


Holiday Island

Suburban Improvement District

110 Woodsdale Drive
Holiday Island, AR 72631
(479) 253-9700
hisid@holidayislandark.org

TO: HISID Board of Commissioners

FROM: Kevin Crosson, District Manager 

DATE: January 13, 2010

SUBJ: ***Consideration, Engineering Agreement with Mathis, Carter & Associates, P.A.***

Please find attached a Professional Services Agreement with Mathis, Carter & Associates, P.A. (MCA) of Eureka Springs, Arkansas. The District has maintained a very positive contractual relationship with MCA since 2003. The District has a relatively complex water distribution and wastewater collection system, given the size of the community and the terrain. Having access to a qualified engineer (who is also conveniently located in Eureka Springs) to solve system micro-problems and component failures has proven invaluable numerous times. In addition to their service to the District for trouble-shooting/emergency work, they have also designed a number of smaller improvements for the District over the years under this agreement. MCA, under a separate contract, was also the firm that completed the state-approved HISID Water Master Plan in 2004.

Until this year (from \$95/hour to \$110/hour), MCA has not passed on an hourly rate increase to the District since our original agreement in 2003. In addition, the District has required their services consistently on an annual basis so as to always exceed the \$1,000 base retainer fee. The table below outlines the annual fees paid to MCA over the past 5 years:

2009:	\$28,174
2008:	\$25,642
2007:	\$30,854
2006:	\$34,881
2005:	\$30,090

The District will continue to require their services in 2010 at comparable engineering levels, but will not require their licensing for our water and wastewater systems. As a result, we can expect a substantial reduction in expenditures for this contract. Staff will utilize their services to develop plans and specifications for both the sewer lift station rehabilitation project and the initial PRV rehabilitation project, both earmarked in the 2010 CIP. In addition, they will continue to refine and monitor the District's telemetry system, assist staff with the District's water loss program, and assist with various other smaller engineering projects.

Based on the numerous benefits of retaining a local engineer familiar with our system, as well as the level of quality services we have received in the past, staff recommends the Board approve the attached agreement, and authorize the District Manager to execute the document. Feel free to contact me at your convenience with any additional questions or comments regarding this issue. Thank you.

STANDARD FORM OF AGREEMENT
BETWEEN
OWNER AND ENGINEER
FOR
**RETAINMENT OF
PROFESSIONAL SERVICES**

This is an agreement made as of _____, 20____ between The Holiday Island Suburban Improvement District (HISID) (OWNER) and Mathis, Carter & Associates, PA. (ENGINEER).

SECTION 1 - ASSIGNMENT

OWNER wishes ENGINEER to perform professional engineering services, to serve as OWNER's professional engineering representative, and to provide professional engineering consultation and advice for a professional fee (as set forth below) in connection with various requests for Analysis and/or Minor Designs related to the HISID Water and Sewer System, as described in written/faxed work orders from the District, (the "Assignment").

SECTION 2- BASIC SERVICES OF ENGINEER

2.1. ENGINEER shall perform the following professional services:

2.1.1. consult with OWNER to clarify and define OWNER's requirements relative to the Assignment and review available data;

2.1.2. advise OWNER as to the necessity of OWNER's providing or obtaining from others special services and data required in connection with the Assignment (which services and data ENGINEER is not to provide hereunder but on which ENGINEER may rely in performing services hereunder), and act as OWNER's representative in connection with any such service of others;

2.1.3. provide analysis of OWNER's needs with evaluations and comparative studies of prospective solutions;

2.1.4. prepare a Report of ENGINEER's findings and recommendations as necessary, furnish 1 Copy to OWNER and present it in person and review it with OWNER.

2.2. The duties and responsibilities of ENGINEER described above are supplemented and amended as indicated in paragraph 1 of Exhibit A "Further Description of Basic Services, Duties of Owner, Method of Payment and Related Matters" which is attached to and made a part of this Agreement.

2.3. Additional professional services related to the Assignment will be performed by ENGINEER on request of OWNER for an additional professional fee as represented in Attachment "B".

SECTION 3 - OWNER'S RESPONSIBILITIES

OWNER shall:

3.1. provide all criteria and full information as to OWNER's requirements and designate a person with authority to act on OWNER's behalf on all matters concerning the Assignment;

3.2. furnish to ENGINEER all existing studies, reports, electronic and other available data and services of others pertinent to the Assignment, and obtain additional reports and data as required; and ENGINEER shall be entitled to rely upon all such information and services in performing services hereunder;

3.3. arrange for access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform services hereunder; and,

3.4. perform such other functions as are indicated in paragraph 2 of Exhibit A "Further Description of Basic Services, Duties of Owner, Method of Payment and Related Matters."

SECTION 4 - PERIOD OF SERVICE

ENGINEER shall start performing services hereunder within 7 days after receipt of OWNER's written authorization to proceed, and will complete such services and submit necessary Reports continuous throughout the year of 2010. Additional requirements as to the timing of ENGINEER's services in relation to the services of others or the happening of events beyond ENGINEER's control are set forth in paragraph 3 of Exhibit A "Further Description of Basic Services, Duties of Owner, Method of Payment and Related Matters."

SECTION 5 - PAYMENT

5.1. OWNER shall pay ENGINEER for services rendered hereunder plus the cost of all Reimbursable Expenses as indicated in paragraph 4 of Exhibit A "Further Description of Basic Services, Duties of Owner, Method of Payment and Related Matters."

5.2. ENGINEER shall submit monthly statements of services rendered and Reimbursable Expenses.

5.3. ENGINEER's above charges are on the basis of prompt payment of bills rendered and continuous progress of the work on the Assignment

until submission of the Report.

5.4. If OWNER fails to make any payment due ENGINEER for services and expenses within thirty days after receipt of ENGINEER's bill therefore, the amount due ENGINEER shall include a charge at the rate of 10% per month from said thirtieth day, and in addition ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement until ENGINEER has been paid in full all amounts due for services and expenses.

SECTION 6 - COST CONTROL

6.1. OWNER's budgetary requirements and considerations in respect of the Assignment are set forth in paragraph 5 of Exhibit A "Further Description of Basic Services, Duties of Owner, Method of Payment and Related Matters."

6.2. Opinions of probable construction cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs prepared by ENGINEER hereunder will be made on the basis of ENGINEER's experience and qualifications and represent ENGINEER's best judgment as an experienced and qualified design professional. It is recognized, however, that ENGINEER does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractors' methods of determining their prices, and that any utilitarian evaluation of any facility to be constructed or work to be performed on the basis of the Report must of necessity be speculative until completion of its detailed design. Accordingly, ENGINEER does not guarantee that proposals, bids or actual cost will not vary from opinions, evaluations or studies submitted by ENGINEER to OWNER hereunder.

SECTION 7 - MISCELLANEOUS

7.1. All documents prepared by ENGINEER pursuant to this Agreement are instruments of service in respect of the facility that is to be constructed. They are not intended or represented to

be suitable for reuse by OWNER or others in extensions of the facility beyond that now contemplated or on any other facility. Any reuse by OWNER without written verification or adaption by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER.

7.2. The obligation to provide further services under this Agreement may be terminated (a) by OWNER with or without cause upon seven days' written notice to ENGINEER and (b) by ENGINEER for cause upon seven days' written notice to OWNER. In the event of any termination, ENGINEER will be paid for all services rendered to the date of termination, all reimbursable expenses and termination expenses.

7.3. OWNER and ENGINEER, and the respective partners, successors, executors, administrators, assigns and legal representatives of each are bound by this Agreement to the other party to this Agreement and the partners, successors, administrators, assigns and legal representative of such other party in respect of all

covenants, agreements and obligations of this Agreement.

7.4. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than OWNER and ENGINEER.

7.5. This Agreement (consisting of 3 pages) and Exhibit A & B thereto (consisting of 3 pages), constitute the entire Agreement between OWNER and ENGINEER and supersede all prior written or oral understandings between them in respect of the subject matter covered hereby. This Agreement and said Exhibits "A&B" may only be amended, supplemented, modified or canceled by a duly executed, written instrument.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

OWNER: _____

ENGINEER: _____

Telephone: _____

Telephone: _____

EXHIBIT "A"

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3. The time periods for the performance of ENGINEER's services as set forth in Section 4 of said Agreement are amended and supplemented as follows:

A. January, 1 2010 through December 31, 2010;

4. The method of payment for services rendered by ENGINEER shall be as set forth below and the term Reimbursable Expenses payable to ENGINEER shall have the meaning indicated below:

A. Owner shall make a \$1,000.00 a month payment to Engineer at the first of each month. Hourly charges for services rendered will be netted out of retainer fee on a monthly basis. Then Engineer shall submit monthly Invoices Itemizing "Services Rendered," plus "REIMBURSABLE EXPENSES." Reimbursable Expenses are defined as Expenses other than man power.

5. OWNER has established the following budgetary requirements and considerations in respect of the Assignment:

A. \$24,000.00 per year, beginning January 1, 2010;

B. Distribution shall be \$1,000.00 at the first of each month;

C. The Engineer shall submit "Invoice Summary" at the end of each month, depicting Professional Service Fees on a "Per Project" basis;

D. The Engineer shall provide Professional Services on an hourly basis, per Classification of each Employee, per Attached EXHIBIT "B";

E. Review of Professional Fees VS. Annual Budget, by Representatives of the Owner and Engineer shall be no less than once each quarter of year, and no more often than once a month; or as agreed by both parties.

F. At such time during the contract period, the Engineering Fees accumulate to or more than \$24,000.00 prior to the end of the Contract, the Owner and Engineer may negotiate terms for either, [1] additional Budget Funds, or [2] to delay project work until additional funds are available;

G. At such time, if Services and Expenses are less than the annual budget, both parties may negotiate for a Balanced Budget.

Mathis, Carter & Associates, PA

Civil/Environmental Consultants

"RETAINMENT AGREEMENT"

PROJECT NAME/NUMBER:

EXHIBIT "B"

HOURLY RATE PER CLASSIFICATION

Engineer	\$110.00 per hour
AutoCAD/Drafting	\$55.00 per hour
Inspector.....	\$45.00 per hour
Clerical.....	\$30.00 per hour
Professional Witness.....	\$195.00 per hour
Licensed Water Operator	\$1,000 per month
Printing 8½" x 11"	\$0.25 per sheet
Printing 24"X36" B&W.....	\$3.50 per sheet
Printing 24"X36" COLOR.....	\$9.00 per sheet
Printing 36"X48" B&W.....	\$7.00 per sheet
Printing 36"X48" COLOR.....	\$18.00 per sheet
Mileage	\$0.43 per mile
Out-of-Pocket Expenses.....	Actual Cost+10%
All fees for Submittal, Review, Sampling, etc.....	Paid by Owner

2010 hourly rates
Mathis, Carter & Associates, PA
December, 2009