

MEMORANDUM OF AGREEMENT

PROJECT DATA

Date: December 30, 2014

Project Name: 138 KV Transmission Line Rebuild

Owner's Project Number: N/A BHMG Project Number: 2014-1521

Description of Service See Exhibit A, attached

AGREEMENT DATA

Name: Rochelle Municipal Utilities  
Address: P. O. Box 456, 700 West 2<sup>nd</sup> Avenue  
City: Rochelle, IL 61068 Phone: (815) 561-2040  
Contact: Joe Orlikowski, Superintendent of Electric Operations

Status:  Estimate  
 Quotation

Dates: Start: December 2014 Complete: September 2015

The terms and conditions under which we are providing these services shall apply. Such terms and conditions are set out on the reverse side of this page and incorporated herein by reference.

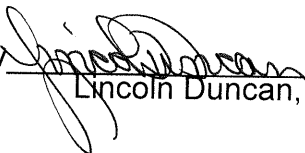
BILLING DATA

Monthly 30 days net  
 Other (explain)

Fee Basis:  Cost Multiplier  
 Lump Sum \$107,400  
 Other

The above is intended as a summary of our agreement for the performance of the work described. Please examine it carefully and, if accurate, indicate your approval and acceptance in the space provided below.

**BHMG Engineers, Inc.**

By  \_\_\_\_\_  
Lincoln Duncan, P.E., Vice President

ACCEPTED

The undersigned hereby states that they represent the owner(s) of the above described project and that the terms and conditions stated above are understood by them and herewith agreed to and accepted. You are hereby authorized and directed to proceed with the work outlined above.

Date \_\_\_\_\_ Signature \_\_\_\_\_

\_\_\_\_\_  
(Print Name & Title)

## **Exhibit A**

This Exhibit is attached to and made part of the Memorandum of Agreement dated \_\_\_\_\_, 2015 between the Rochelle Municipal Utilities (RMU), Rochelle, Illinois (Owner) and BHMG Engineers, Inc. (Engineer or BHMG) providing for professional services.

### **Description of the Project:**

Rochelle Municipal Utilities will be rebuilding approximately 0.55 miles of the existing 138kV transmission line, known as Rochelle Line 1. This work will include the section of line from STR #09044 to STR #03727. This transmission line will utilize steel pole and guyless construction for the transmission structures and wooden distribution poles for the skip-span underbuild.

### **Scope of Professional Services:**

Engineer will provide the following services for this Project:

- Design of transmission line using PLS-CADD.
  - Review survey data of existing line.
  - Discuss design options with RMU.
- Prepare a Request for Proposal for the Steel Poles.
  - Design loading tree for poles as required.
  - Analyses of quotes and supply a letter of recommendation to RMU.
  - Prepare contract document between RMU and selected company.
- Prepare bill of materials for remaining parts to RMU.
  - Assist RMU with the solicitation and analysis of quotes for materials.
- Prepare technical specifications for construction.
  - Release technical documents and drawings for bidding.
  - Evaluate bids and supply a letter of recommendation to RMU.
  - Prepare contract document between RMU and selected contractor.
- Project Management
  - Create detailed project schedule and update weekly.
  - Work with RMU, vendors, and contractors to verify project deadlines are met.
  - Prepare and submit pay request to RMU on a monthly basis.
  - Process any required change orders.
- Construction Observation
  - Provide 16 site visits and periodic observation of construction activities.
  - Provide line staking assistance as needed.
  - Review quality of contractors' work.
  - Sag all conductors.
- Record Drawings
  - Provide record drawings based on field marked prints during construction.
  - Provide initial installed sag and tension details.

**Owner Participation:**

The Owner is requested to assist the Engineer by placing at his/her disposal all available information pertinent to the existing transmission line, including previous reports, designs, records, drawings, maps, and other data which may be useful to the Engineer in the course of the work.

The Owner is requested to designate a person or persons to act as the Owner's representative with respect to the work to be performed under this agreement; and such person or persons should have the authority to transmit instructions, receive information, interpret and define the Owner's policies and decisions pertinent to the work covered by this agreement.

**Engineer's Compensation:**

Compensation for the design, engineering, project management, and construction observation for the rebuild of approximately 0.55 miles of 138kV transmission line in accordance with the Memorandum of Agreement shall be a fixed fee of \$107,400.00, including engineering related out of pocket/actual expenses incurred at the BHMG offices or the project site. The Engineer shall submit monthly payment requests based on the design progress.

**Additional Services of Engineer:**

At the request of the Owner, the Engineer can provide additional services, either directly or through its affiliates, at regular hourly rates for such work plus out of pocket expenses. Such work may include items not otherwise provided for by this agreement.

**TERMS AND CONDITIONS**  
**BHMG Engineers, Inc.**

To assure an understanding of matters related to our mutual responsibilities, these terms and conditions for services are made a part of this agreement for our services:

**AMENDMENTS**

This agreement may be amended in writing providing both the Owner and Company agree to such modifications.

**COMPENSATION FOR SERVICES**

The basis for compensation will be as identified in the agreement.

When "Lump Sum" payment is utilized, it shall include all labor and expenses (for the scope of work as defined in the agreement) incurred by the Company and shall not exceed the fixed payment amount without prior authorization of the Owner.

When a "Payroll Costs" payment is utilized it shall be computed by a multiplier factor times payroll cost plus reimbursable expenses.

The "Payroll Costs" means the salaries and wages paid to all personnel engaged directly on the work plus the cost of customary and statutory benefits including social security contributions, unemployment, health, sick leave, vacation, workman's compensation, incentive and holiday pay applicable thereto.

"Reimbursable Expenses" means the actual expenses incurred directly or indirectly in connection with the work including but not limited to the following: Transportation and subsistence, toll telephone calls, telegrams, reproduction or printing, computer time and outside consultants.

The "Multiplier" is a factor for general direct overhead, indirect costs, profit and other costs. The Multiplier factor rate shall be identified in the agreement.

**TIME OF PAYMENT**

The Company may submit monthly statements for services and expenses based upon the proportion of the actual work completed at the time of billing. Unless provided for otherwise, payments for engineering services will be due and payable thirty (30) calendar days from the issuance of the Company's statement.

**LATE PAYMENT**

If the Owner fails to make any payment due the Company for services and expenses within the time period specified, a service charge of 1-1/2% per month will be added to the Owners account. This is an annual rate of 18%.

**LIMITATION OF LIABILITY**

The Owner agrees to limit the Company's liability to the Owner and to all construction contractors and subcontractors where applicable, on this work, for damages to them, due to the Company's negligent acts, errors or omissions, such that the total aggregate liability of the Company to all those named shall not exceed \$50,000 or the Company's total fee for services rendered on this work, whichever is greater.

**TERMINATION**

This agreement may be terminated by either party upon written notice. Any termination shall only be for good cause such as for legal, unavailability of adequate financing or major changes in the work. In the event of any termination the Company will be paid for all services and expenses rendered to the date of termination on a basis of payroll cost times a multiplier of 2.5 (if not previously provided for) plus reimbursable expenses.

**REUSE OF DOCUMENTS**

All documents including drawings and specifications furnished by Company pursuant to this Agreement are instruments of his services in respect of the work. They are not intended or represented to be suitable for reuse by Owner or others on extensions of this work, or on any other work. Any reuse without specific written verification or adaptation by Company will be at Owner's sole risk, and without liability of Company, and Owner shall indemnify and hold harmless Company from all claims, damages, losses and expenses including attorneys fees arising out of or resulting therefrom. Any such verification or adaptation will entitle Company to further compensation at rates to be agreed upon by Owner and Company.

**ESTIMATES OF COST**

Since the Company has no control over the cost of labor, materials or equipment or over a Contractor(s) method of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost or Construction Costs that may be provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as a design professional familiar with the construction industry, but Company cannot and does not guarantee that proposals, bids or the construction cost will not vary from opinions of probable cost prepared by him. If the Owner wishes greater assurance as to the construction cost, he shall employ an independent cost estimator.