Owner will provide inspection and validation of existing fiber pathways capacity where inaccessible.
- Fiber assessment and inspection of existing is not included.
- Distribution from Technology Center at 910 Technology Parkway.



exp U.S. Services, Inc.

Company: RMU
Re: FTTP
Project Number: 00025529
Date: November 15, 2012

TERMS AND CONDITIONS

The attached Terms and Conditions (revised 2-01-2012) will serve as our agreement upon your authorization to proceed.

We are pleased to provide our services to Rochelle Municipal Utilities. If you have any questions or concerns, please do not hesitate to call.

Very truly yours,



Jamie Setter
Project Manager



Timothy D. Neumann, AIA, NCARB
Executive Vice President, Central US

exp U.S. Services, Inc.

Attachment

xc: Richard Westrum
Exec File

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TERMS AND CONDITIONS (Revised 2/1/2012)

GENERAL. The Terms and Conditions set forth herein and in the attached cover letter constitute an offer by **exp U.S. Services, Inc., ('exp')** to perform for the Company to whom this cover letter is addressed ("Client"), the professional design services identified in said cover letter as Scope of Services ("Services") for Client's project as defined therein ("Project"). **exp's** offer becomes a contract on these same terms and conditions when accepted or acknowledged by Client or by **exp's** commencing performance of the Services. This contract supersedes all previous understandings or writings, if any, and constitutes the entire agreement between **exp** and Client relating to the Services. Pre-printed terms and conditions on Client purchase orders are not accepted regardless of when issued. **exp** shall have the right, at its sole option, to rescind its offer if the Services have not commenced within ninety (90) days of the date of **exp's** offer.

EXP'S OBLIGATIONS. **exp** will endeavor to perform its Services using that degree of care and skill ordinarily exercised by reputable members of its profession under similar circumstances. No other warranty **express** or implied is made or intended.

CLIENT'S OBLIGATIONS. Client shall, at his **expense**, provide full, complete and correct information, including, but not by way of limitation: a program of objectives, constraints, criteria, and budget; a legal description and current certified land survey of the property; geotechnical surveys such as soil borings, ground corrosion, evaluations of hazardous materials, resistivity tests, and the like, with appropriate professional recommendations; Laboratory and environmental tests of air and water pollution, hazardous materials, and other such inspections and reports required by law or otherwise; all legal, accounting and insurance counseling services required for the Project. **exp** shall be entitled to rely upon the accuracy of such Client-furnished information.

CONSULTANT SERVICES. Where **exp** procures consultant services such as, subsurface engineers, pollution engineers, and other similar specialists required for the Project, on behalf of Client, **exp** does so as an administrative/invoicing convenience to Client and such consultants shall be considered Client's Independent Consultants. **exp** makes no representation of, and does not assume responsibility or liability for, the work or services for Client's Independent Consultants. **exp** shall be entitled to rely upon the accuracy of services, including reports or surveys, provided by Client's independent consultants.

OPINIONS OF PROBABLE COST. **exp's** opinions of probable construction cost represent its best judgment as a design professional familiar with the construction industry and are not guarantees by **exp** of actual construction cost. **exp** has no control over material cost, labor, methods of construction or bid procedures. Accordingly, **exp** does not warrant or represent that contractor bids will not vary from the Project budget or **exp's** opinion of probable construction cost. If Client desires greater assurance of cost, Client shall engage the services of an independent construction cost estimator.

CONSTRUCTION PHASE SERVICES. If so specified in the attached cover letter, **exp** shall provide certain construction phase services, but in any event subject to the following limitations:

(A) On-Site Observations. **exp** shall visit the site periodically to become generally familiar with the progress and quality of the construction work (Work) and to determine in general if the Work is being performed in a manner indicating that the Work when completed will be in accordance with the Contract Documents. However, **exp** shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of Work. On the basis of such on-site observations as an architect or engineer, **exp** shall keep Client informed of the progress and quality of the Work. **exp** shall in no event have control or charge of the construction and shall not be responsible for construction means, methods, techniques, sequence or procedures, or for safety precautions or the acts or omissions of the Contractor or any other persons performing Work or their failure to perform. **exp** shall not have the authority to stop the construction Work. **exp** shall not be responsible for the Contractor's schedules or failure to carry out the Work in accordance with the contract documents;

(B) Full-Time On-Site Representative (Project Representative). The duties, responsibilities and limitations of authority of **exp's** full-time on-site Project Representative shall be as described in AIA Document B352, 1993 edition, incorporated herein;

(C) Submittal Review. **exp** shall review and take appropriate action upon those contractor submittals specifically required under the Contract Documents such as shop drawings, product data, samples, etc., but only for the limited purpose of reviewing for conformance with information given and the design concept expressed in the Contract Documents. Review is not for the purpose of (a) determining accuracy and completeness of other details such as dimension or quantities (b) for substantiating instructions or performance of equipment or systems designed by Contractor nor (c) review or approval of safety precautions, construction means, methods, techniques, sequence or procedures. **exp's** approval of a specific item shall not indicate approval of an assembly of which the item is a component. When professional certification of performance characteristics of materials, systems or equipment is required by the Contract Documents, **exp** shall be entitled to rely upon such certification to establish that the materials, systems, or equipment will meet the performance criteria required by the Contract Documents;

(D) Payment Request Review. Based on **exp's** on-site observations of the Work, **exp** shall review contractor applications for payment and shall advise Client if the Work has progressed to the point indicated on the payment application;

(E) As-Built or Record Drawings. **exp** shall provide drafting of changes to plans based on Contractor-supplied information which is impossible to verify.

ADDITIONAL SERVICES. Changes in scope or extent of Services may be made from time to time by mutual written or oral agreement. Any Additional Services required because of such changes will be charged at **exp's** customary rates in effect at that time. Unless otherwise agreed in writing all Terms and Conditions of this contract shall apply. Changes in these Terms and Conditions can only be made by written consent of **exp**. Services not completed before the completion date stated in the cover letter, through no fault of **exp**, shall be considered Additional Services. Projects suspended for more than thirty (30) days through no fault of **exp** shall be subject to a re-mobilization fee compensated as Additional Services.

COMPENSATION AND PAYMENT. Client shall compensate **exp** the amounts stipulated in the cover letter, however such amounts shall be subject to adjustment for escalation if, through no fault of **exp**, the Services are not completed within the time stipulated in the cover letter. In addition to the amounts for Services, **exp** shall be compensated for reimbursable expenses such as travel, duplication, plotting, prints, messenger services, additional insured provisions or increased limits of insurance, and other reasonably identifiable costs incurred in connection with the Services. Such reimbursable expenses shall be invoiced at cost or **exp's** customary rate, plus 10% handling and, unless specifically stated otherwise in the cover letter, are in addition to any amounts stated as maximum compensation. The amount of any excise, Value Added Tax (VAT), gross receipts tax or other tax (excepting taxes on **exp's** income) may be imposed by any Authority having jurisdiction shall be added to compensation due hereunder and shall be in addition to any amounts agreed to as maximum compensation.

exp shall be entitled to payment for Services rendered on the basis of **exp's** invoices submitted monthly. Invoices shall be due and payable within 20 days after receipt. Past due invoices shall accrue interest at the rate of one and one-half percent per month. No retention shall be withheld. All accounts receivable must be current before **exp** shall seal drawings, issue drawings to contractors for bidding, or issue drawings for permit application. **exp** reserves the right to stop Services and/or withhold documents for reasons of non-payment and **exp** shall not be liable for delays which may result from such stoppage.

In the case of lump-sum fee arrangements, invoices shall reflect the percentage of work completed as estimated by **exp** to the date indicated on the invoice. For all other fee arrangements, invoices shall indicate the fees earned on the basis of effort expended. A service charge of 5% of the invoice amount shall be added to all invoices prepared on special Client forms or requiring back-up such as time sheets, copies of receipts, and the like. Waivers of Lien will be provided, upon request, after receipt by **exp** of monies due.

OWNERSHIP OF WORK PRODUCT. Any and all documents, plans or materials in whatever form, including electronic media (software, disks, tapes, telecommunication, etc.) prepared pursuant to or otherwise resulting from this contract are instruments of professional service and shall be and at all times remain the sole property of **exp**. Client shall be entitled to retain hard copy of such documents and plans for informational use and references in connection with Client's use and occupancy of this specific property only. Computer diskettes of project documents will not be released by **exp** without agreement in writing stipulating the terms and restriction of usage. Client shall have the non-exclusive license to use all software for Client's internal business use only. All raw data or Client information furnished by Client to **exp** which are incorporated in or processed by the software will continue to be owned by the Client, and not **exp**. **exp** will not be responsible for any consequence of re-use, other use, or adaptation of such documents without **exp's** express written approval.

INSURANCE. **exp** is protected by Professional Liability Insurance, Worker's Compensation Insurance and Comprehensive General Liability Insurance and will furnish certificates upon request. Any additional insurance or limits or "additional insured endorsement" shall be provided as a reimbursable expense at actual cost or **exp's** scheduled charge. Client agrees to cause the Contractor to (a) provide Comprehensive General Liability Insurance for the Project naming **exp & Associates, Inc.** and Client as Additional Insureds; (b) to defend, indemnify, and hold harmless **exp** and Client from any and all losses, cost, damages, and expenses resulting from the Contractor's Work on the Project, including without limitation claims arising out of or in connection with construction worker injuries. Client agrees to notify **exp** of the existence of any Project-Specific Professional Liability Policy applicable to the Project which includes **exp** as an Insured by name or reference so that **exp** may, in a timely and effective manner coordinate its own insurance program. Should such a Project-Specific Professional Liability Policy be purchased by Client or Client's contractors, Client agrees to make available to **exp** a certified copy of the Policy and to cooperate with **exp** in obtaining data with respect to possible claims against that Policy.

DISPUTES. If a dispute arises out of or relates to this contract and if said dispute cannot be settled through direct discussions, the parties hereto agree to first endeavor to settle the dispute in an amicable manner by mediation through the Construction Mediation Service before having recourse to arbitration or a judicial forum.

ASBESTOS/HAZARDOUS MATERIALS DISCLAIMER. Client is hereby notified that asbestos is prevalent in building constructed prior to 1978. Client acknowledges that **exp** has no expertise in detecting the presence of, or specifying removal or disposal or containment of asbestos or hazardous materials at the Project site. Client shall solely have the responsibility to determine the presence of, and specify the removal, disposal or containment of asbestos or other hazardous materials at the Project site. Client agrees to employ an industrial hygienist or other qualified specialist for such purpose, and acknowledges that **exp** has not been contracted to provide such services, Client agrees to defend, indemnify and hold harmless **exp** from any and all asbestos, pollution, and/or hazardous waste-related claims arising against **exp** relative to the presence, detection, removal or disposal of asbestos and or other hazardous wastes at the Project site.

"ADA" COMPLIANCE. For Projects of new construction, **exp** shall endeavor to design the Project in conformity with the Americans with Disabilities Act ("ADA") Accessibility Guidelines, 28 CFR Part 36 (July 26, 1991) (hereinafter the "Act") and advise Client if any accommodation is structurally impractical. For modifications to an existing facility of any type, **exp** shall endeavor to identify existing barriers and needed accommodations as those terms are used in the Act, and inform Client of the existence of these barriers and needed accommodations. It is Client's sole responsibility to determine whether to exclude a specific accommodation because the accommodation is not readily achievable or unduly burdensome. **exp** shall not be responsible to determine whether it is necessary to remove all barriers identified in order to comply with the Act. Such determination shall be made by Client. If Client requests **exp** to prepare alternate design documents or specifications with the intent of ascertaining or demonstrating that certain aspects of the Project are unduly burdensome or not readily available, such services shall be Additional Services.

COMPLIANCE WITH CODES. **exp's** design shall conform to local applicable codes in effect, and as interpreted by building officials, at the time the design is prepared; however, **exp** shall not be responsible for changes to the Project resulting from changes in local or applicable codes or changes in interpretation thereof by authorities having jurisdiction. Mechanical Engineering design for environmental conditioning shall be designed in accordance with ASHRAE and local applicable standards subject to the conditions above; however, **exp** shall not be responsible to perform tests of existing systems, outdoor/indoor air quality, building material performance (existing or new), nor other similar environmental conditions having an effect on air quality.

LIMITATION OF LIABILITY. Client recognizes the inherent risks, rewards, and benefits of the Project. Accordingly, Client agrees that, to the fullest extent permitted by law, Client shall defend, indemnify, and hold harmless **exp** from and against any claims, damages, losses, costs, injuries, and expenses, including attorney's fees, (hereinafter "Claims") arising out of the Project hereunder excepting from the indemnity and hold harmless obligation only those claims or portions thereof which are determined by a court to arise from the negligence of **exp**. **IN NO EVENT SHALL CLIENT BE ENTITLED TO OBTAIN FROM TENG, ITS AGENTS, REPRESENTATIVES, OFFICERS, EMPLOYEES, OR INDEPENDENT CONTRACTORS, 'DAMAGES' ARISING FROM EXP'S BREACH OF THIS AGREEMENT, OR FOR ITS FAILURE TO PERFORM ITS SERVICES IN ACCORDANCE WITH THE STANDARD OF CARE PROVIDED FOR HEREIN, IN EXCESS OF FIFTY THOUSAND DOLLARS OR THE TOTAL FEE AMOUNT PAID BY CLIENT, WHICHEVER IS LESS.** "Damages" as used herein, shall include tort damages, contract damages, strict liability damages, liquidated damages, economic losses, penalties, fines and attorney's fees. No Claims shall be made more than two years after substantial completion of the Project.

SOFTWARE WARRANTY. **exp** warrants that with respect to software it has created and supplies under this contract, if any, that for a period of six (6) months after installation the software will perform in material conformance with the specifications agreed to in the statement of work. In the event of a breach of this warranty, Client shall promptly notify **exp** in writing of the perceived defect and provide **exp** with access to the software. This warranty will not apply to the extent the defect is caused by a modification of the software by Client, the failure of Client's system or third party software not embedded in **exp's** software. In the event that **exp** determines that it has, in fact, breached any of its warranties, **exp** shall either (a) correct the defect; (b) replace the software without charge; or (c) refund to Client the portion of its fees associated with the software. With respect to software developed by a third party, if permitted by the third party, **exp** will pass-through whatever warranty it receives from third party to Client. **THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING (WITHOUT LIMITATION) ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY AND NON-INFRINGEMENT, SUCH OTHER WARRANTIES BEING SPECIFICALLY DISCLAIMED BY TENG.**

APPLICABLE LAW. The rights and obligations of the parties under this contract shall be interpreted in accordance with and governed in all respects by the State of Illinois.

TERMINATION OR CANCELLATION. This contract may be terminated by either party upon seven days prior written notice. In the event of termination, **exp** shall be compensated by Client for all Services performed up to and including the termination date, including reimbursable expenses, and/or the completion of such Services and records as are necessary to place **exp's** files in order and/or protect its professional reputation. In the event of bankruptcy or insolvency of Client or if the financial condition of Client at any times does not, in the judgment of **exp**, justify continuance of the work, **exp** shall be entitled to cancel this contract and receive reimbursement for its reasonable and proper cancellation charges.

END OF DOCUMENT