

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2019, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as “City”) and EMC Planning Group, Inc., a California Corporation, whose address of record is 301 Lighthouse Avenue, Suite C, Monterey, California 93940 (hereinafter referred to as “Consultant”).

WHEREAS, City is undertaking a project to prepare a North Merced Annexation Feasibility Study for approximately 7,600 acres in the City’s northern growth area (the “Project”); and

WHEREAS, Consultant represents that it possesses the labor and professional skills and expertise to provide planning services in connection with said Project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Consultant shall furnish the following services: Consultant shall provide the planning environmental services described in Exhibit “A” attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Director of Development Services or his designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit “A” attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. **RESERVED.**

4. COMPENSATION. Payment by the City to the Consultant shall be made monthly in proportion to the services based on time and materials specified in the fixed fee, for work satisfactorily performed within each phase. For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of Four Hundred Twenty-Three Thousand One Hundred Thirty-Six Dollars (\$423,136.00).

5. METHOD OF PAYMENT. Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. RECORDS. It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. CONSULTANT'S BOOKS AND RECORDS. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. INDEPENDENT CONTRACTOR. It is expressly understood that Consultant is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Consultant desire any insurance protection, the Consultant is to acquire same at its expense.

In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System

(PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

- a. Workers' Compensation Insurance. Reserved.
- b. General Liability.
 - (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.

- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.
- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to

in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

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CONSULTANT
EMC PLANNING GROUP, Inc.,
A California Corporation

BY: 

Michael J. Groves
President

Taxpayer I.D. No. 77-126607

ADDRESS: 301 Lighthouse Ave,
Suite C
Monterey, CA 93940

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Exhibit A

Scope of Work

North Merced Annexation Feasibility Study

2.1 SCOPE OF WORK

The scope of work generally follows the requirements set forth in Section III.B of the RFP. Our Team's intention is to execute the scope of work in collaboration with City staff and with maximum efficiency.

Task 1 Project Management

This task includes contract administration, insurance compliance, project team coordination, internal team meetings, monthly invoices, printing costs, and other management-related tasks.

Deliverables: Monthly invoices identifying staff, hours, rates, and amount for each task.

Assumptions: None.

Task 2 Project Kickoff Meeting

As an initial task, the EMC Planning Group Team will organize a kick-off meeting with City staff to discuss the feasibility study scope and schedule. It will be critical to discuss City staff's knowledge of the stakeholders who have expressed interest to date and staff's prior communications with them. It is crucial for our Team not to duplicate prior City staff efforts and to streamline our effort by having full understanding of City staff efforts conducted to date and resource information related to those efforts. Meeting topics will also include communications protocol, extent of City staff role/assistance to the Team, definition of existing plan and resource information to support the existing conditions report and other deliverables, public outreach approach and refinements as necessary, and other issues that are important at early stages of the project.

Deliverables: Meeting agenda, attendance at a kickoff meeting with City staff, and a memorandum addressing key outcomes of the meeting.

Assumptions: The kickoff meeting will be held at the City of Merced Planning Division office in Merced. Any significant changes to the scope of work proposed by City staff as an outcome of the kick-off meeting may require a contract amendment.

Task 3 Research Baseline Conditions

Environmental Resource Baseline Conditions

This task focuses on collecting and reporting a range of environmental resource baseline conditions and land use and policy information that will influence how the annexation implementation strategy is crafted. Baseline condition variables could represent a series of opportunities and constraints to particular annexation pathways and strategies. As such, these variables should be clearly identified. Baseline conditions will be identified solely for the north and east portions of the SOI that are the subject of the feasibility analysis.

Deliverables: Maps of baseline environmental resources conditions. Electronic versions suitable for upload to the City's website by City staff.

Assumptions: All baseline information can be derived from existing information sources. No new environmental resource analyses will be conducted. City staff will manage uploading project information to the City's website unless otherwise requested by City staff.

Wastewater Collection and Treatment Facility Baseline Conditions and Annexation Alternatives Assessment Needs

Stantec will conduct an extensive analysis of existing wastewater conveyance system conditions and wastewater treatment facility conditions. The primary purposes are to understand existing capacity, existing capacity commitments, and options and costs for improvements to both systems. Stantec's full scope of work is included as [Attachment A](#). Stantec's scope tasks 200 through 300 roughly correspond to analysis of existing conditions.

Stantec will also work with the EMC Planning Group Team and City staff to evaluate wastewater collection and wastewater treatment plant improvements, phasing, and costs associated with demand resulting from annexation alternatives to be defined by the Team. Stantec's scope task 400 roughly corresponds to these analysis needs.

Stantec's scope task 100 regarding project management and meetings are also folded into this overall project budget line item.

Economics/Market Conditions

During this phase ADE will begin and complete its analyses regarding existing market conditions to project the short, medium and long-term development potential for each land use under consideration in the study area.

Task 4 Agency, Service Provider and Elected Official Meetings

The EMC Planning Group staff will participate in up to four (4) meetings with Merced County LAFCO, Merced County, and priority responsible agencies and/or service providers. The goal is to scope out key issues and concerns of these agencies and to use that information

as an input to crafting an annexation implementation strategy. Meetings with LAFCO and the County will be particularly critical as they will likely have significant influence on how guidance for City consideration of annexation requests is developed. It is assumed that a meeting with City planning, public works, and administrators may be needed to articulate the City's position on alternatives to annexation, especially out-of-boundary service agreements.

Redsult staff will also meet with elected officials at both the County and the City to provide briefings on issues, annexation concepts and direction and other matters as needed. The purpose is to ensure that the officials informed and given an opportunity to provide input in an informal manner.

Stantec staff will also conduct a series of meetings with agency staff as needed to collect information and discuss wastewater collection and wastewater treatment plant issues.

Deliverables: Four (4) agency meetings, meetings with decision makers and memoranda addressing key outcomes of each meeting.

Assumptions: City staff will be available to attend the for agency meetings to discuss the City's perspectives on agency interests as needed. A minimum of two agency meetings per day will be conducted to reduce travel and other costs.

Task 5 Community Engagement

Task 5-1 Public Outreach/Education

Immediately following the kick-off meeting with City staff, The Ingram Group, Redsult and the EMC Planning Group Team will begin to implement the public outreach program. Tasks are summarized below.

- **Create Database of Stakeholders:** The EMC Planning Group Team will work with the City to identify stakeholders who have expressed interest in annexation. The Team will also work with the County to prepare a map and list of property owners within the study area and to prepare a list of registered voters in the study area. These will serve as the contact information for use in disseminating information to local stakeholders. Responsible and other interested agencies will be included in the database along with other contacts deemed important by City staff based on its prior experience.
- **Informational Handout:** An brief handout about the City's annexation feasibility study purpose and planning process for use in meetings and as general public information, and for placement in City information centers, libraries and other locations such as at the UC Administrative office, to interested organizations such as the Chamber, key community and service groups, etc.

2.0 Scope of Work

- **FAQ Sheet(s):** An expanded FAQ sheet will be prepared as the key educational tool for all stakeholders. It will include information on the annexation process, rights/standing of landowners/registered voters in that process, disposition of existing uses of their land, benefits of annexation in terms of access to urban services and facilities, continued operation of existing businesses, expectations/options for connecting to urban infrastructure and receiving urban services, costs to participate in transitioning into the city; etc. It will also request landowner/voter/process participant input on their interest in being annexed and on their opinions about annexation. The FAQ sheet may be modified up to two times over time as input is derived from recipients and to inform stakeholders of feasibility analysis progress, next steps, and/or events. Each FAQ sheet would be uploaded to the City's website by City staff.
- **Social Media Resources:** The initial handout and the FAQ sheet(s) will also serve as the basis of information to be placed on the City's website and Facebook page, both of which will include links to other pertinent information and studies referenced and prepared during the process. Our Team will collaborate with City and LAFCO staff in identifying other resources that may also be valuable for stakeholder reference. Our Team will monitor comments posted to or sent by stakeholders who utilize social media as a mechanism to participate in the process and inform the Team and City staff of stakeholder interests and issues to be considered in the feasibility study process. Responses to individual posts will not be provided, but rather "bundled" by issue to be reported back to City staff, the Team and decision makers.

The informational materials identified above will be developed in collaboration with City staff and refined based on staff understanding of political and social sensitivities and demographics.

Deliverables: One (1) copy of the initial stakeholder outreach database. One (1) electronic copy of the administrative draft handout. One (1) electronic copy of the final draft handout and one (1) electronic version suitable for upload to the City's website by City staff. One (1) electronic copy of each draft and final FAQ sheet.

Assumptions: The stakeholder list will be created once. No updates to the list are assumed unless specifically requested by individuals or organizations; no more than three hours are allocated to list updates. Outreach materials will be provided in English. Should the City desire materials also be provided in Spanish, this task can be added with a contract amendment. This proposal assumes that the City will print and distribute outreach materials. Alternatively, EMC Planning Group can complete the printing and distribution with a contract amendment.

Task 5-2 Workshops

EMC Planning Group proposes to organize and conduct two (2) community workshops and one (1) joint Planning Commission/City Council workshop that will also be a forum for public input. A preliminary summary of the potential workshop purposes/content is shown below. The purpose and content is subject to change based on input from City staff and input gained from stakeholders and the public as the process unfolds.

- **Community Workshop #1:** General information workshop to be conducted early in the process to: explain the purpose and goals of the feasibility study, provide specific information on annexation procedures and requirements, identify opportunities for and the scope of stakeholder input, and field initial questions. Besides collecting input, this workshop will also set the stage for helping attendees effectively participate in subsequent process steps.
- **Community Workshop #2:** Review of information presented in workshop #1 followed by presentation of information developed to date with a focus on policy and regulatory opportunities and constraints, alternatives to traditional annexation and pros and cons, wastewater collection and wastewater treatment plant conditions, costs and benefits associated with annexation and annexation alternatives, mechanisms available for funding annexation/phased annexation, and general rights and obligations of landowners participating in annexation . Additional opportunity for input on issues discussed at the first two workshops.
- **Joint Planning Commission/City Council Workshop:** Overview of feasibility process to date including information presented at workshops #1 and #2; input received from landowners within annexation area; key variables in annexation pathway recommendations; preliminary proposed recommendations regarding annexation approach, annexation boundaries and phasing; infrastructure; utility and servicing requirements; and next steps for decision making and annexation process management. Discussion of framework policies for guiding annexation pathway as recommended.

Deliverables: Up to thirty (30) sets of workshop handouts including an agenda, PowerPoint presentation, and meeting summary (including key issues and recommendations) for each of the three (3) workshops.

Assumptions: City staff will be available to review presentation materials, coordinate venues, provide input regarding the approach to the workshops, and attend the meetings to provide expertise on City-related matters.

Task 5-3 Assessment Interviews

The Ingram Group and Redsuit, in coordination with the EMC Planning Group, will prepare a questionnaire and conduct up to fifteen (15) stakeholder assessment interviews

2.0 Scope of Work

(landowners and developers) known to be interested in annexing to the city. The purpose is to assist in identifying interests, concerns, factors to be considered, and other pertinent information.

The questionnaire will be designed to elicit input that is consistent across subject areas and interviewees. The input to be targeted during these assessments will be differentiated from input solicited from other landowners/registered voters. Since these stakeholders are likely to be more development “savvy”, we expect to ask more concrete questions about their development interests, project concepts/plans, current/prior efforts to involve other landowners, “readiness” to submit annexation applications, understanding of regulatory permitting/entitlement requirements, and importantly, their willingness to participate in funding catalyst improvements such as wastewater collection and/or treatment infrastructure. To the extent possible, information will be mapped using GIS to assist with considering annexation pathway options.

Deliverables: One (1) electronic copy of the administrative draft survey questionnaire will be provided to City staff for comment; and one (1) electronic copy of the final draft survey questionnaire. GIS based mapping of key variables addressed in the stakeholder assessments. Memo of overall stakeholder assessment findings.

Assumptions: It is anticipated that no more than eight of the interviews will be conducted in person, and that these will be conducted over no more than a total of two days to minimize costs. The remainder would be conducted by phone.

Task 6 Annexation Alternatives Analysis

EMC Planning Group will provide an analysis of the benefits and constraints of potential alternatives to annexation such as out-of-boundary service agreements, establishment of out-of-boundary service districts, etc. As a component of this analysis, the Team will evaluate general infrastructure needs and costs to service up to two annexation location/phasing options. ADE will play an important role in this analysis by addressing infrastructure and facility cost mechanisms that may be crucial to defining the implications of annexation alternatives. Stantec will also provide inputs related to wastewater infrastructure planning and costing variables.

Although this task follows the agency and service provider and community meetings, annexation alternatives is likely a topic that will come up at these meetings. Therefore, we anticipate that these concepts will be evaluated early so that during the meetings, we can manage expectations, if needed, that there actually may or may not be an option to “traditional” annexation.

Deliverables: An alternatives analysis memo will be prepared which contains summary findings regarding alternatives to annexation. The report will include text and maps.

One (1) electronic copy of the draft alternatives analysis will be provided to the City for comment; and up to twenty (20) hard copies of the final memo, and an electronic version suitable for upload to the City's website by City staff.

Task 7 Feasibility Report

EMC Planning Group will prepare a formal analysis that includes findings and recommendations. The crux of the report will be an assessment of annexation pathway options that includes a recommendation for an option if one option is found to be superior. The analysis will be based on the input derived to date, plus critical input from ADE and Stantec regards feasible cost burdens for up to two annexation pathway options, with costing inputs provided by Stantec and other Team members. The report will include the following chapters:

- Introduction, purpose, and process;
- Baseline conditions with GIS maps and conclusions regarding regulatory, policy, natural resource, and infrastructure (with a substantial focus on wastewater collection and treatment infrastructure opportunities and constraints to annexation and development;
- Public Outreach Outcomes
 - Educational materials prepared for dissemination to landowners/voters ; FAQ sheets(s); summary of responses to FAQ sheet questions received from landowners/voters; and summary of information obtained from social media inquiries and comments;
 - Stakeholder Assessments: Educational materials used; assessment questionnaire; assessment results – trends, issues, and conclusions; and GIS maps to visually represent assessment outcomes (if deemed valuable based on inputs received); and
 - Public Workshops: Educational materials prepared; informational handouts prepared; PowerPoint presentations; summaries of input received; and trends/recommendations.
- As has been discussed, landowner/developer interest in being annexed and willingness to contribute funding up front to assemble and deliver a credible annexation application to the City (and to LAFCO) will be of prime outcome of the outreach process.
- Analysis of Annexation Alternatives
Assessment of opportunities and constraints to annexation alternatives including out-of-boundary service agreements;

2.0 Scope of Work

- Evaluation of annexation funding options/willingness to pay by interested landowners and mechanisms for allocating costs among annexation beneficiaries;
- Analysis of annexation pathway options based on economic feasibility associated conceptual development scenario and infrastructure needs for each, policy considerations, entitlement pathway efficiency and opportunities, landowner and voter interests, etc.; and
- Recommendations and Policy Direction. The information presented in individual sections of the analysis will be synthesized to the extent possible in both graphic and text form. Ideally the information will point to a most logical path for one or a series of phased annexations. As has been noted previously, our Team will work with City staff to consider how variables and opportunities and constraints identified by stakeholders should be weighed as part of this synthesis process. Our goal is to present up to three annexation options – each with accompanying maps and discussion of pros and cons to each option. A preferred annexation/phasing option will be selected in collaboration with City staff. One or more options could include one or more alternatives to traditional annexation. This information would be the core of a presentation made to the Planning Commission and City Council during public hearings.

To specify how the preferred annexation option is to be implemented, our Team will prepare policy and action items that provide clear, discrete direction. The guidance must be precise and understandable for a broad range of stakeholders. The intent is to identify step-by-step procedures to be followed, information requirements to be included with annexation requests to the City (including reference to baseline opportunities and constraints and their effect on proposed land uses and development plans/site plans), funding and financial obligations and expectations (including options and recommendations for allocating costs among benefitting landowners/developers), environmental review requirements, standards for City staff review of applications, etc.

As an optional task, our Team can prepare a separate feasibility study product which serves as the “pocket guide” to the feasibility study. It would summarize the key findings and policy/action direction, and include one or two graphics to illustrate the preferred/adopted annexation pathway/phasing. The tool could be used to aid decision makers and as a communications tool by City staff in-lieu of stakeholders having to parse through the feasibility study for facts pertinent to their interests.

Deliverables: One (1) electronic copy of an administrative draft feasibility study and five (5) hardcopies; One (1) electronic copy of a draft feasibility study that incorporates staff

comments on the administrative draft and ten (10) hard copies, and one (1) electronic copy and twenty (20) hard copies of the final feasibility study.

Assumptions: The feasibility study will be a summary of information collected and reported in prior tasks. It is assumed that City staff will not request that new information be generated to support the study. New information can be generated, but a contract amendment may be required to do so. It is also assumed that additional iterations of the feasibility study will not be needed as a result of Planning Commission and/or City Council input on the results. If additional analysis or iterations are needed and requested from the EMC Planning Group Team, a contract amendment would be required.

Task 8 Feasibility Report Presentation/Representation

The EMC Planning Group Team will take leadership in presenting the results of the feasibility study to decision makers and the public. We will also provide support to City staff in its preparation of public materials and feasibility study consideration package information (e.g. staff report, resolutions, etc.), as well as attend public hearings.

As noted, this task includes the following:

- Coordination and preparation of public hearing presentation materials;
- Assistance to City staff in preparing project consideration package materials. It is assumed that City staff will be drafting the project consideration materials, with the EMC Planning Group Team providing comments on minor content if requested;
- Attendance and presentations at up to two (2) Planning Commission public hearings; and
- Attendance and presentations at up to two (2) City Council hearings.

Deliverables: One (1) electronic copy each of draft and final Planning Commission and City Council PowerPoint presentations; one (1) electronic copy of draft and final maps (up to 3) for each hearing; up to a total of thirty (3) color hard copies of PowerPoint presentations; and up to a total of thirty (30) hard copies of each map prepared.

2.2 SCHEDULE

We believe it is in the interest of all parties to complete the feasibility study as quickly as possible. City staff has suggested a target of six months maximum for completing the feasibility study, but that if an increment of additional time is needed to “get it right”, this may be acceptable. We will target a maximum of six months. If factors beyond our control may affect the schedule, these will be identified in coordination with City staff. The public hearing schedule is assumed to be in addition to the six month timeframe.

2.0 Scope of Work

A preliminary schedule is shown on the following page. It should be considered preliminary in that changes are possible in terms of the order of activities as information is developed by the team and acquired through public outreach, agency meetings, elected official meetings, landowner assessments, and City staff input.

2.3 PROJECT BUDGET

The project budget is shown below on the page following the preliminary schedule. The budget has been reviewed by City staff. A number of assumptions are made in the scope of work. If any of the assumptions do not hold, one or more contract amendments may be required.

ATTACHMENT A

STANTEC CONSULTING SCOPE OF WORK

Reference: Proposal for Consulting Services in Support of the North Merced Annexation Feasibility Study

Exhibit A

Consulting Services in Support of the North Merced Annexation Feasibility Study

Scope of Services

The following Scope of Services is for Stantec to assist EMC Planning Group (EMC) and the City of Merced (City) with completion of the North Merced Annexation Feasibility Study (Feasibility Study). Budgets and deliverables are identified to be provided for each task.

TASK 100 COORDINATION, MEETINGS, PROJECT MANAGEMENT AND QA/QC

Stantec will provide project coordination, quality assurance and quality control of work deliverables, and maintain a schedule and budget to help ensure successful delivery of the Project.

SUBTASK 100.001 - PROJECT COORDINATION, PROJECT MANAGEMENT AND QA/QC

Stantec will provide supervision and coordination with our staff and overall coordination of the multiple project activities. Stantec will prepare a Project Implementation Plan outlining the project objectives, deliverables, and work breakdown structure.

Stantec will also provide quality assurance and quality control for our work efforts, including peer review of project deliverables. Documents will be reviewed for correctness, completeness, and coordination with other documents and between disciplines.

SUBTASK 100.002 - PROJECT KICKOFF MEETINGS

Stantec will participate in an internal project team kickoff meeting with EMC staff to review and coordinate regarding implementation of this scope of work. Stantec will also participate in a kickoff meeting with EMC and City staff as an initial work task. It is assumed these meetings will be conducted as conference calls.

Deliverable: Participation in two (2) conference calls.

SUBTASK 100.003 – PROJECT MEETINGS

Stantec will participated in up to six (6) project team status/deliverable review meetings to be scheduled and led by EMC. These meetings are assumed to involve EMC's team members, not necessarily City staff, and to be conducted via conference call.

Deliverables: Participation in six (6) status/deliverable review conference calls.

SUBTASK 100.004 – STAKEHOLDER MEETINGS

Stantec will participate in up to two (2) stakeholder meetings to be held on location at the City of Merced municipal building, or other location assumed to be somewhere within the SUDP defined in the City's Vision 2030 General Plan.

Deliverables: Participation in two (2) stakeholder meetings.

SUBTASK 100.005 – PUBLIC AND CITY COUNCIL MEETINGS

Stantec will attend one (1) City Council or public meeting (as determined in consultation with City and EMC staff, if needed). Stantec will contribute presentation materials for this meeting at the direction of EMC and City staff.

Deliverables: Presentation slides in MS PowerPoint format.

SUBTASK 100.006 – MONITOR PROJECT BUDGET AND DELIVERABLES SCHEDULE

Stantec will monitor the project budget and deliverables schedule and prepare a Monthly Task Summary Report to accompany the invoice for the previous month's work. The status report will review major work activities completed and budget expended.

Deliverables: Monthly Task Summary Report.

TASK 200 SUPPORT ASSESSMENT OF PROPERTY OWNER PURCHASE OF EXISTING COLLECTION SYSTEM AND WWTRF FACILITY CAPACITY

SUBTASK 200.001 PROVIDE GIS MAPPING USED FOR ASSESSMENT DISTRICT DELINEATION TO DATE

Stantec has initiated work to identify the parcels which will benefit from construction of collection system improvements based on criteria provided by the City and as identified in the Final Draft Wastewater Collection System Master Plan (December 2017, Stantec – aka, the December 2017 WCS Master Plan). Stantec will share the GIS data developed in collaboration with City Public Works staff. Stantec will also interact with EMC and City staff to refine this information as necessary to overlay those parcels which the City believes will benefit from construction of additional capacity at the WWTRF.

Stantec assumes our role will be in support of EMC as they work with City staff to confirm which properties have purchased capacity in the existing collection system and identify those which have similarly purchased capacity at the WWTRF. Stantec has not previously considered purchase of WWTRF capacity in development of GIS mapping details for the proposed collection system Assessment District.

Deliverables: GIS data developed to date for properties benefiting from collection system improvements in the December 2017 WCS Master Plan. GIS data modification to incorporate a layer for properties which will benefit from future WWTRF improvements.

TASK 300 ASSESS CAPACITY AVAILABLE AND NEEDED AT THE WWTRF

Stantec recently completed a capacity assessment for the City, under separate contract. The results of that assessment will be summarized and provided to EMC. In addition, based on the outcome of Task 200, Stantec will assist EMC and the City in determining how much capacity is required to serve existing commitments to properties which have "purchased capacity" at the WWTRF. Stantec will also work with EMC and the City to determine an appropriate WWTRF capacity expansion increment to serve initial development of properties within the North Merced Annexation Study service area.

SUBTASK 300.001 – EXISTING WWTRF CAPACITY ASSESSMENT

Stantec will provide EMC the technical memorandum/report recently developed for the City, which summarizes the methodology and results of an assessment of capacity remaining in the

WWTRF. We will also provide text and figures for inclusion in stakeholder outreach materials to be developed by EMC. Specific text and figures have not been defined at this time, therefore our Fee Estimate (Attachment B) includes an allowance for this effort, which can be modified as appropriate after negotiation between EMC and Stantec, and as approved by the City.

Deliverables:

- Provide recent technical memorandum/report on remaining WWTRF capacity.
- Provide text and figures to EMC for inclusion in stakeholder outreach materials which summarize the remaining capacity at the existing WWTRF.

SUBTASK 300.002 – CAPACITY NEEDED TO SERVE WWTRF COMMITMENTS

Based on the results of the property evaluation undertaken by the City, and described in Task 200, Stantec will prepare a brief memo summarizing a comparison of the remaining capacity at the WWTRF and the capacity estimated to be required to serve properties which have “purchased capacity” at the WWTRF.

Deliverable:

- Draft capacity needs memorandum.
- Final capacity needs memorandum.

SUBTASK 300.003 – ASSESS CAPACITY NEEDS AT WWTRF AND SUGGEST NEXT INCREMENT OF EXPANSION

Stantec will evaluate the results of Task 300.002 and input provide by EMC and City staff on the expected demand for WWTRF capacity, expressed by stakeholders as interest in moving forward with development over the next 5 to 7 years. This interest, combined with capacity needs identified in task 300.002 will be used to develop a suggested facility expansion increment for the WWTRF, including a summary of likely process components requiring expansion and associated opinions of probable cost. Stantec will provide a possible timetable for additional capacity associated with this incremental expansion, including needs for NPDES permit and reclamation order modification, detailed planning and design, as well as construction and start-up.

As part of this task, Stantec will also develop planning level costs for the improvements. We will then use these costs to estimate the per EDU cost for new development that would benefit from this additional capacity.

Deliverable:

- Draft expansion increment memorandum.
- Final expansion increment memorandum.

TASK 400 – POSSIBLE SYSTEM PHASING

The December 2017 WCS Master Plan, together with the results and suggestions contained in the preceding tasks 200 through 300, will be used as the basis for Stantec to evaluate and suggest possible phasing options for development of City wastewater infrastructure improvements. In addition, Stantec will accept input gathered by EMC from stakeholder engagement activities, which may include alternative means for phasing either collection system or WWTRF improvements, or both.

SUBTASK 400.001 – POSSIBLE SYSTEM PHASING OPTIONS

Stantec will consider up to three (3) phasing options for the wastewater collection system improvements described in the December 2017 WCS Master Plan and up to two (2) options for phasing of WWTRF improvements. Scoping of the phasing options to be considered will be conducted in collaboration with EMC and City staff. It is anticipated the options to be considered may be developed in concert with the stakeholder group.

Stantec will conduct an evaluation of these phasing options and summarize them in a technical memorandum/report.

Deliverables:

- Draft phasing options TM/report.
- Final phasing options TM/report.

SUBTASK 400.002 – PHASING OPTIONS SCHEDULE AND COST ANALYSIS

Stantec will further support the assessment of phasing options by providing an estimated schedule and cost associated with each. These estimates will be summarized in a brief memorandum, which may be combined with the TM/report to be delivered with Subtask 400.001.

Deliverables:

- Draft phasing options schedule and cost analysis memorandum.
- Final phasing options schedule and cost analysis memorandum.

SUBTASK 400.003 – PREFERRED PHASING OPTION

Stantec will work with EMC, City staff and the stakeholders to identify a preferred phasing approach based on the results of Subtasks 400.001 and 400.002. This preferred approach will be summarized in a brief memorandum. It is possible that this phasing memorandum may be a summary of phasing options acceptable to City staff with final options selected as part of stakeholder project approvals.

Deliverables:

- Draft preferred phasing option memorandum.
- Final preferred phasing option memorandum.

OPTIONAL TASKS

The tasks presented below may offer value to the City and stakeholders and could be implemented concurrently with the scoped tasks above, or subsequently. They may also be best authorized separately, direct with the City as standalone studies/designs.

TASK 500 – OPTIONAL – PRELIMINARY DESIGN OF TRUNK SEWER IMPROVEMENTS

To refine cost estimates and schedules and advance project development, Stantec can complete a preliminary design of the proposed sewer trunk improvements described in the December 2017 WCS Master Plan. This task is included as optional effort to ensure City staff and stakeholders of the possible benefit of developing additional detail regarding the proposed trunk sewer facilities. Existing estimates and those to be developed in the preceding tasks will only be developed to the planning level with limited detail. Completing a preliminary design will provide

a greater level of project detail and associated certainty with respect to cost and schedule estimates. No fee estimate is provided with this optional task. Stantec can provide a more detailed scope and fee separately for this effort, when desired.

TASK 600 – OPTIONAL – IMPROVE CONFIDENCE IN WCS MODEL OUTPUTS

Stantec can provide further analysis of the proposed sewer trunk improvements described in the December 2017 WCS Master Plan. This task is included as an optional effort to ensure City staff and stakeholders of the possible benefit of further evaluation of the hydraulic model used to assess existing and size proposed future trunk sewer facilities. In particular, the model was last calibrated in 2006, prior to significant drought periods and more recent, apparent changes in water usage patterns within the City identified during the recent WWTRF capacity evaluation undertaken by Stantec. This could result in changes to the recommended sewer trunk improvements. While the hydraulic analysis completed for the December 2017 WCS Master Plan was sufficient for that high-level planning study, it is possible that additional flow monitoring to assess current generation, including I/I response exhibited by the system, will support the following possible benefits:

- 1) reduce uncertainty associated with the current model of the system by providing data on actual system response during wet weather conditions and assess dry weather flow contributions from existing sewer sheds, and
- 2) determine that WCS model assumptions utilized to date are either less conservative, overly conservative, or adequate, resulting in the possibility that some WCS facilities contain more or less capacity than previously estimated, and
- 3) some proposed WCS facilities may be over, or undersized based on the analysis to date.

No fee estimate is provided with this optional task. Stantec can provide a more detailed scope and fee separately for this effort, when desired.

TASK 700 – OPTIONAL – REVISE/UPDATE WCS AND WWTRF IMPROVEMENT RECOMMENDATIONS BASED ON ALL AVAILABLE INFORMATION

Stantec can refine and modify, as appropriate, recommendations on WCS and WWTRF facility improvements recommended to date as the result of foregoing Tasks 200 through 600, above. No fee estimate is provided with this optional task. Stantec can provide a more detailed scope and fee separately for this effort, when desired.

BUDGET ESTIMATE

The total budget estimate for the above scope of services is \$103,000. A breakdown of the estimated labor hours and budget by task is shown on Attachment B. This scope (and fee) is our best assessment of the services required. It may or may not be sufficient depending on the number of iterations or level of detail the stakeholders request for decision making. Stantec is happy to amend or change this scope and fee to suit the project needs as the work and outreach process proceed.

This scope does not include a contingency.

Exhibit B

Fee Estimate for Consulting Services in Support of the North Merced Annexation Feasibility Study

	Principal in Charge	Project Manager / Sr. WWTRF Process Engineer	Sr. Public Finance Consultant	Senior Engineer	Associate Civil Engineer	Project Engineer, Public Finance Specialist	Graphics Specialist	Administrative Assistant	TOTAL HOURS	TOTAL STANTEC LABOR	Direct Costs / Materials / Subs	TOTAL
Task 100 - COORDINATION, MEETINGS, PROJECT MANAGEMENT, AND QA/QC												
100.001	4	16						12	32	\$6,144		\$6,144
100.002	4	8	4		4	4			24	\$4,944	\$200	\$5,144
100.003	4	10	4		4	4		4	26	\$5,612	\$200	\$5,812
100.004	4	20	8		4	4	4	4	48	\$9,648	\$750	\$10,398
100.005	4	12	4	2	4	4	4	2	36	\$7,092	\$750	\$7,842
100.006	4	8						8	16	\$2,840		\$2,840
Task 200 - SUPPORT ASSESSMENT OF PROPERTY OWNER BUY-IN TO EXISTING COLLECTION SYSTEM AND WWTRF FACILITY CAPACITY												
200.001		1		2	2				7	\$1,276		\$1,276
Task 300 - ASSESS CAPACITY AVAILABLE AND NEEDED AT WWTRF												
300.001	2	4		8				2	16	\$3,280		\$3,280
300.002	2	16	2	12	12	6	4	2	56	\$10,790		\$10,790
300.003	4	20	2	20	12	6	4	2	70	\$13,808		\$13,808
Task 400 - POSSIBLE SYSTEM PHASING												
400.001	4	20	2	20	24	6	8		84	\$16,150		\$16,150
400.002	2	8	2	12	8	6	4	2	44	\$8,246		\$8,246
400.003	2	12	2	16	12	6	8	4	62	\$11,468		\$11,468
TOTAL COSTS (ROUNDED)												
	36	159	38	92	48	36	36	52*	52*	\$109,576	\$1	\$109,577

Notes:

1. Work efforts are based on the description of tasks provided in the proposed scope of services, Exhibit A.
2. Work efforts do not include contingency, new authorization will be required for new or changed scope conditions.

