

April 15, 2014

Mr. Jason Anderson
Economic Development Director
City of Rochelle
420 North 6th Street
Rochelle, IL 61068

**RE: Proposal for Additional Professional Engineering Services
City Industrial Rail - Completion of North Switch Yard**

Dear Jason,

Please accept this correspondence as a proposal for rail design services associated with the completion of the CIR North Switch Yard, located just south of Creston Road. More specifically, this proposal includes the design of one (1) parallel storage track, approximately 1,500 LF in length. The following defines our understanding of the scope of services.

Industrial Rail Design

Utilizing the previously collected topographic survey and the preliminary engineering completed to date, Fehr Graham will provide design engineering services associated with the third storage track located at the North Switch Yard. The railbed and subballast were constructed as part of the previous rail project. Said detailed construction plans will include minor grading, rail plan and profile, erosion control, cross sections, and construction details. In addition, Fehr Graham will prepare bid documents for the project and will assist the City in the letting process.

Further, should the City desire to extend each of the three (3) storage tracks north to Creston Road, Fehr Graham will provide a separate cost for the design of the additional 2,250 LF of rail.

Storm Water Pollution Prevention Plan (SWPPP)

The Illinois Environmental Protection Agency (IEPA), in accordance with the Clean Water Act, requires a *National Pollutant Discharge Elimination System (NPDES)* storm water permit for any construction project in which one acre or more is disturbed. The NPDES permit requires a site specific Storm Water Pollution Prevention Plan (SWPPP) which details the management practices and erosion control measures which are to be utilized to reduce or eliminate pollution due to storm water runoff. Should the project meet the above-referenced disturbed area criteria, Fehr Graham will prepare and submit the Notice of Intent (NOI) application and the SWPPP for the construction project necessary to secure the NPDES permit. Said submittal will be prepared in accordance with NPDES permit and IEPA guidelines.

The following items are **not** included in the scope of services proposed here:

- Off-site investigations and/or engineering plans for municipal utilities or other off-site private utility improvements.
- Railroad liability insurance or flagmen fees.
- SWPPP inspections as required by NPDES regulations.
- Construction staking.
- Construction management and/or construction observation.

Any of the above services can be performed as an additional cost to the project.

Fee Schedule

Fehr Graham is prepared to complete the work detailed in this proposal in accordance with the following fee schedule:

Industrial Rail Design	\$10,800
Industrial Rail Design - Extension of Storage Tracks	\$14,200
Storm Water Pollution Prevention Plan (SWPPP)	\$ 2,650

Project Schedule

We can begin work on the project immediately upon receipt of your notice to proceed.

Authorization

Thank you for the opportunity to prepare this proposal for your project. I trust that the information we have provided is in line with your expectations. If you would like us to proceed with this project, please sign the attached Order for Professional Services and return one copy to my attention. Should you have any questions or concerns, please do not hesitate to contact our office.

Respectfully submitted,



Noah Carmichael, PE
Principal

NJC:rfs



ORDER
FOR PROFESSIONAL ENGINEERING
OR SURVEYING SERVICES

Client Mr. Jason Anderson
Economic Development Director
City of Rochelle
420 North Sixth Street
P.O. Box A
Rochelle, IL 61068
815.561.2000

Description of Services:

City of Rochelle - City Industrial Rail North Switch Yard

Fehr Graham will provide professional engineering services associated with the completion of the CIR North Switch Yard located just south of Creston Road in Rochelle, Illinois. This work includes the design of one (1) parallel storage track approximately 1,500 LF in length.

COST: The fee for performing the above services is \$27,650, as follows:
Industrial Rail Design \$10,800
Industrial Rail Design - Extension of Storage Tracks \$14,200
Storm Water Pollution Prevention Plan (SWPPP) \$ 2,650

The attached General Conditions are incorporated into and made a part of this Agreement.

ACCEPTED AND AGREED TO:

I/we, the undersigned, authorize Fehr Graham to provide services as outlined above, and also agree that I/we are familiar with and ACCEPT THE TERMS OF THE ATTACHED GENERAL CONDITIONS.

CLIENT:

ENGINEER:

Signature _____

By [Signature] _____

Title _____

Title Principal / Branch Manager

Date Accepted _____

Date Proposed April 15, 2014
NJC

GENERAL CONDITIONS TO AGREEMENT FOR PROFESSIONAL SERVICES

1. The Client orders the professional services of Fehr Graham hereinafter called "The Consultant" as described herein.
2. The Consultant agrees to furnish and perform the professional service described in this Order in accordance with accepted professional standards. Consultant agrees to provide said services in a timely manner, provided, however, that Consultant shall not be responsible for delays in completing said services that cannot reasonably be foreseen on date hereof or for delays which are caused by factors beyond his control or delays resulting from the actions or inaction of any governmental agency. Consultant makes no warranty, expressed or implied, as to his findings, recommendations, plans and specifications or professional advice except that they were made or prepared in accordance with the generally accepted engineering practices.
3. It is agreed that the professional services described in the Order shall be performed for Client's account and that Client will be billed monthly for said services. A 1½% per month service charge will be incurred by Client for any payment due herein and not paid within 30 days of such billing which is equal to an ANNUAL PERCENTAGE RATE OF 18%. Partial payments will be first credited to the accrued service charges and then to the principal.
4. The Client and the Consultant each binds himself, his partners, successors, executors, and assigns to the other party to this agreement and to the partners, successor, executors, and assigns of such other party in respect to this agreement.
5. The Client shall be responsible for payment of all costs and expenses incurred by the Consultant for his account, including any such monies that the Consultant may advance for Client's account for purposes consistent with this Order.
6. The Consultant reserves the right to withdraw this Order if not accepted within 30 days.
7. A claim for lien will be filed within 75 days of the date of an invoice for services (last day of services rendered) unless the account is paid in full or other prior arrangements have been made. All attorney fees incurred by the Consultant due to the filing of said lien or the foreclosure thereof shall be borne by the Client.

In the event suit must be filed by Consultant for the collection of fees for services rendered, Client will pay all reasonable attorney's fees and court costs.

If Client defaults in payment of fees or costs due under the terms of this Order and Consultant incurs legal expenses as a result of such failure, Client shall be responsible for payment for Consultant's reasonable attorney fees and costs so incurred.

8. The Consultant shall present, for the consideration of the Client, engineering and technical alternatives, based upon its knowledge and experience in accordance with accepted professional standards, with selection of alternatives and final decisions as requested by the client to be the sole responsibility of the Client.
9. Construction Phase Activities (When applicable) - In connection with observations of the work of the Contractor(s) while it is in progress the Consultant shall make visits to the site at intervals appropriate to the various stages of construction as the Consultant deems necessary in order to observe as an experienced and qualified design professional the progress and quality of the various aspects of the Contractor(s)'s work. Based on information obtained during such visits and on such observation, the Consultant shall endeavor to determine in general if such work is proceeding in accordance with the Contract Documents and the Consultant shall keep the Client informed of the progress of the work.

The purpose of the Consultant's visits to the site will be to enable the Consultant to better carry out the duties and responsibilities assigned to and undertaken by the Consultant during the Construction Phase, and, in addition, by exercise of the Consultant's efforts as an experienced and qualified design professional, to provide for the Client a greater degree of confidence that the completed work of the Contractor(s) will conform generally to the Contract Documents and that the integrity of the design concept as reflected in the Contract Documents has been implemented and preserved by the Contractor(s). The Consultant shall not, during such visits or as a result of such observations of Contractor(s)' work in progress, supervise, direct or have control over Contractor(s)' work nor shall the Consultant have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected by Contractor(s), for safety precautions and programs incident to the work of Contractor(s) or for any failure of Contractor(s) to comply with laws, rules, regulations, ordinances, codes, or orders applicable to Contractors(s) furnishing and performing their work. Accordingly, the Consultant can neither guarantee the performance of the construction contracts by Contractor(s) nor assume responsibility for Contractor(s)' failure to furnish and perform their work in accordance with the Contract Documents.

10. Estimates of Fees - When fees are on a time and material basis the estimated costs required to complete the services to be performed are made on the basis of the Consultant's experience, qualifications, and professional judgment, but are not guaranteed. If the costs appear likely to exceed the estimate in excess of 20%, the Consultant will notify the Client before proceeding. If the Client does not object to the additional costs within seven (7) days of notification, the increased costs shall be deemed approved by the Client.
11. The Consultant is responsible for the safety on site of his own employees. This provision shall not be construed to relieve the Client or the Contractor(s) from their responsibility for maintaining a safe work site. Neither the professional services of the Consultant, nor the presence of his employees or subcontractors shall be construed to imply that the Consultant has any responsibility for any activities on site performed by personnel other than the Consultant's employees or subcontractors.
11. Original survey data, field notes, maps, computations, studies, reports, drawings, specifications and other documents generated by the Consultant are instruments of service and shall remain the property of the Consultant. The Consultant shall provide copies to the Client of all documents specified in the Description of Services.

Any documents generated by the Consultant are for the exclusive use of the Client and any use by third parties or use beyond the intended purpose of the document shall be at the sole risk of the Client. To the fullest extent permitted by law, the Client shall indemnify, defend and hold harmless the Consultant for any loss or damage arising out of the unauthorized use of such documents.

13. No claim may be asserted by either party against the other party unless an action on the claim is commenced within two (2) years after the date of the Consultant's final invoice to the Client.
14. If a Client's Purchase Order form or acknowledgment or similar form is issued to identify the agreement, authorize work, open accounts for invoicing, provide notices, or document change orders, the preprinted terms and condition of said Purchase Order shall be superseded by the terms hereof.
15. Standard of Care - Services performed by Consultant under this agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. No other representation expressed or implied, and no warranty or guarantee is included or intended in any report, opinion or document under this agreement.
16. Liability Insurance - Consultant will maintain such liability insurance as is appropriate for the professional services rendered as described in this Order. Consultant shall provide Certificates of Insurance to Client, upon Client's request, in writing.
17. Indemnification and Limitation of Liability - Client and Consultant each agree to indemnify and hold the other harmless, including their respective officers, employees, agents, members, and representatives, from and against liability for all claims, costs, losses, damages and expense, including reasonable attorney's fees, to the extent such claims, losses, damages or expenses are caused by the indemnifying party's acts, errors or omissions.

The Client understands that for the compensation herein provided Consultant cannot expose itself to liabilities disproportionate to the nature and scope hereunder. Therefore, the Client agrees to limit Consultant's liability to the Client arising from Consultant's professional acts, errors or omissions, such that the total aggregate liability of Consultant shall not exceed \$50,000 or Consultant's total fee for services rendered on this Project, whichever is less.

18. Allocation of Risk - Consultant and Client acknowledge that, prior to the start of this Agreement, Consultant has not generated, handled, stored, treated, transported, disposed of, or in any way whatsoever taken responsibility for any toxic substance or other material found, identified, or as yet unknown at the Project premises. Consultant and Client further acknowledge and understand that the evaluation, management, and other actions involving toxic or hazardous substances that may be undertaken as part of the Services to be performed by Consultant, including subsurface excavation or sampling, entails uncertainty and risk of injury or damage. Consultant and Client further acknowledge and understand that Consultant has not been retained to serve as an insurer of the safety of the Project to the Client, third parties, or the public.

Client acknowledges that the discovery of certain conditions and/or taking of preventative measures relative to these conditions may result in a reduction of the property's value. Accordingly, Client waives any claim against Consultant and agrees to indemnify, defend, and hold harmless Consultant and its subcontractors, consultants, agents, officers, directors, and employees from any claim or liability for injury or loss allegedly arising from procedures associated with environmental site assessment (ESA) activities or the discovery of actual or suspected hazardous materials or conditions. Client releases Consultant from any claim for damages resulting from or arising out of any pre-existing environmental conditions at the site where the work is being performed which was not directly or indirectly caused by and did not result from, in whole or in part, any act or omission of Consultant or subcontractor, their representatives, agents, employees, and invitees.

If, while performing the Services set forth in any Scope of Services, pollutants are discovered that pose unanticipated or extraordinary risks, it is hereby agreed that the Scope of Services, schedule, and costs will be reconsidered and that this Agreement shall immediately become subject to renegotiation or termination. Client further agrees that such discovery of unanticipated hazardous risks may require Consultant to take immediate measures to protect health and safety or report such discovery as may be required by law or regulation. Consultant shall promptly notify Client upon discovery of such risks. Client, however, hereby authorizes Consultant to take all measures Consultant believes necessary to protect Consultant and Client personnel and the public. Furthermore, Client agrees to compensate Consultant for any additional costs associated with such measures.

19. In the event of legal action to construe or enforce the provisions of this work order, the prevailing party shall be entitled to collect reasonable attorney fees, court costs and related expenses from the losing party and the court having jurisdiction of the dispute shall be authorized to determine the amount of such fees, costs and expenses and enter judgment thereof.
20. Termination - The obligation to provide further services under this Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. In the event of any termination, Consultant will be paid for all services rendered to the date of receipt of written notice of termination, at Consultant's established chargeout rates, plus for all Reimbursable Expenses including a 15% markup.
21. Provision Severable - The unenforceability or invalidity of any provisions hereof shall not render any other provisions herein contained unenforceable or invalid.
22. Governing Law and Choice of Venue - Client and Consultant agree that this Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Illinois which is the principal place of business of Consultant. If there is a lawsuit, Client and Consultant agree that the dispute shall be submitted to the jurisdiction of the Courts of the 15th Judicial Circuit, Stephenson County, Illinois.